

**South African  
Institute of  
Race Relations**

**65th Annual Report  
1st April 1994 to 31st March 1995**

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**SOUTH AFRICAN INSTITUTE OF RACE RELATIONS (INC)**

**65th ANNUAL REPORT**

**1st APRIL 1994 TO 31st MARCH 1995**

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**CHIEF EXECUTIVE'S REPORT TO MEMBERS  
FOR THE 1995 ANNUAL GENERAL MEETING  
ON 25TH AUGUST 1995**

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## **INTRODUCTION**

The first year and a bit under the country's new constitution saw the return of political stability, a second consecutive year of economic growth, and South Africa's regaining of international acceptability.

South Africans travelling abroad no longer have to fear being confronted with televised pictures of policemen sjambokking or shooting black demonstrators but are far more likely to hear their country held up as an example for Bosnia-Herzegovina or Northern Ireland to follow. What became widely known as the "miracle" of the political transition seemed to reach a climax when the rugby Springboks, hitherto regarded by many black South Africans as little more than white supremacists at play, went on to win the world rugby crown in June after receiving the backing of President Nelson Mandela. South Africans and foreigners alike marvelled at the president's lack of bitterness towards whites.

Yet many people were troubled. Car hijacking, violence in the taxi industry, and other forms of crime instilled fear across the country. There were indications that crime was replacing apartheid as a major disincentive to foreign investment in South Africa. Perhaps the most ominous feature of the year was the government's procrastination and prevarication over bringing to justice those responsible for what has become known as the Shell House massacre. This was not the first or even the bloodiest act of slaughter in the period leading up to the repeal of the apartheid constitution. It was ominous in that the new government, like its predecessor, chose to put its own party-political interests above the law.

Moreover, race continues to pop up in every walk of life, although on nothing like the scale of the organised inhumanity that was apartheid. There is obvious resentment among coloured people that affirmative action programmes are being implemented with only Africans in mind as beneficiaries, while some people newly in power seek to dismiss criticism if it comes from "whites". Sixteen years ago the Craven schools rugby week was in the news because blacks were excluded. At the time of writing it was in the news again because racial quotas had been suggested for participating teams. Twenty-five years ago the view among non-racial sports organisations was that even if teams were uni-racial it would not matter as long as they were selected on merit. As the president of the non-racial South African Rugby Union put it in 1972, "All we want is a chance to play for South Africa on merit in trials. If, as a result, an all-white team is selected it will also represent the coloured community."

Clearly this view was over-optimistic. Whether justified or not, demands for greater racial "representivity" in the public service, or for transformation of academic institutions, or for racial quotas on company boards, or for black business to receive favourable treatment, all indicate that racial thinking in South Africa is by no means a thing of the past.

## FINANCE AND MEMBERSHIP

The financial year which ended on 31st March 1995 saw a 1% drop in the Institute's income and a 5% rise in expenditure. The result was that the surplus dropped from R547 000 in the previous year to R271 000. The amount we were able to transfer to research reserves dropped from R500 000 to R200 000, mainly as a result of a decline in grants received for research. Although income from membership was 12% higher than in the previous year, there were signs towards the end of the financial year that some of our members believed that the advent of universal adult suffrage and the repeal of statutory apartheid meant that the Institute's job was done. This faulty view necessitated efforts to define our role in the post-apartheid era more clearly.

## RESEARCH AND PUBLICATIONS

In August last year, with the sponsorship of the Friederich Naumann Foundation, the International Republican Institute, and the Westminster Foundation for Democracy, the Institute launched a new initiative, the Free Society Project, to promote South Africa's consolidation as a liberal democracy - a society based on individual liberty, free enterprise, limited government, and the rule of law. The project is designed to assess South Africa's performance according to liberal democratic principles, identify and encourage developments strengthening these values, and expose trends in the opposite direction - towards authoritarianism.

Five issues of **Frontiers of Freedom**, the project's quarterly watchdog, were produced during the period under review. The title of this new publication was taken from Mr Mandela's speech opening parliament in May 1994 when he said, "The purpose that will drive this government shall be the expansion of the frontiers of human fulfilment, the continuous extension of the frontiers of freedom".

The first issue of **Frontiers** outlined the challenges facing South Africa in the post-apartheid era, while later issues assessed the performance of the government of national unity after its first year in office. Coverage of labour included an assessment of attempts to increase the regulation of labour markets, two articles expressing opposite viewpoints on whether or not the state should discriminate against whites-only trade unions, and four on affirmative action. Whether or not workers in essential services should be allowed to strike was also discussed. The government's gingerly approach to privatisation was among the economic issues examined, along with shifts in ANC economic policy, land reform, the deregulation of agriculture, and the tricky issues involved in tariff reform in the manufacturing sector.

Our coverage of education dealt with changes to curricula, intolerance on some university campuses, apprehension about attempts to interfere with the autonomy of universities, how political correctness was taking hold of people in the academic world, and claims that standards in tertiary institutions were dropping. Efforts to rebuild liberalism on university campuses were reported, while **Frontiers** also assessed (favourably) the extent to which desegregation of secondary schools was proceeding.

A politically incorrect article questioning some of the claims made by environmentalists provoked some hostile letters to the editor - as did our attack on the truth and reconciliation commission, which **Frontiers** predicted would be a one-sided exercise. Political interference in the performing arts was examined, along with attempts to diminish

access to information at state libraries.

In the human rights field, we looked at the government's international obligations, the denial of rights to illegal immigrants, legislation enhancing or undermining the bill of rights, and the likely effects of including socio-economic, or "second generation", rights in the constitution. Articles criticising the new statutory human rights commission as an intrusive body possibly helped to dilute some of its powers. In the field of justice we looked at the problems posed by mob justice and "people's courts" and examined suggestions that the executive intends to undermine the independence of public prosecutors. The problems of crime, lawlessness, and violence were extensively covered. We also carried an article attacking the seemingly never-ending releases of criminals from prison.

Other articles looked at the growth of various types of lobby, press freedom, challenges facing South African liberals, the need for stronger parliamentary opposition, the need to be vigilant in the defence of free expression, the timidity of Afrikaans opinion formers, reactions of politicians to signs of dissent, corruption, and media coverage of Africa.

Ten issues of **Fast Facts** were published. Particularly popular were several issues devoted to the nine new provinces. **Fast Facts** indeed led the field in analysing and presenting data on the basis of the new provinces. *Provinces in Profile* - issued in July 1994 - was the first such analysis published anywhere. A special double issue of **Fast Facts** in February/March 1995 carried an updating article on each province giving basic demographic and economic data, along with outlines of policy or problems in the fields of politics and administration, law and order, development, health and welfare, education, and housing. Boundary disputes between provinces were reported where these occurred. Subsequent issues of **Fast Facts** also carried comparative data on the provinces in various fields. The controversial provincial budget allocations were also assessed. The issue published in August 1995 carried the first in a series of articles specially written for **Fast Facts** by provincial premiers.

Other articles in **Fast Facts** dealt with the forthcoming October Household Survey, forestry, the problems surrounding illegal immigrants, education levels in South Africa over the past decade, farmworker housing, land reallocation, population growth, the environment, and urbanisation. We also published an article querying some of the claims made about primary health care funding, a guide to the "new who's who" running South Africa, an analysis of conflicting figures on the housing shortage, and several articles on the reconstruction and development programme. **Fast Facts** also carried international comparative data - some of it conveyed by maps - on population size, national income per head, domestic purchasing power, and public holidays. The *Fast Stats* page at the back carried a wide range of economic and socio-economic data and forecasts, as well as a regular update of political violence figures. As usual, the January issue of **Fast Facts** was a crisp summary of all the key points and projections for the coming year that were carried in much greater detail in the 1994/95 **Survey**, published in April.

The **Survey** was dedicated to Miss Muriel Horrell, who did so much to establish it. Like **Fast Facts**, it carried as much data broken down provincially as possible. A particularly striking feature of the **Survey** is the extent in which **Survey** writers seek to get information not only from the press, which is the most easily available source, but also from primary sources including official documents and reports of specialised agencies in various fields. Where information is not available from the press or from published reports research staff have increasingly sought to obtain it direct from ministers,

government departments, members of provincial executive committees, specialists in particular fields, banks, and the like. The 1994/95 **Survey** - the 58th since the issue covering 1935 was published in 1936 - has the distinction of being the one that covers South Africa's transition from a state based on a restrictive franchise and absolute parliamentary sovereignty to one based on universal adult suffrage and an entrenched constitution by which parliament and the executive branch of government are bound.

Four special publications were also issued. **The New Liberals** contained the edited transcripts of a one-day seminar on that issue held the previous year and contained a useful reminder that a simple set of guidelines for liberals in South Africa today had come out of the conference: don't apologise for being a liberal; organise; and go on the offensive. **Politicians, Teaching and the Arts: Auguries for the New South Africa** also contained the edited transcripts of a one-day conference, whose purpose was to explore the capacity of cultural and educational groups to maintain their independence of political groups. **People, the Environment, and Change**, sponsored, like the report just referred to, by the American National Endowment for Democracy, examined new environmental groups with a view to assessing their viability, independence, and influence.

Finally, **Tertiary Pass Rates in South Africa** came out as the fifth in a series of studies sponsored by the United States Agency for International Development, which makes a major contribution to education in South Africa, inter alia through the Institute's bursary programme. The studies are designed to provide information that would help strengthen bursary programmes and other educational initiatives in South Africa.

At the time of writing, arrangements were being made to make Institute publications accessible to members via Internet.

## LECTURES, CONFERENCES, AND OTHER FUNCTIONS

During the first year of our Free Society Project either I or, on a few occasions, the Senior Public Affairs and Policy Manager on my behalf, gave formal briefings to 25 separate audiences evaluating South Africa's performance as a free and open society. These included meetings of Institute members in Cape Town, Durban, Pietermaritzburg, and Johannesburg and gatherings in Washington DC and London. In addition, briefings were given by Institute staff to delegations and visitors to the Institute from the United Kingdom, Switzerland, Hungary, the Czech Republic, Zimbabwe, the Republic of China, Holland, the US, France, and Germany. Those briefed included academics, businessmen, and diplomats. Private briefings were also given to members of South African, British, and American media.

We seem to have got in first with our briefings evaluating the performance of the government of national unity in its first year in office, which received considerable coverage in newspapers around the country.

Since last year a variety of other functions have been held for our members, as follows:

21st October 1994

Robert Charlton, vice-chancellor and principal of the University of the Witwatersrand, on **Universities, Change, and Academic Freedom in the 1990s**

7th December 1994	Harry Schwarz, a former opposition MP and more recently South Africa's ambassador in Washington DC, on <b>Expanding the Frontiers of Freedom - Lessons from the US</b>
13th December 1994	Martin Williams, senior assistant editor of <i>The Citizen</i> , on <b>The Press - More Equal than Others?</b>
18th January 1995	Peter Zimmerman, associate dean for teaching programmes at the John F Kennedy School of Government, Harvard University, on <b>Black Advancement and Affirmative Action: The Scenarios</b>
21st February 1995	Ingo von Münch, professor of public and constitutional law, and director of the Institute for International Affairs at the University of Hamburg, on <b>Separating Party and State after Liberation</b>
10th May 1995	Lawrence Schlemmer, vice-president of the Institute, on <b>Against the Odds: The Consolidation of Democracy in South Africa</b> and John Kane-Berman on <b>The Role of the Institute in the Post-apartheid Era</b>
21st June 1995	David Green on behalf of Ralph Judah, chairman of 'Monitor Africa', on <b>The Outlook for South African Industry</b>
27th July 1995	Malcolm Lennox, a former vice-president of the Students' Representative Council at the University of the Witwatersrand, on <b>Lowdown on University Transformation</b>
25th August 1995	George Trail, former American ambassador in Nigeria and elsewhere, on <b>The importance for Africa of South Africa's success - or otherwise - in building a modern democracy</b>

## NATIONAL BURSARIES

The overall pass rate for our students in all years of study in 1994 was 91%, as against 86% in 1993. Altogether 209 students graduated with the assistance of Institute bursaries at the end of 1994. This means that the total number who have graduated on bursaries run by the Institute's head office since 1982 is now 1 118.

The 209 students graduating at the end of last year were in the following fields of study: law 32, arts 31, commerce 29, science 30, education 21, medicine 19, health science 17, business administration 12, engineering 11, architecture 4, and dentistry 3.

The following bursary awards, worth R14 426 479, were made for 1995:

	<i>Continuing</i>	<i>New</i>	<i>Total</i>
University	620	137	757
Technikon	67	173	240
Teacher Training	4	15	19
Secondary School	42	17	59
	<hr/>		
Total number of students	733	342	1 075

The 310 new university and technikon awardees in 1995 chose the following fields of study: commerce 71, engineering 55, science 49, law 45, business administration 33, education 29, health science 15, arts 7, medicine 4, and architecture 2.

In the last 12 years the Institute's head office has awarded more than R74m worth of bursaries to black students, while the contribution of the Cape Western region to black education through bursaries brings the total to R84,5m:

<i>Year</i>	<i>Head Office</i>	<i>Cape Western</i>	<i>Total</i>
1994/95	14,2m	2,2m	16,4m
1993/94	12,6m	1,9m	14,5m
1992/93	10,1m	1,9m	12,0m
1991/92	7,2m	1,5m	8,7m
1990/91	8,0m	0,9m	8,9m
1989/90	4,9m	0,7m	5,6m
1988/89	5,0m	0,6m	5,6m
1987/88	3,4m	0,3m	3,7m
1986/87	2,8m	-	2,8m
1985/86	1,9m	-	1,9m
1984/85	1,6m	-	1,6m
1983/84	2,8m	-	2,8m
	<hr/>		
Total	74,5m	10,0m	84,5m

USAID made a further grant of R3,78m to fund 23 university and 10 technikon students over five years. USAID also agreed to convert the remaining US\$2,8m in our contract with them signed some years ago at the current exchange rate rather than the rate prevailing when the contract was signed. The remaining rand value of the contract was R2,2m and the conversion at the current exchange rate brought in a windfall of R6,77m. USAID agreed that this be used to fund 626 final-year university and technikon students and also 20 students on each of the following programmes: Funda Centre Community College, Headstart College Cape Town, and Khanya College.

A sub-agreement has been entered into with the University of Natal to fund a further 38 students on the Test-Teach-Test Programme. This too was brought about by USAID's agreeing that the remaining dollars be converted at the current exchange rate, making an additional R1,4m available.

We submitted a memorandum to the Finance Task Group of the National Commission on

Higher Education. Our document recommended that non-governmental organisations (NGOs) be encouraged to continue seeking funds both in South Africa and abroad to channel into bursary programmes. The Institute believes that it would be thoroughly undesirable if foreign donors to South African bursary programmes were now to abandon these programmes and divert the money to government.

Dr Rudolf Gruber, a member of the Council of the Institute, received an offer of three post-graduate scholarships for South African students from the UNESCO Polish Committee in Warsaw. The Institute identified three candidates from its graduates, who, if their applications are successful, will begin their six-month courses in January next year. All expenses in Poland are being met by UNESCO.

## CAPE WESTERN REGION

The Cape Western region put most of its efforts into education through its bursary, enrichment, and headstart programmes.

The region provided bursaries to the value of R1,4m for attendance at technikons and universities in 1995. This was a 24% increase on the previous year and was partly due to the D G Murray Trust's doubling of its contribution. Assistance was given towards book purchases and transport with the help of a generous donation of R25 000 from Mr and Mrs Bernard Brodie, one of R26 000 from the Crasnow inheritance, and one of R25 000 from the Cape Times Bursary Fund.

Headstart students achieved excellent results in the 1994 matric examination, with pass rates of 93% in mathematics, 92% in physical science, and 100% in English. From the previous year's class some 52 students gained entry into scientific and technological fields in universities and technikons. The college established a computer centre with a network of 14 stations. Funding from the Robb family, the German Embassy, and the Ithuba Trust made this possible. Receipt of funding from the Kagiso Trust of R150 000 enabled the Headstart College to start 1995 with greater confidence.

Pupils on the enrichment programme achieved a 63% pass rate and a 22% matric exemption rate, against rates of 48% and 12% respectively obtained by pupils in the old department of education and training (DET) in the Western Cape. The DET pass rate for maths was 17% at the higher grade and 27% at the standard grade, compared with an enrichment programme pass rate of 73% at the higher grade and 60% at the standard grade. Dr Norbert Blum, German federal minister of labour and social affairs, visited the region in January accompanied by the German ambassador and some 40 parliamentarians and labour leaders. German taxpayers, courtesy of their government, were the main funder of the programme, which is held on Saturday mornings in Langa and Khayelitsha.

The following **Topic Papers** were published: Alison Tilley of the Black Sash on: *Lobbying in the new South African parliament: the Black Sash experience*; Angus Bowmaker-Falconer and Frank Horwitz on *Enhancing competitiveness through human resource development*; a two-part paper by Professor George Ellis on *A peace education curriculum: some proposals* and *A school course in organisational skills - a curriculum proposal*. A final piece on *The third force* was also published.

The African Art Centre in Rondebosch run by the regional committee continues to be a commercial outlet for handicrafts and artwork made mainly by people in rural communities. It also provides a surplus towards the Institute's regional projects and the infrastructure needed to sustain them.

## STAFF

Mrs Sheila Whiteman (Human Resources and Administrative Director) and Mrs Allegra Rose (Senior Membership Administrator) received awards for 10 years of service, Ms Sarah Zwane (Production Secretary) an award for 15 years, and Mrs Connie Matthews (Senior Typesetter) one for 25 years.

## COUNCIL AND OFFICE-BEARERS

*Honorary life members:* I regret to report the death in July 1995 at the age of 91 of Dr Oscar Wollheim, one-time member of the old Cape provincial council representing the Progressive Party. Dr Wollheim was actively involved in the activities of the Institute's Cape Western region for many years.

Three new honorary life members were elected following a postal ballot of Council. They are Mrs Helen Suzman, who needs no introduction; Dr Norman Brown, former president of the W K Kellogg Foundation, the Institute's second-largest bursary donor; and Professor Alan Heimert, director of the Harvard/South Africa Fellowship Programme and Powell M Cabot, professor of American literature at Harvard University.

*Honorary Treasurer:* I regret very much to report that Mr Allan Wentzel decided to step down as Honorary Treasurer of the Institute once the 1995 financial statements were audited as he wished to cut down on the many activities in which he is involved. Following a postal exercise to canvass Council, Mr Maurice Allen, a member of the Executive and Finance Committees, was co-opted as Honorary Treasurer.

## THANKS

Thanks are due to all our donors, both local and foreign, to the bursary and other educational programmes run nationally and by the Cape Western region. Some of our donors contribute very large sums, but we are also grateful to all our many smaller donors for their thoughtfulness and generosity. We trust that the excellent results our students achieve vindicate the confidence the donors place in both the Institute and the students.

To our outgoing President, Mr Bill Wilson, a special word of thanks for his guidance and support. Despite being resident most of the year in Swaziland, he travelled to Johannesburg for Executive Committee meetings and other functions wherever he could. In addition to his presidential duties, he gave our bursary selection programme the benefit of his many years of experience with education.

Professor Elwyn Jenkins, who is not only Vice Chairman of the Executive Committee, but also chairs the bursary selection panel, was Acting Chairman of the Executive Committee for most of the year during Professor Simkins's absence abroad on sabbatical. Special thanks are due to him for all his extra work. A particular word of thanks is also due to Mr Allan Wentzel, the outgoing Honorary Treasurer, for his sound guidance over a number of years.

To our Vice Presidents, the Chairman of the Executive Committee, and the Honorary Legal Adviser, also go thanks for the time and effort that they put into the Institute's affairs. The same applies to the Council, the Executive Committee, the Finance



Committee, the Cape Western Regional Committee, and the volunteers who run the Cape Western region's art centre. All the staff of the Institute help in a variety of ways to make the organisation the success it is. To them too, on your behalf, gratitude for their work and support.

Thanks are also due to all our members for their loyal support, mostly in the form of membership fees and subscriptions but also sometimes in the form of special grants for research or bursaries.

## THE FUTURE

Following a special conference of senior staff on 31st March and 1st April and a special meeting of the Executive Committee on 25th April, I drew up a brief document setting out the Institute's role in the post-apartheid era. Parts of this were included in **Frontiers** and/or posted out to members. Parts were also used in a series of seven briefings to members around the country. In essence, what I said was:

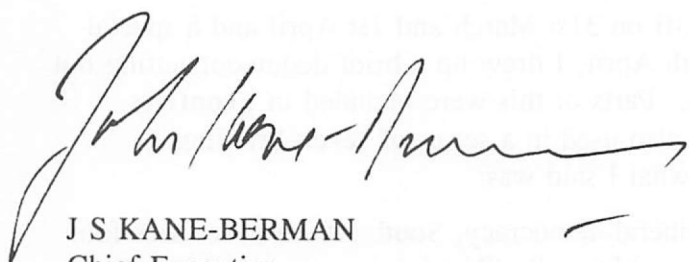
"To ensure that it becomes and remains a liberal democracy, South Africa now faces four overriding challenges. The Institute, as an unashamedly liberal voice, its colours nailed to the mast, will be in the forefront of those rising to meet them.

1. To consolidate democratic gains - give credit where it is due; identify virtuous trends; stick to the rule of law; defend the right of dissent; promote openness in government; and guard against abuses of power.
2. To remain vigilant against a corporatist state run in the interests of the powerful and be willing to speak up for the underdog. To a social democrat this may mean printing money to give jobs to the huge number of unemployed. To a liberal democrat it means speaking up against such things as minimum wage laws and other barriers to market entry.
3. To defend the notion of limited government from special-interest lobbies seeking to resist privatisation or use the power of the state to enforce quotas of one or another kind, ban 'hate speech', impose 'transformation' on universities, and the like. We must blow the whistle every time anyone seeks the incremental erosion of individual liberties or incremental state intrusion.
4. To preserve our precious assets: the private sector, civil society, and our critical faculties and institutions. The Institute has always been one of the foremost of these. 'Telling the truth without fear or favour' is intrinsic to the way we have always operated.

Willingness to tell the truth can make one unpopular but it has spin-off advantages, mainly that if one looks at facts squarely one can make more accurate forecasts than if one simply adheres to conventional wisdoms or takes care not to offend sacred cows. The Institute predicted the Soweto riots in 1976. We predicted the demise of apartheid when the politically correct view was that it could be overthrown only by violent revolution.

Speaking the truth without fear or favour is very much part of the South African liberal tradition because among whites it was *only* the liberals who consistently spoke up against such things as forced removals and detention without trial and who applied to the left the same criteria as they applied to the right.

The Institute's core values - a belief in individual liberty, free enterprise, limited government, and the rule of law - have never changed. Nor do they need to now. Instead of having to work all the time against the evil of apartheid, we can build, preserve, and defend - as we will have to - what is good. And the Institute will do so from an unashamedly traditional South African liberal standpoint - core values clearly defined, and robustly advanced."



J S KANE-BERMAN  
Chief Executive

4th August 1995

**REPORT OF THE HONORARY TREASURER  
ON THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31st MARCH 1995**

This is my fourth annual report. It will also be my last report as, due mainly to a reassessment of my priorities, I have decided to curtail my work load. I am grateful that in this final report I can report that the Institute has once more shown a surplus. However, the surplus is only 50% of what it was last year, which is R271 141 compared with R547 168.

Although the overall operating result is positive there are a few worrying features in the underlying figures. Income is down marginally from R5 373 435 to R5 323 533. Administration fees received from bursary funds have increased from R2 140 689 to R2 386 633. It is unlikely that the level of the bursary funds in the longer term will be maintained at this level. A major deterioration in the income was the drop of grants and donations from R1 386 250 to R985 015, ie 72,6% of the 1994 figure. Although it does not have a financial impact because membership fees and subscriptions actually increased from R1 380 394 to R1 551 873 (up 12,4%) the gradual loss of individual members is disturbing.

Expenditure increased from R4 826 267 to R5 052 392 (up 4,7%). This is well below the inflation rate, but in the light of the drop in total income as reflected above, the situation is perturbing. A further R200 000 was transferred to the research fund out of the excess of income over expenditure, increasing this fund to R1,2 million.

The balance sheet is adequately structured. The Institute manages net assets of over R12 million. The directors have valued the fixed properties at R1 578 440, an appreciation of R598 882 over total cost.

Although it does not impact on the assets of the Institute, the listed investments of the bursary funds show a market value appreciation of R876 680 above the cost price of R1 089 804 (up 80,4%).

Once again I thank Mr Frank Oppler and his staff for the thorough manner in which they deal with the financial administration of the Institute. My thanks also go to Mr Mike Reid of our auditors, Price Waterhouse Meyernel, for his continued support and advice to the Institute and his skilful conducting of the audit.

A. E. Wentzel

ALLAN E WENTZEL  
Honorary Treasurer  
Chairman of the Finance Committee

18th July 1995

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

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 1995

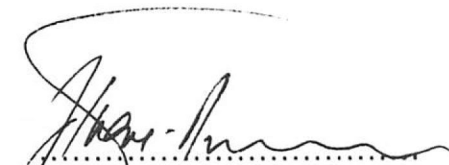
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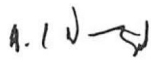
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I N D E X

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Report of the directors	25
Balance sheets	26
Income statements	27
Cash flow statements	28
Notes to the annual financial statements	29 - 38

The annual financial statements which appear on the attached pages were approved by the Directors on 7 June 1995 and are signed on their behalf by:

  
.....  
DIRECTOR

  
.....  
DIRECTOR

**REPORT OF THE INDEPENDENT AUDITORS**

To the members of  
South African Institute of Race Relations  
(Incorporated Association not for gain)

We have audited the annual financial statements and group annual financial statements set out on pages 25 to 38. These financial statements are the responsibility of the Institute's directors while our responsibility is to report thereon.

We conducted our audit in accordance with generally accepted auditing standards which required that we plan and carry out the audit to obtain reasonable assurance that fair presentation is achieved in the financial statements in all material respects. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We consider that our audit procedures were appropriate in the circumstances to express the opinion presented below.

In our opinion these annual financial statements fairly present the financial position of the Institute and the group at 31 March 1995 and the results of their operations and cash flow information for the year then ended in conformity with generally accepted accounting practice and in the manner required by the Companies and Fund Raising Acts.



Price Waterhouse

7 June 1995

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

**REPORT OF THE DIRECTORS**  
 for the year ended 31 March 1995

The Directors have approved the attached Financial Statements and submit their Report for the year ended 31 March 1995.

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.

DIRECTORS AND SECRETARY

The following acted as Directors :

W D Wilson		-	President of the Institute
C E W Simkins		-	Chairman of the Executive Committee
A E Wentzel		-	Honorary Treasurer
J S Kane-Berman		-	Chief Executive
N C Mathiane	(Appointed 29 March 1995)	-	Vice President
M S Mogoba	(Appointed 29 March 1995)	-	Vice President
L Schlemmer	(Appointed 29 March 1995)	-	Vice President
H Suzman (D B E Hon)	(Appointed 29 March 1995)	-	Vice President
J W Wentzel	(Appointed 29 March 1995)		

The secretary of the Institute is Mr Frank Oppler:

<u>Business address</u>	<u>Postal address</u>
68 De Korte Street Braamfontein Johannesburg	P O Box 31044 Braamfontein 2017

SUBSIDIARY COMPANY

The name of the Subsidiary is:

	<u>1995</u>	<u>1994</u>
De Korte Street Properties (Pty) Ltd		
Details are:		
Issued Share Capital	R6	R6
Company's Holding	100%	100%
Book Value of Company's Holding	R6	R6
Amount owing to Holding Company		
net of provision for losses incurred	R594 071	R593 968

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
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AND ITS SUBSIDIARY COMPANY

**BALANCE SHEET**

at 31 March 1995

	Notes	GROUP		COMPANY	
		1995 R	1994 R	1995 R	1994 R
<b>CAPITAL EMPLOYED</b>					
NON-DISTRIBUTABLE RESERVE	2	821 681	821 681	821 681	821 681
ACCUMULATED FUNDS		227 968	196 522	227 968	196 522
		<u>1 049 649</u>	<u>1 018 203</u>	<u>1 049 649</u>	<u>1 018 203</u>
SPECIAL FUNDS	3/4	9 590 377	7 499 270	9 590 377	7 499 270
RESEARCH FUND	5	1 200 000	1 000 000	1 200 000	1 000 000
LONG TERM LIABILITIES	6	326 817	340 420	14 900	14 900
		<u>12 166 843</u>	<u>9 857 893</u>	<u>11 854 926</u>	<u>9 532 373</u>
<b>EMPLOYMENT OF CAPITAL</b>					
FIXED ASSETS	7	979 564	979 564	30 928	30 928
INVESTMENT IN SUBSIDIARY	8	-	-	594 077	593 974
INVESTMENTS					
Special funds		9 504 977	7 488 789	9 504 977	7 488 789
Other		985 673	1 084 323	985 673	1 084 323
	9	<u>10 490 650</u>	<u>8 573 112</u>	<u>10 490 650</u>	<u>8 573 112</u>
		<u>11 470 214</u>	<u>9 552 676</u>	<u>11 115 655</u>	<u>9 198 014</u>
<b>CURRENT ASSETS</b>					
Stock	10	2	2	2	2
Debit balances on special funds	4.4	85 399	10 481	85 399	10 481
Current account with subsidiary		-	-	23 862	10 493
Accounts Receivable	11	912 095	855 793	911 144	854 842
Cash Resources		936 536	547 381	936 536	547 381
		<u>1 934 032</u>	<u>1 413 657</u>	<u>1 956 943</u>	<u>1 423 199</u>
<b>CURRENT LIABILITIES</b>					
Accounts payable	12	1 237 403	1 108 440	1 217 672	1 088 840
NET CURRENT ASSETS		<u>696 629</u>	<u>305 217</u>	<u>739 271</u>	<u>334 359</u>
		<u>12 166 843</u>	<u>9 857 893</u>	<u>11 854 926</u>	<u>9 532 373</u>

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

for the year ended 31 March 1995

	Notes	GROUP		COMPANY	
		1995 R	1994 R	1995 R	1994 R
<b>INCOME</b>					
Membership fees and subscriptions		1 551 873	1 380 394	1 551 873	1 380 394
Administration fees received		2 386 633	2 140 689	2 386 633	2 140 689
Interest received		280 285	276 789	280 285	276 789
Grants and donations		985 015	1 386 250	985 015	1 386 250
Publication sales		95 069	165 349	95 069	165 349
Rental received		24 658	23 964	24 568	22 424
		<u>5 323 533</u>	<u>5 373 435</u>	<u>5 323 443</u>	<u>5 371 895</u>
<b>EXPENDITURE</b>					
Auditors' remuneration					
Fees for the audit	13	53 080	43 637	47 010	41 083
Furniture and equipment written down to nominal value	1.5	50 160	20 510	50 160	20 510
Interest paid		51 958	51 131	-	-
Lease expenditure		17 788	12 792	17 788	12 792
Research, publishing and administration expenses		4 879 406	4 698 197	4 937 446	4 750 667
		<u>5 052 392</u>	<u>4 826 267</u>	<u>5 052 404</u>	<u>4 825 052</u>
EXCESS INCOME OVER EXPENDITURE		271 141	547 168	271 039	546 843
TRANSFER TO RESEARCH FUND		(200 000)	(500 000)	(200 000)	(500 000)
TRANSFER TO EDUCATIONAL TRUST (WESTERN CAPE)		(39 695)	-	(39 695)	-
PROVISION FOR PROFIT IN SUBSIDIARY		-	-	102	325
SURPLUS at beginning of year		<u>196 522</u>	<u>149 354</u>	<u>196 522</u>	<u>149 354</u>
SURPLUS at end of year		<u><u>227 968</u></u>	<u><u>196 522</u></u>	<u><u>227 968</u></u>	<u><u>196 522</u></u>



THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
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**CASH FLOW STATEMENT**

for the year ended 31 March 1995

	Note	GROUP		COMPANY	
		1995 R	1994 R	1995 R	1994 R
Operating profit/(loss) and profit in subsidiary before interest	17.1	3 119	321 510	(48 839)	270 379
Items not involving the flow of funds - Adjustments on acquisition of furniture and fittings written down to nominal value		50 160	20 510	50 160	20 510
Decrease/(increase) in working capital	17.2	72 661	(937 086)	72 531	(943 477)
		125 940	(595 066)	73 852	(652 588)
Interest received		280 285	276 789	280 285	276 789
Interest paid		(51 958)	(51 131)	-	-
Cash retained/(utilised) from operations		354 267	(369 408)	354 137	(375 799)
Increase in Inter-company current account		-	-	(13 369)	(17 830)
External financing - loans repaid		(13 603)	(24 546)	-	-
Purchase of furniture and equipment		(50 159)	(20 510)	(50 160)	(20 510)
Decrease/(increase) in investments		98 650	(249 280)	98 649	(249 280)
Increase in investment in subsidiary		-	-	(102)	(325)
Cash effects of investment activities		48 491	(269 790)	48 387	(270 115)
Net cash generated/(utilised)		389 155	(663 744)	389 155	(663 744)
Cash resources at beginning of year		547 381	1 211 125	547 381	1 211 125
Cash resources at end of year		936 536	547 381	936 536	547 381

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
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**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 1995

1 ACCOUNTING POLICIES

The Financial Statements are prepared on the historical cost basis.

1.1 Membership fees

Membership fees due and payable are brought to account on a cash received basis.

1.2 Donations

Donations are brought to account on a cash received basis, upon being banked to the account of the Institute.

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.

1.4 Bursary Funds and Special Research Projects

The Funds and Projects administered by the Institute are disclosed in these Financial Statements by way of note 3.

1.5 Fixed assets

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

1.6 Stock

Stock is valued at nominal value.

1.7 Branch accounting

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

1.8 Consolidation

The company results include the operating results and assets and liabilities of the Johannesburg Head Office and Western Cape region. The group results include the company results and the operating results and assets and liabilities of the wholly owned subsidiary.

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

for the year ended 31 March 1995

		<u>1995</u>		<u>1994</u>		
		R		R		
2 NON-DISTRIBUTABLE RESERVES						
2.1 Specific bequests, surplus on sale of investments and extraordinary donations of a non-recurring nature:		231 181		231 181		
2.2 Building Fund						
Balance carried forward		<u>590 500</u>		<u>590 500</u>		
		<u>821 681</u>		<u>821 681</u>		
3 SPECIAL FUNDS						
	<u>Note</u>	<u>Bursary Funds</u>	<u>Special Research Projects</u>	<u>Regional Bursary and Special Funds</u>	<u>Total 1995</u>	<u>Total 1994</u>
		R	R	R	R	R
<b>INCOME</b>						
Donations and Grants		17 150 767	89 004	2 933 630	20 173 401	15 252 567
Interest		361 481	5 357	397 225	764 063	712 477
Dividends		72 929	-	-	72 929	74 155
Profit on sale of shares		8 755	-	-	8 755	77 590
Loans repaid		5 200	-	-	5 200	3 325
		<u>17 599 132</u>	<u>94 361</u>	<u>3 330 855</u>	<u>21 024 348</u>	<u>16 120 114</u>
<b>EXPENDITURE</b>						
Administration Costs and contributions to overheads		2 486 044	-	982 886	3 468 930	2 894 939
Audit fees		9 787	-	-	9 787	10 096
Bursaries and Grants		14 186 583	-	2 238 590	16 425 173	14 527 922
Project Costs		-	135 620	-	135 620	712 061
		<u>16 682 414</u>	<u>135 620</u>	<u>3 221 476</u>	<u>20 039 510</u>	<u>18 145 018</u>
Surplus/(deficit) for the year		916 718	(41 259)	109 379	984 838	(2 024 904)
Accumulated funds at beginning of year net of deficit balances		5 451 903	278 556	1 758 330	7 488 789	9 500 857
Funds introduced during the year		940 350	-	91 000	1 031 350	12 836
<b>FUNDS at year end</b>		<u>7 308 971</u>	<u>237 297</u>	<u>1 958 709</u>	<u>9 504 977</u>	<u>7 488 789</u>

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

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

for the year ended 31 March 1995

4 SPECIAL FUND BALANCES AT 31 MARCH 1995

4.1 Bursary Funds

	<u>Capital</u>	Amounts held for Bursary <u>Awards</u>	Total <u>1995</u>	Total <u>1994</u>
	R	R	R	R
KFS Austrian Technikon Bursary Programme	-	329 618	329 618	236 013
Eva Auerbach Trust	1 500	213	1 713	1 534
Alan Paton Fund	2 000	1 009	3 009	3 009
Andrew Hofmeyr Book Award	10 000	(1 695)	8 305	9 056
The Bertha McKay Bursary Fund	100 201	19 678	119 879	113 512
The B and E Koch Bursary Fund	6 000	2 652	8 652	9 469
Margaret Ballinger Welfare Fund	-	11 542	11 542	21 762
Boxer Bursary Fund	5 000	(492)	4 508	4 659
Dorothy Glauber Bursary Fund	55 000	2 498	57 498	64 281
Ellen Hellmann Fund	8 000	1 215	9 215	8 447
Engen Bursary Fund	-	382 569	382 569	-
Emily Hobhouse Bursary Fund	600	28	628	628
Energos Foundation	940 000	101 973	1 041 973	-
First National Bank Bursary Fund	-	116 760	116 760	99 276
G M Robertson Bursary	10 000	1 175	11 175	10 775
German Academic Exchange Scholarship Programme	-	558 210	558 210	567 390
German Enrichment Programme	-	67 728	67 728	195 539
Gert and Irmgard Brusseau Trust	67 191	2 854	70 045	105 118
Harvard S A Fellowship Programme	-	1 534	1 534	37 171
The Horace Coaker Trust	500	6 236	6 736	9 893
Isacson Foundation Bursary Fund	525 276	(256 361)	268 915	433 373
Joy Abelson Bursary Fund	-	9 088	9 088	11 947
Kellogg Foundation Bursary Fund	-	814 903	814 903	375 651
Esrael Lazarus Education Fund	100 000	7 486	107 486	124 815
Lomans Trust	-	-	-	1 212
Luthuli Memorial Foundation Trust Fund	107 883	7 828	115 711	109 035
Mampu School Bursary Fund	1 000	221	1 221	1 086
The Dr M Patel and his parents trust	10 000	2 709	12 709	12 584
Reginald H Smith Bursary Fund	10 000	2 171	12 171	10 423
Robert Shapiro Trust	10 878	27 463	38 341	49 246
Senior Teachers Training Trust	50 000	4 865	54 865	51 632
The Robert Birley Trust	1 500	-	1 500	1 500
South African Scholarship Programme (US Aid)	-	633 335	633 335	1 076 667
Shirley Simon Bursary Fund	809 174	15 499	824 673	826 466
SAIRR Education Trust	73 592	23 544	97 136	78 737
(Anglovaal Group Bursary Scheme)	-	40 000	40 000	40 000
US Aid Test Teach Test	-	-	-	384 444
US Signatory Education Trust	-	1 029 282	1 029 282	-
Swiss Church Group Scholarship Programme	-	500 570	500 570	343 691
Yvonne Rabbow Memorial	16 705	844	17 549	21 862
<b>TOTAL BURSARY FUNDS</b>	<b>2 922 000</b>	<b>4 468 752</b>	<b>7 390 752</b>	<b>5 451 903</b>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

for the year ended 31 March 1995

4 SPECIAL FUND BALANCES AT 31 MARCH 1995

	<u>Capital</u> R	Amounts held for Bursary <u>Awards</u> R	Total 1995 R	Total 1994 R
<b>4.1 Total Bursary Funds</b>				
Balance brought forward	2 922 000	4 468 752	7 390 752	5 451 903
<b>4.2 Special Research Projects</b>				
International Republican Institute			6 218	-
Friedrich Naumann Foundation			5 312	-
SA Cyanamid			-	84 854
Richards Bay Minerals			30 000	30 521
Westminster Foundation			29 030	1 801
Estate Late CMK Thomas			166 738	161 380
			<u>237 298</u>	<u>278 556</u>
<b>4.3 Funds Administered by Cape Western Region</b>				
Langa Enrichment Programme	-	18	18	(4 997)
Freda Whitehead Progress Trust Bursary Programme	31 197	472	31 669	31 669
Cape Times Bursary Fund Bursary Programme	-	-	-	4 293
Educational Trust Bursary Programme				
- Educational Trust	1 408 343	11 013	1 419 356	1 190 696
- Gregoire Boonzaier Fund	124 000	1 234	125 234	125 094
- Brodie Trust Fund	339 525	2 395	341 920	341 038
Leslie Hill Higher Educational Trust Bursary Programme	-	-	-	7 848
DG Murray Trust Fund Bursary Programme	-	-	-	8 996
Headstart Programme	-	44 130	44 130	59 177
	<u>1 903 065</u>	<u>59 262</u>	<u>1 962 327</u>	<u>1 768 811</u>
			<u>9 590 377</u>	<u>7 499 270</u>
<b>4.4 Debit balances on Funds administered by Cape Western Region</b>				
Khayelitsha Enrichment Programme		3 618	3 618	5 484
<b>by Johannesburg Head Office</b>				
US Aid Test Teach Test		81 781	81 781	-
		<u>85 399</u>	<u>85 399</u>	<u>5 484</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

for the year ended 31 March 1995

5 RESEARCH FUND	<u>1995</u>	<u>1994</u>
	R	R
R200 000 (1994 : R500 000) has been transferred from accumulated funds to the research fund to finance future research.	1 200 000	1 000 000
	<u>1 200 000</u>	<u>1 000 000</u>
6 LONG TERM LIABILITIES	<u>1995</u>	<u>1994</u>
	R	R
<u>Institute</u>		
<u>Secured</u>		
Secured by a first mortgage bond over land and buildings in Cape Town, with a book value of R30 922. There is no interest payable and no fixed terms of repayment at present.	14 900	14 900
	<u>14 900</u>	<u>14 900</u>
<u>Consolidated</u>		
<u>Secured</u>		
6.1 Secured by a first mortgage bond over land and buildings in Cape Town, with a book value of R30 922. There is no interest payable and no fixed terms of repayment at present	14 900	14 900
	<u>14 900</u>	<u>14 900</u>
6.2 This loan is secured by a mortgage bond registered over stands 2794 and 5088 Johannesburg, with a book value of R948 636. Interest is payable at 16,25%, and monthly instalments inclusive of interest are R5 250	325 611	340 265
	<u>325 611</u>	<u>340 265</u>
	340 511	355 165
	<u>340 511</u>	<u>355 165</u>
Less: Payable before 31 March 1996 included in accounts payable	13 694	14 745
	<u>13 694</u>	<u>14 745</u>
	<u>326 817</u>	<u>340 420</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

for the year ended 31 March 1995

7 FIXED ASSETS	Accumulated		Net Book Value	
	<u>Cost</u>	<u>Depreciation</u>	<u>1995</u>	<u>1994</u>
	R	R	R	R
Land and buildings	30 922	-	30 922	30 922
Furniture and equipment	779 285	779 281	4	4
	<u>810 207</u>	<u>779 281</u>	<u>30 926</u>	<u>30 926</u>
Library - at nominal value			2	2
			<u>30 928</u>	<u>30 928</u>
<u>Consolidated</u>		Written down to		Net Book Value
	<u>Cost</u>	<u>Nominal Value</u>	<u>1995</u>	<u>1994</u>
	R	R	R	R
Land and buildings	979 558	-	979 558	979 558
Furniture and equipment	779 285	779 281	4	4
	<u>1 758 843</u>	<u>779 281</u>	<u>979 562</u>	<u>979 562</u>
Library - At nominal value			2	2
			<u>979 564</u>	<u>979 564</u>
<u>Details of Land and Buildings</u>		<u>Valuation</u>	<u>1995</u>	<u>1994</u>
		R	R	R
Freehold property, Stand 28701. Situated at No. 5 Long Street, Mowbray, Cape Town - Purchased January 1975 at cost			27 723	27 723
Improvement during that year			3 199	3 199
Municipal valuation		29 240	<u>30 922</u>	<u>30 922</u>
Freehold stand lot 2794 Jhb Township situated at 68 De Korte Street, Braamfontein - Purchased 1954 at cost			20 500	20 500
Building erected 1956			65 198	65 198
Based on maintainable earnings of R12 per square metre per month and capitalised at 12% per annum				
Director's valuation		1 167 600	<u>85 698</u>	<u>85 698</u>
Freehold stand, lot 5088 Jhb Township situated at 70 De Korte Street Braamfontein - purchased 1989 at cost			375 000	375 000
Improvements and alterations - 1990			440 410	440 410
Improvements and alterations - 1991			47 528	47 528
Based on maintainable earnings of R12 per square metre per month and capitalised at 12% per annum.				
Director's valuation		381 600	<u>862 938</u>	<u>862 938</u>
		<u>1 578 440</u>	<u>979 558</u>	<u>979 558</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

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8	INVESTMENT IN WHOLLY OWNED SUBSIDIARY COMPANY	<u>1995</u> R	<u>1994</u> R
	Shares at cost	6	6
	Loan to subsidiary (net of provision for losses incurred)	594 071	593 968
		<u>594 077</u>	<u>593 974</u>
9	INVESTMENTS		
9.1	SPECIAL FUNDS	<u>1995</u> R	<u>1994</u> R
9.1.1	<u>Bursary Funds</u>		
	Participation Mortgage Bonds	97 000	108 500
	Fixed Deposits	226 473	139 933
		<u>323 473</u>	<u>248 433</u>
	Listed Investments		
	500 Allied Electronics Ltd	43 310	43 310
	1 000 Anglo American Coal Corporation Ltd	500	500
	1 600 Anglo American Corporation of SA Ltd	160	160
	1 300 CG Smith Foods Ltd	50 984	50 983
	20 000 C.N.A. Gallo Ltd	74 927	74 927
	700 De Beers Centenary Linked Units	68 445	68 445
	2 492 Engen Ltd	101 858	101 858
	5 000 First National Bank Ltd	80 455	80 455
	700 Genbel Ltd	5 240	5 240
	4 734 Gencor Ltd	47 978	39 589
	10 000 Information Services Group Ltd	30 188	30 188
	1 200 Kinross Mines Ltd	73 389	73 389
	2 101 Liberty Life Association of Africa Ltd	63 528	57 680
	990 Malbak Ltd	18 112	18 112
	1 831 Murray and Roberts Holdings Ltd	87 897	84 991
	1 000 Palabora Mining Co Ltd	68 356	68 356
	5 000 Pick 'n Pay Stores Ltd	50 453	-
	2 000 Rembrandt Group Ltd	29 398	29 398
	3 000 Richemont Securities AG	55 686	55 686
	1 000 Rustenburg Platinum Holdings Ltd	76 264	76 264
	2 000 Tiger Oats Ltd	200	200
	200 Vaal Reefs Exploration and Mining Co Ltd	62 236	33 770
	240 Western Deep Levels Ltd	240	240
	(Market value : R1 966 484 [1994 : R1 890 800])	<u>1 089 804</u>	<u>993 741</u>
	Local Registered Stock		
	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
	11 % Escom	120 013	94 565
		<u>196 939</u>	<u>171 491</u>
	Balance carried forward	1 610 216	1 413 665



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	<u>1995</u>	<u>1994</u>
	R	R
9.1.2		
Balance brought forward	1 610 216	1 413 665
Cash deposits	9 646 274	2 135 806
Debtors	2 438	58 154
Cash Resources	<u>(621 403)</u>	<u>5 336 682</u>
	10 637 525	8 944 307
Less : Creditors	<u>3 328 554</u>	<u>3 492 404</u>
	<u>7 308 971</u>	<u>5 451 903</u>
<u>Special Research Projects</u>		
Cash on Call	70 560	117 176
Sundry Listed Investments	166 736	161 380
9.1.3 <u>Funds Administered by Regional Office</u>	<u>1 958 710</u>	<u>1 758 330</u>
TOTAL SPECIAL FUNDS INVESTED	<u>9 504 977</u>	<u>7 488 789</u>
9.2 <u>OTHER FUNDS</u>		
Cash on Call and on Deposit	910 472	1 011 895
Other Funds administered by Regional Office	<u>75 201</u>	<u>72 428</u>
	<u>985 673</u>	<u>1 084 323</u>
TOTAL INVESTMENTS	<u><u>10 490 650</u></u>	<u><u>8 573 112</u></u>
10 STOCK		
Stock comprises -		
Finished Goods, Books and Publications at nominal value	<u>2</u>	<u>2</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

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	GROUP		COMPANY	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	R	R	R	R
<b>11 ACCOUNTS RECEIVABLE</b>				
Amounts due from bursary funds	633 070	692 845	633 070	692 845
Trade and other debtors:				
Head office	258 799	147 670	257 848	146 719
Regional	20 226	15 278	20 226	15 278
	<u>912 095</u>	<u>855 793</u>	<u>911 144</u>	<u>854 842</u>
<b>12 ACCOUNTS PAYABLE AND PROVISIONS</b>				
Trade and other creditors:				
Head office	1 201 080	1 081 332	1 201 080	1 076 477
Regional	16 592	12 363	16 592	12 363
Current portion of long term liabilities	19 731	14 745	-	-
	<u>1 237 403</u>	<u>1 108 440</u>	<u>1 217 672</u>	<u>1 088 840</u>
<b>13 AUDITORS REMUNERATION</b>			<u>1995</u>	<u>1994</u>
			R	R
Fees for the Audit including management services				
Johannesburg Institute			25 720	22 760
- Audit			28 740	25 720
- Other			5 000	-
Johannesburg Bursary Department			3 090	3 090
Western Cape Institute			9 310	3 600
Western Cape Bursary Department			3 960	3 600
			<u>50 299</u>	<u>36 010</u>
De Korte Street Properties (Pty) Ltd			2 781	2 554
			<u>53 080</u>	<u>38 564</u>
Add: Johannesburg Bursary Department Fees for prior years transferred from Bursary Funds				
- 1991			-	1 563
- 1992			-	1 305
- 1994			-	2 205
			<u>53 080</u>	<u>43 637</u>
Charged to the Income Statement			9 787	10 096
Charged to Bursary Funds - Johannesburg			<u>62 867</u>	<u>53 733</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**

for the year ended 31 March 1995

14 DIRECTORS' REMUNERATION

The directors' emoluments for the year under review were R310 818.

15 COMMITMENT

There is a commitment in respect of unexpired portion of lease agreements over office equipment and a Motor vehicle amounting to R200 658, of which R93 120 is payable in the next financial year in instalments of R7 760 pm.

16 TAXATION

The Institute is exempt from tax in terms of Section 10(i) of the Income Tax Act.

17 CASH FLOW INFORMATION

	GROUP		COMPANY	
	1995 R	1994 R	1995 R	1994 R
17.1 OPERATING PROFIT/(LOSS) AND PROFIT IN SUBSIDIARY BEFORE INTEREST				
Excess income over expenditure	271 141	547 168	271 039	546 843
Transfer to Educational Trust	(39 695)	-	(39 695)	-
Interest received	(280 285)	(276 789)	(280 285)	(276 789)
Interest paid	51 958	51 131	-	-
Provision for profit in subsidiary	-	-	102	325
	<u>3 119</u>	<u>321 510</u>	<u>(48 839)</u>	<u>270 379</u>
17.2 DECREASE/(INCREASE) IN WORKING CAPITAL				
Increase in accounts receivable	(56 302)	(266 177)	(56 302)	(266 177)
Increase/(decrease) in accounts payable	128 963	(392 448)	128 833	(398 839)
Decrease in membership fees received in advance	-	(278 461)	-	(278 461)
	<u>72 661</u>	<u>(937 086)</u>	<u>72 531</u>	<u>(943 477)</u>