

**59<sup>TH</sup>  
ANNUAL  
REPORT**

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**1 APRIL 1988  
TO  
31 MARCH 1989**

**South African Institute  
of Race Relations**



**SOUTH AFRICAN INSTITUTE OF RACE RELATIONS (INC)**  
**SUID-AFRIKAANSE INSTITUUT VIR RASSEVERHOUDINGS (INGELYF)**

**59TH ANNUAL REPORT**

**1ST APRIL 1988 TO 31ST MARCH 1989**

PUBLISHED BY THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS,  
AUDEN HOUSE, 68 DE KORTE STREET, BRAAMFONTEIN, JOHANNESBURG,  
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Executive Director	Mr John Kane-Berman

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Assistant Director : Mrs Sheila Whiteman

Associate Director  
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Mrs Jeanette Gabatlholwe  
Mrs Elizabeth Mthembu

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Miss Queenie Nkuna  
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Mr Tlhoriso Maphike (Deputy Manager)  
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 Miss Isabelle Delvare  
 Mr Robin Hamilton  
 Mr Gary Moonsammy
- Regional Representative : Mrs Bridget Scoble (Cape Western)

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 Mr Duchesne Grice  
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 Most Rev Denis Hurley OMI  
 Dr P R B Lewis  
 Sir Richard Luyt  
 Mr H F Oppenheimer  
 Right Rev P W R Russell  
 Dr Sheila van der Horst  
 Dr Rene de Villiers  
 Dr Oscar Wollheim

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## EXECUTIVE DIRECTOR'S REPORT TO MEMBERS

FOR THE YEAR ENDED 31st MARCH 1989

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Approaching its 60th birthday on 9th May 1989, the Institute had a very successful year; membership continued to increase; research and bursaries went from strength to strength; sales of publications beyond our membership more than doubled; we bought a new building; and we virtually eliminated our accumulated deficit.

We began the 1988/89 financial year with an accumulated deficit of about R136 000. During the year expenditure increased by almost 19%, but income by nearly 31%. The resulting surplus of about R134 000 enabled us to reduce the accumulated deficit to some R2 000. At the same time we were able to set aside a modest reserve for future research.

### Additional Premises

From a financial point of view the highlight of the year was the purchase in February 1989 of Magicprint House, a small building adjoining Auden House, the premises that the Institute has occupied (and owned) in Braamfontein since 1956. Auden House was becoming severely cramped, which was adversely affecting both productivity and morale. With the addition of Magicprint House, we now have modest but adequate accommodation. This includes space for our Bursary Department, which a few years ago had to move out to rented premises up the road to make room for additional research staff in Auden House.

Before deciding to buy Magicprint House we considered a dozen or more other buildings in Braamfontein. All of these would have meant selling Auden House, which for reasons of both tradition and convenience we were loath to do. Moreover, selling Auden House and buying a larger building would have been beyond our means. The purchase of Magicprint House, and necessary refurbishment, including knocking a passageway through from Auden House to the new building, is costing about R800 000. The Institute can finance only about R150 000 of this out of ordinary income and consequently launched a special fund-raising drive to raise the balance. At the time of writing this had not yet been completed but was yielding most encouraging results.

## Membership

In the past few years the Institute has lost 22 members in the corporate/company category as a result of disinvestment. We nevertheless showed a net increase of 32 members in this category in the financial year ended 31st March 1989. The number of institutional members and publications subscribers rose by 76, while the net increase in individual membership was 93. The number of members in all categories thus increased by 201. Our member and subscriber lists continue to embrace a very wide spectrum of individuals and organisations both in South Africa and abroad.

## Research and Publications

Research has always been the Institute's core activity. Although some years ago it was overshadowed by a range of charitable work also undertaken by the Institute, it has now been fully restored to pride of place. A glance at the comments by various newspapers reproduced on the back cover of the annual Race Relations Survey testifies to the esteem in which this irreplaceable publication is held both inside and outside South Africa and across a broad spread of opinion.

The Survey is the only publication in the country monitoring discriminatory practices in virtually every walk of life in a systematic way. For many years there was little to report in the Survey other than the enactment of one discriminatory law after another. It is a source of gratification to the Institute, as it indeed should be to all South Africans, that the Survey is now able to report the repeal or relaxation of a number of discriminatory laws and the continued erosion of others. We will continue to work for the final disappearance of all such laws.

Quarterly Countdown, our monitor of South Africa's progress in carrying out its official commitment to political and social reform, is widely sought after in political and other circles. Its companion publication, Social and Economic Update, which measures progress in reducing material inequality between black and white, has become required reading for anyone seeking to keep abreast of whether or not access by black people to housing, energy, piped water, land, education, transport, and health services is improving.

The year under review also saw the publication of two more reports on the Group Areas Act: one, The Greying of Johannesburg, showed how the Act has been steadily eroded in Hillbrow and elsewhere. In particular it was able to show that white resistance to the experience of having black neighbours was minimal, predictions to the contrary notwithstanding. The other report, Sharing the Cities, looked at residential desegregation in Harare, Windhoek, and Mafikeng. It showed how racial prejudice was undermined by the greater contact across the colour line that came about as a

result of desegregation - contrary to the view often expressed in the past that racial mixing risked provoking friction. These two reports, along with reports published the previous year dealing with property price movements and crime trends in racially mixed areas, have helped to change white thinking on the Group Areas Act, which has of course always been hated by black people. The eight reports on the Group Areas Act that the Institute has published in the last couple of years, as well as direct presentation of some of its research findings to parliamentary committees and other groups, has helped create a climate for the softening and in due course the repeal of this law.

Our research into education also continued. One special report, Training on Separate Tracks, examining prospects for the desegregation of technical education, was published. It followed a report published the previous year on prospects for removing the statutory colour bar from the teacher training system. In the interim the statutory colour bar was indeed removed from technikons, at the beginning of last year. It now looks as if the government has put its toe in the waters of mixed teacher training: a correspondence college in Pietermaritzburg that formerly offered training to white teachers only, now has a hundred or more black students too.

During the year under review the Institute examined ways and means of bringing non-racial state schooling within the reach of a much wider range of people than the private schools are able to cater for. Although the government has recently reiterated its opposition to allowing even underutilised white schools that want to admit blacks to do so, talk by ministers of "strongly subsidised" private schools suggests that the government has become more sensitive to the demand by more and more people of all races for non-racial education. The Executive Director of the Institute suggested in a number of addresses to teacher organisations that the Department of National Education could live up to its name and take under its wing all state schools wishing to desegregate themselves.

We also published a study of the government's role in tertiary education which warned, inter alia, against conditioning students to expect the government to absorb university graduates rather than encouraging them to equip themselves for self-employment or business ventures.

Two reports were issued on urban black townships. One, Urban Policy and Housing, was made up of a series of case studies on negotiations between local black groups and various official bodies about housing in the Pretoria-Witwatersrand-Vereeniging area. The other, Townships of the PWV, was a study of all 32 townships in this area. Using the insights gathered in this research, the Institute was able to assist negotiation. Our research programme aimed at identifying opportunities for negotiation at local level, in particular about housing, is continuing. It has been extended to embrace informal settlements in addition to conventional black townships.

We also published a study of the municipal elections in PWV townships in October 1988. This questioned the way in which both the government and its opponents interpreted the election results. The study drew an obvious conclusion, but one that cannot be underlined enough: stability in black townships cannot be ensured without altering the present local government system there.

Another important publication during the year was Reform Revisited, an update of the earlier Understanding Reform. Both have had a healthy impact on thinking about the reform process and about reform strategies in government, opposition, and business circles. Further studies on this subject are in progress. Sanctions and the Alternatives contained evidence presented by the Institute to a congressional sub-committee in Washington in March 1988, as well as the text of a speech delivered at roughly the same time by the President of the Institute at a conference in Harare, where a number of former heads of state from various countries were among the audience. In the speech Dr Mogoba argued the need for a collective mediatorship to resolve constitutional stalemate in South Africa. We further issued Survival Kit for the Future, the text of Dr Mogoba's 1988 presidential address.

Also published during the year was The Prisoners of Tradition and the Politics of Nation-building. This book was based on discussions around constitutional issues with 22 organisations ranging from the State Security Council and other government officials on the one hand through to exiled groups on the other. The organisations were asked to elaborate on their stated positions on constitutional issues. Prisoners and Politics was a pioneering study: several South African organisations have discussed constitutional questions in recent years, but with only one or two political groups. The Institute is probably the only organisation to have canvassed these issues with such a wide range of political parties and other interest groups. The study reached the conclusion that South Africa will not be able to become a modern democracy until there have been major innovations at the level of ideas and re-alignments at the level of political organisation. It will be followed by a study of how multi-party democracy in South Africa can be promoted and safeguarded.

During the year under review work began on several other policy research projects. One of them is focused on the Land Acts and is looking in particular at the possibilities of increasing black access to land in rural areas outside the homelands, in some of which land is very scarce. An investigation of the migrant labour system is trying to find practical steps that can be taken to enable black workers currently employed on this basis to have the choice of bringing their families with them to their places of work. This project is focusing, inter alia, on the scope for joint action by business and trade unions.

A third project sought to identify ways in which black access to health care can be increased. In particular it tried to show how savings could be effected by eliminating the racial fragmentation of health administration and hospital services. A fourth new

project was embarked upon to measure the performance and cost-effectiveness of regional services councils in the deployment of funds for township upgrading.

Since our policy research programme began in 1986, 19 special reports have been published. At the time of writing this annual report, nine more reports were in various stages of preparation for publication.

### Submissions to Government

Making use of its research, the Institute submitted written formal comment to various branches of government, as follows: Joint Committee on Constitutional Development: Legislation Affecting the Group Areas Act; Standing Committee on Foreign Affairs and Development Aid: Prevention of Illegal Squatting Amendment Bill; Committee for Constitutional Affairs of the President's Council: Some principles constraining the viability of constitutional models for the further development of the Republic of South Africa; Department of Constitutional Development Services: Extension of Political Participation Bill, 1988; and Standing Committee on Constitutional Affairs: National Council Bill.

### Research Briefings

In the past year we have continued our efforts to brief Institute members as well as the media on the Institute's research programme and the thinking behind it. A dinner was held in Durban in August 1988 to brief newspaper editors and corporate members there. This was followed by briefings to individual members in both Durban and Pietermaritzburg. In February 1989 a briefing was held for members of the Cape Western region and the following month a similar briefing for corporate and company members in Cape Town. Briefings for corporate, company, institutional, and individual members were held in Johannesburg in May to coincide with the Institute's 60th birthday.

### Race Relations News

The Institute's official mouthpiece, Race Relations News, has also gone from strength to strength. It serves as a means not only of reporting to members on Institute activities and speeches made by Institute office-bearers, but also carries brief summaries of or excerpts from research reports. In addition, we are attempting to report on views expressed in black and other communities that in our opinion are not adequately covered in either the conventional press or the so-called alternative media.

## Briefings by Institute Office-bearers

The Executive Director and members of the staff receive numerous invitations to talk to organisations all over South Africa. During the 1988/89 financial year more than sixty such invitations were accepted. Institute representatives spoke on English and Afrikaans campuses, to political parties, religious groups, various teachers' associations, South African foreign service officers, chambers of commerce and industry, banks and building societies, firms of accountants and industrial companies, the South African Institute for Librarianship and Information Science, human rights groups, and trade unions.

Numerous visitors called at Auden House for briefings on South Africa, a great many of them being visitors from the United Kingdom, western Europe, and North America. Direct contact with a wide range of foreign visitors, as well as contact with its own members living abroad, gives the Institute a useful reach beyond South Africa.

## Speakers at Auden House

People who appeared at Auden House as guest speakers included Major General Bantu Holomisa, Chairman of the Transkei Military Council, who spoke on "Whither Transkei"; Mr Lawrence Mavundla, President of the African Council of Hawkers and Informal Business (ACHIB), who spoke on "The Rise of the Hawker"; Professor Carel Boshoff, Chairman of the Afrikaner Volkswag (AV), who put "The Case for a White Homeland"; and Professor Lawrence Schlemmer, Director of the Centre for Policy Studies at the Wits Business School, who spoke on "Communist China and South Africa: Some common dilemmas and parallels".

## Bursaries

The year under review saw continued healthy growth in the bursary programmes run by the Institute through its Head Office in Johannesburg and its Cape Western Region. Altogether 1 277 bursaries were awarded for the 1989 academic year, their value being R5,7m. More than 46 000 application forms were sent out in response to requests for them, of which well over a quarter were completed and returned. A breakdown of the awards is as follows:

<u>New Awards:</u> Universities	277
Technikons	90
Teacher Training Colleges	28
Schools	47
	---
Subtotal	442

Continuing

<u>Awards:</u>	Universities	643
	Technikons	56
	Teacher Training Colleges	35
	Schools	101
		---
	Subtotal	835
	Grand Total	1 277

One of our bursars was among the detainees who went on hunger strike in March. He subsequently escaped from hospital and sought refuge at the British Consulate-General in Johannesburg after being assured that he would not be re-arrested. He had been in detention for nine months and resumed his studies at Wits, having obtained two credits for exams written in February while he was in detention. Another of our students in detention was released on 22nd November 1988 after 2 1/2 years. He was placed under 12-hour house arrest and at the time of his release had another two years of his LLB degree to complete.

A possible threat to our bursary programme arises from efforts by some universities to have funds given to them directly. They are able to offer to absorb administrative costs of bursaries, which of course they can do, given their very large government subsidies. The Institute has no such funds to fall back on and consequently finances the administrative costs of each programme out of funds received, although we limit this to 15% of the value of the bursaries themselves.

On 31st March 1989 the Institute issued a press statement pointing out that cutbacks in funding from some donor agencies and rising university costs had compelled us to reduce our new university awards by about 11% for the 1989 academic year. Fortunately, however, the amount available for bursary awards did increase by 15% because some of our donors provided additional money. These included the Dutch government, First National Bank, the Swiss Church Group, a Dominican Sisters' Order in Johannesburg, and the U S Agency for International Development. During the year we signed a fifth amendment to our contract with the U S government, which provided for an additional \$2m, enabling us to increase the number of American-funded students from 70 to 310 from the beginning of 1989. The amendment brought the total value of our contract with the U S government to \$8,2m.

The various bursary programmes administered by Head Office are listed in the financial statements.

## Union of Soviet Socialist Republics

Following an approach to us through a third party, the Executive Director and Deputy Director visited Maseru in May 1988 to meet Dr Boris Asoyan, charge d'affaires of the Russian Embassy there, who entertained us to dinner. As far back as 1985 Mr Victor Gontcharov, Deputy Director of the Institute for African Studies of the Academy of Sciences of the USSR had written to the Institute to establish contact.

The Policy Research Manager, Mr Steven Friedman, and one of his staff, Mr Monty Narsoo, visited the Soviet Union as guests of the Africa Institute in November 1988. They reported back on their visit to a meeting of Institute members and other interested persons in January. They also wrote a report on their trip which was published under the title A New Mood in Moscow?

## Cape Western Region

The Institute's Cape Western Region had a very successful year again. The Regional Committee conducts various vigorous programmes, and is financially self-supporting (although it receives a small subsidy from Head Office based on the number of Institute members resident in the Western Cape).

The Cape Western Bursary Department administers 14 different trusts, as follows: Higher Education Trust, D G Murray Trust, Cape Times Bursary Fund, SAIRR Education Trust, Douglas Murray Trust, Freda Whitehead Progress Trust, Gregoire Boonsaaiier Fund, Eskelsen Fund, Leo Marquard Fund, Lomans Fund, Donald Molteno Fund, Syfrets Charitable Trust, Unilever Fund, and Wadham College Fund. Funds from these trusts provided 333 bursaries in 1988, mainly to students at universities and technikons, although there were also a number of teacher training college and school awards. Only students domiciled in the western Cape are eligible. In 1989 the Cape Western Regional Committee awarded 380 bursaries (which are included in the total listed earlier in this report).

The Cape Western Regional Committee also runs an educational enrichment programme, which provides supplementary instruction and practice to African pupils preparing for matric. More than 1 000 pupils enrolled for classes in 1989 for which the Region provided 22 teachers in English, mathematics, science, biology, history, and geography.

During the financial year the Regional Committee organised nine meetings which discussed matters such as black housing in the Cape peninsula, extra-parliamentary white politics, sanctions, the municipal elections, legal education, and township violence. The Region's annual general meeting in September was addressed by Professor Laurie Ackermann of the University of Stellenbosch on "Human Rights and Race Relations." Professor Ackermann's address was subsequently published by the Region.



Members of the Regional Committee were active in negotiations with government officials and local groups over schooling. Part of the discussions involved a visit by a deputy minister to the Institute's offices in Mowbray. Professor John Cartwright of the University of Cape Town was elected to succeed Mrs Nancy Murray as chairman of the Cape Western Regional Committee.

### Rev Dr Stanley Mogoba

The President of the Institute, the Reverend Stanley Mogoba, delivered his 1988 presidential address on 22nd September under the title Race Relations: Survival Kit for the Future. The following month Mr Mogoba was inaugurated at a ceremony in Queenstown as president (a term later changed to presiding bishop) of the Methodist Church of Southern Africa. Subsequent to the end of the financial year Mr Mogoba received an honorary doctorate from the University of Cape Town. Our entire membership will, I am sure, join me in congratulating him on this honour - and in sharing our delight that he was re-elected President of the Institute in September 1989.

### Thanks

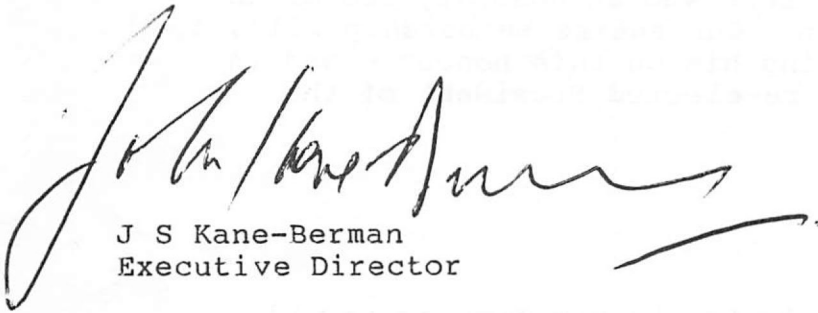
I should like to record our thanks to all our members in all categories for their continued loyal support. After many years of difficulty the Institute is now a financially stable organisation: the main reason for this is the solid support of its membership, not only through annual subscriptions, but also through additional grants for research. The names of members who make additional grants to support our Race Relations Survey appear each year at the front of the Survey. Grants for other research are acknowledged in the resulting publications themselves. In addition to these supporters there are a number of corporate members and individuals who also made additional grants, but do so anonymously. To all of them, our gratitude.

The generosity of donors abroad and in South Africa has enabled our Head Office and Cape Western bursary programmes to grow from strength to strength. To them too, grateful thanks.

Thanks are also due to the various office-bearers of the Institute: Dr Mogoba has numerous calls upon his time from a variety of people, but somehow always manages to make time for the Institute; Mr David Gevisser, Chairman of the Executive Committee, is likewise a busy man, but also gives unsparingly of himself to the Institute. Our Honorary Legal Adviser, Mr Raymond Tucker, performs numerous tasks for the Institute, and never complains about all the demands upon his time. So also our Honorary Treasurer, Mr Tom Wixley, an equally busy man who unfailingly responds to our calls upon his time.

Thanks are also due to members of Council, the Executive Committee, the Finance Committee, and the Cape Western Regional Committee for all the work that they do to make the Institute a continuing and indeed growing success. Thanks are further due to the team of volunteers who staff the Cape Western Region's African Art Centre.

I should also like to record my personal appreciation to the staff for all the work that they do. The fact that the Institute is so vigorous an organisation today, and the fact that its influence is growing and extending to an ever-widening circle of people, testifies to the success of their efforts.



J S Kane-Berman  
Executive Director

12th September 1989

**REPORT OF THE HONORARY TREASURER ON THE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 1989**

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The year saw a further substantial increase in the income received by the Institute. The consolidated income statement showed an increase in income of some R728 000 to R3 083 000, largely in the following categories:

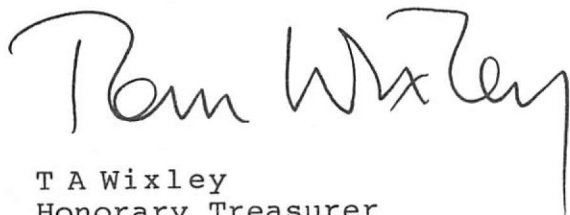
	<u>R</u>
Administration fees for bursaries	287 000
Interest and dividends	136 000
Grants and donations	200 000
Publication sales	67 000

Due to disinvestment and other reasons, it is likely that the flow of funds received from a number of organisations, particularly those based outside South Africa, will not recur. For this reason it is essential, if the Institute is to continue its present rate of activity, that it should secure a reliable continuing source of funds in South Africa.

Institute expenditure according to the consolidated income statement has increased by some R468 000 to a total of R2 949 000. The major increases were in research and administration expenses and in addition, provisions were created for the renovation of the building and for research expenditure. The excess of income over expenditure amounted to R134 000 (1988 loss : R127 000) and the deficit on revenue account has now been substantially reduced.

An important event during the year was the purchase of the adjoining premises, Magicprint House, at a cost of R375 000. The total costs of the property after refurbishment are expected to amount to some R800 000. A substantial sum has already been raised from the corporate members of the Institute towards this project. It is hoped that the full cost will be met out of donations together with the provision for renovation.

Some difficulties were experienced in the administration of the Institute's computerised accounting system during the year but I am pleased to report that these have now been resolved.



T A Wixley  
Honorary Treasurer  
Chairman, Finance Committee

12th September 1989



REPORT OF THE AUDITORS TO THE MEMBERS OF  
THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
(INCORPORATED ASSOCIATION NOT FOR GAIN)  
AND ITS SUBSIDIARY COMPANY

We have examined the Annual Financial Statements and the Group Annual Financial Statements set out on pages 24 to 38. The Financial Statements of a Regional Office, which are incorporated, have not been audited by us. We have relied on the reports of the auditor of this branch not audited by us.

In our opinion, these statements fairly present the position of the South African Institute of Race Relations and its subsidiary company at 31 March 1989 and the results of its operations for the year then ended in the manner required by the Companies Act 1973, as amended.

*Richardson Reid*

RICHARDSON, REID & PARTNERS  
Chartered Accountants (S A)  
Auditors

JOHANNESBURG  
16 August 1989

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
(INCORPORATED ASSOCIATION NOT FOR GAIN)  
AND ITS SUBSIDIARY COMPANY  
REPORT OF THE DIRECTORS

The Directors have approved the attached Financial Statements and submit their Report for the year ended 31 March 1989.

**REVIEW OF THE INSTITUTE'S BUSINESS AND OPERATIONS**

The main activity of the Institute is that of a Research and Educational Welfare Organisation. The Financial Statements adequately disclose the results of the operations of the Institute and the state of its' affairs.

**PURCHASE OF PROPERTY**

The Institute negotiated for the acquisition of an adjoining property, which is to be paid for out of current funds and amounts specifically raised for the purchase.

**DIRECTORS AND SECRETARY**

The following acted as Directors

S M Mogoba	- President of the Institute
D Gevisser	- Chairman of the Executive Committee
T A Wixley	- Honorary Treasurer
J S Kane-Berman	- Executive Director

The Institute does not have a Secretary.

**SUBSIDIARY COMPANY**

The name of the Subsidiary is :

	<u>1989</u>	<u>1988</u>
De Korte Street Properties (Pty) Limited		
Details are:		
Issued Share Capital	6	6
Company's Holding	100%	100%
Book Value of Company's Holding	6	6
Amount Owing to Holding Company	R 128 035	R 128 035

This company acquired property in 1954 at a cost of R 20 500 and erected buildings in 1956 at a cost of R 65 198. This property is occupied by the Institute.

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
(INCORPORATED ASSOCIATION NOT FOR GAIN)  
AND ITS SUBSIDIARY COMPANY  
CONSOLIDATED BALANCE SHEET AT 31 MARCH 1989

	<u>Notes</u>	<u>1989</u>	<u>1988</u>
<b><u>CAPITAL EMPLOYED</u></b>			
NON-DISTRIBUTABLE RESERVE	2	226 631	226 631
ACCUMULATED DEFICIT		(2 204)	(136 215)
		224 427	90 416
SPECIAL FUNDS	3 & 4	2 516 943	2 420 045
LONG TERM LIABILITIES	5	14 900	14 900
		R 2 756 270	R 2 525 361
 <b><u>EMPLOYMENT OF CAPITAL</u></b>			
FIXED ASSETS	6	491 626	116 626
INVESTMENTS	7	2 672 349	2 558 207
Special Funds		2 516 943	2 420 045
Other		155 406	138 162
CURRENT ASSETS		672 609	65 040
Stock	8	2	2
Accounts Receivable	9	491 670	56 228
Cash Resources		180 937	8 810
TOTAL ASSETS		3 836 584	2 739 873
<b>CURRENT LIABILITIES</b>			
Accounts Payable and Provisions	10	1 080 314	214 512
		R 2 756 270	R 2 525 361

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
(INCORPORATED ASSOCIATION NOT FOR GAIN)  
AND ITS SUBSIDIARY COMPANY

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 1989

	<u>Notes</u>	<u>1989</u>	<u>1988</u>
<b>INCOME</b>			
Membership fees and subscriptions		664 802	630 514
Administration fees received		810 917	523 261
Interest		180 546	40 723
Dividends		-	3 227
Grants and donations		1 301 421	1 101 124
Publication sales		114 239	46 682
Rental received		11 203	9 225
		3 083 128	2 354 756
<b>EXPENDITURE</b>		2 949 117	2 481 270
Auditors remuneration		20 950	12 150
Fees for the audit	11	330	435
Secretarial expenses		16 272	123 053
Furniture and equipment written off	1	-	9 633
Interest		162 266	145 674
Library expenditure		22 897	22 115
Lease expenditure		150 000	-
Provision for building renovations		125 000	-
Provision for research		2 451 402	2 168 210
Research and administration expenses			
<b>EXCESS INCOME OVER EXPENDITURE/ (EXCESS EXPENDITURE - 1988)</b>		134 011	(126 514)
<b>DEFICIT AT BEGINNING OF YEAR</b>		(136 215)	(9 701)
<b>DEFICIT AT END OF YEAR</b>		R (2 204)	R (136 215)



THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
(INCORPORATED ASSOCIATION NOT FOR GAIN)

BALANCE SHEET AT 31 MARCH 1989

	<u>Notes</u>	<u>1989</u>	<u>1988</u>
<b><u>CAPITAL EMPLOYED</u></b>			
NON-DISTRIBUTABLE RESERVE	2	226 631	226 631
ACCUMULATED DEFICIT		(2 204)	(136 215)
		224 427	90 416
SPECIAL FUNDS	3 & 4	2 516 943	2 420 045
LONG TERM LIABILITIES	5	14 900	14 900
		R 2 756 270	R 2 525 361
 <b><u>EMPLOYMENT OF CAPITAL</u></b>			
FIXED ASSETS	6	405 928	30 928
INVESTMENTS	7	2 759 956	2 647 628
Special Funds		2 516 943	2 420 045
Other		243 013	227 583
CURRENT ASSETS		669 429	59 829
Stock	8	2	2
Accounts Receivable	9	490 719	53 212
Cash Resources		178 708	6 615
TOTAL ASSETS		3 835 313	2 738 385
<b>CURRENT LIABILITIES</b>			
Accounts Payable	10	1 079 043	213 024
		R 2 756 270	R 2 525 361

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

(INCORPORATED ASSOCIATION NOT FOR GAIN)

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 1989

	<u>Notes</u>	<u>1989</u>	<u>1988</u>
<b>INCOME</b>			
Membership fees and subscriptions		664 802	630 514
Administration fees received		810 917	523 261
Interest		180 512	40 671
Dividends		-	3 227
Grants and donations		1 301 421	1 101 124
Publication sales		114 239	46 682
Rental received		11 203	9 225
		3 083 094	2 354 704
<b>EXPENDITURE</b>			
Auditors remuneration		20 200	11 400
Fees for the audit	11	330	435
Secretarial expenses		16 272	123 053
Furniture and equipment written off	1	-	9 633
Interest		162 266	145 674
Library expenditure		22 897	22 115
Lease expenditure		150 000	-
Provision for building renovations		125 000	-
Provision for research		2 450 304	2 169 145
Research and administration expenses			
		135 825	(126 751)
<b>EXCESS INCOME OVER EXPENDITURE/ (EXCESS EXPENDITURE - 1988)</b>		(1 814)	(38 620)
<b>PROVISION FOR LOSS IN SUBSIDIARY</b>		134 011	(165 371)
<b>ACCUMULATED DEFICIT AT BEGINNING OF YEAR</b>		(136 215)	29 156
<b>DEFICIT AT END OF YEAR</b>		R (2 204)	R (136 215)

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
(INCORPORATED ASSOCIATION NOT FOR GAIN)  
AND ITS SUBSIDIARY COMPANY  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1989

	<u>Group</u>	<u>Company</u>
Cash retained from operations		
Income for year	134 011	134 011
Less : Interest	180 546	180 512
	<u>(46 535)</u>	<u>(46 501)</u>
Items not involving the flow of funds -		
Adjustments on acquisition of fixed assets	16 272	.16 272
	<u>(30 263)</u>	<u>(30 229)</u>
Working capital increase	430 360	428 512
Increase in accounts receivable	<u>(435 442)</u>	<u>(437 507)</u>
Increase in accounts payable	865 802	866 019
Cash generated by operations	400 097	398 283
Net interest received	180 546	180 512
Cash available from operations	580 643	578 795
Investment of funds	(408 516)	(406 702)
Purchase of fixed assets	<u>(391 272)</u>	<u>(391 272)</u>
Increase in investments and loans	(17 244)	(15 430)
Net cash generated	172 127	172 093
Cash resources at beginning of year	8 810	6 615
Cash resources at end of year	<u>R 180 937</u>	<u>R 178 708</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
(INCORPORATED ASSOCIATION NOT FOR GAIN)  
AND ITS SUBSIDIARY COMPANY  
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1989

1. ACCOUNTING POLICIES

1.1 Membership fees

Membership fees are brought to account on a cash received basis with allowance being made for the proportion due in respect of the following accounting period.

1.2 Donations

Donations are brought to account on a cash received basis.

1.3 Special Funds

Funds specifically designated by donors may, at the discretion of the recipient activity, be retained and invested by the Institute pending disbursement.

Net income, after payment of administration and allocation of interest to the Institute, accruing to designated funds is appropriated to the fund concerned.

Bursary Funds and Special Research Projects

The Funds and Projects administered by the Institute are disclosed in these Financial Statements by way of note.

1.4 Fixed Assets

Land and Buildings are not depreciated. Other Fixed Assets are written off when purchased and are shown at nominal value.

1.5 Stock

Stock is valued at nominal value.

1.6 Branch Accounting

Material branch operating results and their assets and liabilities are incorporated in these Financial Statements.

2. NON-DISTRIBUTABLE RESERVE

Specific bequests, surplus on sale of investments and extraordinary donations of a non recurring nature:

	<u>1989</u>	<u>1988</u>
Balance previous year	226 631	168 183
Add: Amounts received	-	30 000
Surplus on sale of shares	-	28 448
	R 226 631	R 226 631

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
(INCORPORATED ASSOCIATION NOT FOR GAIN)  
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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1989

(Continued)

SPECIAL FUNDS

	Bursary Funds	Other Funds and Special Research Projects	Regional Bursary and Other Funds	1989  1988	Total
INCOME	5 408 241	948 447	659 526	7 016 214	5 724 898
Donations and Grants	5 270 825	946 617	610 721	6 828 163	5 559 537
Interest	93 269	1 830	48 805	143 904	117 255
Dividends	44 147	-	-	44 147	48 106
EXPENDITURE	5 767 550	486 671	643 968	6 898 189	5 411 340
Administration Cost	724 789	303 319	70 934	1 099 042	1 444 319
Audit fees	13 305	3 300	-	16 605	12 550
Bursaries and Grants	4 984 627	-	573 034	5 557 661	3 771 140
Project Costs and Contributions to Overheads	44 829	180 052	-	224 881	183 331
(EXCESS EXPENDITURE)/ INCOME FOR THE YEAR	(359 309)	461 776	15 558	118 025	313 558
ACCUMULATED FUNDS AT BEGINNING OF YEAR	1 646 614	207 492	19 577	1 873 683	1 615 861
Accumulated Funds : - Transfers	1 646 614 -	207 492 -	19 577 -	1 873 683 -	1 560 125 55 736
REGIONAL SPECIAL FUNDS	1 287 305	669 268	35 135	1 991 708	1 929 419
	-	-	397 366	397 366	391 366
FUNDS NO LONGER ADMINIS- TERED BY THE INSTITUTE	1 287 305	669 268	432 501	2 389 074	2 320 785
	-	-	-	-	(55 736)
FUNDS AT END OF YEAR	1 287 305	669 268	432 501	2 389 074	2 265 049
DEFICIT BALANCES TRANS- FERRED TO DEBTORS	127 869	-	-	127 869	154 996
	R 1 415 174	R 669 268	R 432 501	R 2 516 943	R 2 420 045

A list of the balances of the Special Funds administered by the Institute appears in Note 4.

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

(INCORPORATED ASSOCIATION NOT FOR GAIN)

AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1989 (Continued)

4. SPECIAL FUND BALANCES AT 31 MARCH 1989

4.1 <u>Bursary Funds</u>	<u>Capital</u>	1989 Amounts held for Bursary <u>Awards</u>	1988 <u>Total</u>
Auerbach Trust	-	222	3 015
Australian Scholarship Fund	-	61 526	68 749
Alan Paton Fund	2 000	2 020	3 720
Andrew Hofmeyer Book Award	10 000	1 685	12 149
B and E Koch Bursary Fund	6 000	1 867	8 598
Ballinger Fund	-	682	-
Boxer Bursary Fund	5 000	1 150	7 412
Dorothy Glauber Bursary Fund	55 000	7 518	71 400
Ellen Hellmann Fund	8 000	217	8 317
Emily Hobhouse Bursary Fund	600	563	1 750
E Z E Scholarship Programme	-	-	7 688
First National Bursary	-	28 416	-
G M Robertson Bursary	-	6 708	17 000
German Academic Exchange Scholarship Programme	-	33 445	236 923
German Enrichment	-	29 657	-
Gert and Irmgard Brusseau Trust	45 990	4 977	95 839
Harvard Foundation	-	14 727	5 083
Horace Coaker Fund	500	17 720	8 357
Isaacson Foundation Bursary Fund	77 628	-	145 706
Kellogg Foundation Bursary Fund	-	152 502	246 273
Lazarus Education Fund	100 000	8 262	102 622
Lewis Stores Bursary Fund	-	-	539
Lomans Cape Bursary Trust	-	34 722	31 149
Luthuli Memorial Foundation Trust Fund	107 883	3 264	129 234
MacFarlane Trust	-	6 340	5 565
Mampu Schools	1 000	538	2 168
Mary Stewart Educational Trust	-	-	1 079
McGraw Hill Trust	-	-	51
Mobil Oil Scholarship Programme	-	8 763	-
Mullin Prize	-	-	10
Murray and Roberts Bursary Fund	-	-	371
National Education Trust	-	11 566	8 019
Netherlands Scholarship	-	46 087	41 463
Norske Emergency Fund	-	-	52 253
Patel Bursary Fund	-	3 826	16 824
Reginald H Smith Bursary Fund	10 000	78	15 097
Robert Shapiro Trust	55 878	16 215	48 114
Senior Teachers Training Trust	-	56 862	56 847
Sir Robert Birley Trust	1 500	-	2 791
South African Institute of Race Relations Education Trust	-	150	-
South African Scholarship Programme (USA)	-	315 121	234 231
Swedish Church Mission Scholarship Programme	-	5 870	6 377
Carried forward	486 979	883 266	1 702 783

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

(INCORPORATED ASSOCIATION NOT FOR GAIN)

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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1989 (Continued)

4. SPECIAL FUND BALANCES AT 31 MARCH 1989

4.1 <u>Bursary Funds (ctd)</u>	Capital	1989 Amounts held for Bursary Awards	1988  Total
Brought forward	486 979	883 266	1 702 783
Swiss Church Group			
Scholarship Programme	-	13 043	44 845
Tastic Rice Bursary Fund	-	-	189
Unilever Fund	-	1-	1 721
W I R C P	-	-	2 062
World University Service of Canada	-	15 701	39 095
Yvonne Rabbow Memorial	16 185	-	-
	<u>R 503 164</u>	<u>R 912 010</u>	<u>R 1 790 695</u>
<u>Total Bursary Funds</u>		<u>R 1 415 174</u>	<u>R 1 790 695</u>
 4.2 <u>Special Research Projects</u>		<u>1989</u>	<u>1988</u>
Caterpillar		15 000	15 000
Constitution		26 505	-
Countdown		17 093	-
Education		76 351	-
Ford Foundation - Labour		-	21 280
Ford Foundation - Security		2 000	848
ISU / LFO		354 838	-
Mobil S A		15 617	-
Mobil S A (Phase 3)		50 000	-
Philadelphia		8 507	8 728
Research & Library		-	500
Social Desegregation		47 663	-
Social Economic Update		40 694	9 000
Sterling Drug		15 000	15 000
Warner Lambert		-	148 051
Total Special Research Projects		<u>R 669 268</u>	<u>R 218 407</u>
4.3 <u>Funds Administered by Regions</u>		<u>R 432 501</u>	<u>R 410 943</u>
 <u>TOTAL SPECIAL FUNDS</u>		<u>R 2 516 943</u>	<u>R 2 420 045</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1989 (Continued)

5. LONG TERM LIABILITIES

Secured

Secured by a first mortgage bond over land and buildings in Cape Town, with a book value of R 30 928. There is no interest payable at present.

R 14 900

R 14 900

6. FIXED ASSETS

<u>Institute</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>1989 Book Value</u>	<u>1988 Book Value</u>
Land and buildings	405 922	-	405 922	30 922
Furniture and equipment	397 512	397 508	4	4
	<u>R 803 434</u>	<u>R 397 508</u>		
Library - At Nominal Value			<u>2</u>	<u>2</u>
			<u>R 405 928</u>	<u>R 30 928</u>



THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1989 (Continued)

6. FIXED ASSETS (Continued)

<u>Consolidated</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>1989 Book Value</u>	<u>1988 Book Value</u>
Land and Buildings	491 620	-	491 620	116 620
Furniture and Equipment	397 512	397 508	4	4
	<u>R 889 132</u>	<u>R 397 508</u>		
Library - At Nominal Value			2	2
			<u>R 491 626</u>	<u>R 116 626</u>

Details of Land and Buildings

Freehold property, Erf 28701, situated at  
No 5 Long Street, Mowbray, Cape Town  
Purchased January 1975  
Improvements during that year

27 723	27 723
3 199	3 199
<u>R 30 922</u>	<u>R 30 922</u>

Municipal valuation

<u>R 29 240</u>	<u>R 29 240</u>
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Freehold stand, lot 5088 Jhb Township  
situated at 70 De Korte Street  
Braamfontein - purchased 1989

<u>R 375 000</u>	<u>R -</u>
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Freehold property stand no. 2794  
situated at 68 De Korte Street, Braam-  
fontein.

Purchased 1954	20 500	20 500
Building erected 1956	65 198	65 198
	<u>R 85 698</u>	<u>R 85 698</u>

Valuation by J H Isaacs - 1988

<u>R 640 000</u>	<u>R 640 000</u>
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7. INVESTMENTS

7.1 SPECIAL FUNDS

7.1.1 Bursary Funds

Participation Mortgage Bonds	140 000	116 500
Fixed Deposits	107 590	107 885
Carried Forward	<u>247 590</u>	<u>224 385</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1989 (Continued)

7.1.1 <u>Bursary Funds (Continued)</u>	<u>1989</u>	<u>1988</u>
Brought forward	247 590	224 385
Listed Investments (Market value R794 294 1988 - R 625 968)	8 485	8 485
500 De Beers Con. Prefs	500	500
7 000 Anglo American Corp	700	700
81 Barlow Rand Pref. Shares	316	316
200 Tiger Oats	200	200
1 366 Barlow Rand	137	137
136 First National	746	746
240 Western Deep Levels	240	240
500 Trans Natal Coal	5 146	5 146
1 000 Anglo American Coal	500	500
Local Registered Stock	76 926	76 926
9,625% Phalaborwa Water Board	7 000	7 000
9,5% Newcastle Town Council	9 926	9 926
9,25% Escom	60 000	60 000
Building Society Shares	-	10 108
Cash Deposits	305 067	259 000
Cash on Savings Accounts	44 981	32 390
Debtors	558 542	157 675
Cash Resources	558 656	1 042 636
	<u>1 800 247</u>	<u>1 811 605</u>
Less: Creditors	385 073	20 910
<u>Total Bursary Funds</u>	<u>R 1 415 174</u>	<u>R 1 790 695</u>
7.1.2 <u>Special Research Projects</u>		
Cash on Call	678 512	199 000
Debtors	2 569	10 915
Cash at Bank	-	27 890
	<u>681 081</u>	<u>237 805</u>
Less: Creditors	11 813	19 398
<u>Total Special Research Projects</u>	<u>R 669 268</u>	<u>R 218 407</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1989 (Continued)

7.1.3	<u>Funds Administered by Regional Office</u>	432 501	410 943
		-----	-----
	<u>TOTAL SPECIAL FUNDS INVESTED</u>	R 2 516 943	R 2 420 045
		-----	-----
7.2	<u>OTHER FUNDS</u>		
	Cash on Call and on Deposit	85 776	76 800
	Other Funds administered by Regional Office	69 630	61 362
		-----	-----
	Consolidated Investments	155 406	138 162
	Investment in Wholly Owned Subsidiary	87 607	89 421
		-----	-----
	Shares at Cost	6	6
	Loan to Subsidiary (net of provision for losses incurred)	87 601	89 415
		-----	-----
	<u>TOTAL OTHER INVESTMENTS</u>	R 243 013	R 227 583
		-----	-----
	<u>TOTAL INVESTMENTS</u>	R 2 759 956	R 2 647 628
		-----	-----

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1989 (Continued)

8.	<u>STOCK</u>	<u>1989</u>	<u>1988</u>
	Stock Comprises -		
	Finished Goods, Books and Publications	R 2	R 2

Stock has been valued as stated in Note 1 on a basis consistent with that of the previous year.

9.	<u>ACCOUNTS RECEIVABLE</u>	<u>1989</u>	<u>1988</u>	<u>1989</u>	<u>1988</u>
	Amounts due from bursary funds	371 768	27 257	371 768	27 257
	Trade and other debtors -				
	Head office	59 807	23 932	60 758	26 948
	Regional	59 144	2 023	59 144	2 023
		<u>R 490 719</u>	<u>R 53 212</u>	<u>R 491 670</u>	<u>R 56 228</u>

10.	<u>ACCOUNTS PAYABLE AND PROVISIONS</u>	<u>1989</u>	<u>1988</u>	<u>1989</u>	<u>1988</u>
	Amount owing for purchase of property	375 000	-	375 000	-
	Provision for research	125 000	-	125 000	-
	Provision for renovations of property	150 000	-	150 000	-
	Membership fees in advance	204 000	99 289	204 000	99 289
	Amounts due to bursary funds	154 244	13 594	154 244	13 594
	Trade and other creditors -				
	Head office	53 677	86 384	54 948	87 872
	Regional	17 122	13 757	17 122	13 757
		<u>R 1 079 043</u>	<u>R 213 024</u>	<u>R 1 080 314</u>	<u>R 214 512</u>

11.	<u>AUDITORS REMUNERATION</u>	<u>1989</u>	<u>1988</u>
	Fees for the Audit including management services		
	General	20 200	10 200
	Bursaries	13 305	12 550
	Special Research Projects	3 300	1 200
	De Korte Street Properties	750	750
		<u>R 37 555</u>	<u>R 24 700</u>

These fees which include amounts paid to Regional Auditors are allocated both to the expenses of the Institute and to Special Research Projects.

12. COMMITMENT

There is a commitment in respect of renovations and refurbishment of the Institute's properties in De Korte Street, Braamfontein, amounting to R425 000, which is to be financed out of internal resources and specific grants from members.

