





## Message from the Chairperson of the Council of Advisors

Looking back on the past year, there is a sense of being pummelled by economic and political developments, both at home and internationally. The demand for immediate solutions has — and still is — intense. But this has blurred the fact that globally we have reached a crucial junction that requires what MISTRA has so correctly identified: 'strategic reflection'. Whether we are dealing with the Euro Crisis or our own severe fault-lines in key parts of state administration, we know that we need to be thinking quite differently about the future. This makes the purpose of MISTRA ever more important. Against this context, it is most heartening to see the vision of MISTRA come to life, as it concludes its first research projects. They are the strategic core of MISTRA's work, offering the long-term perspectives that too often get sidelined amidst the pushes and pulls of the present. That said, MISTRA has engaged in current debates, published in the media and produced its own publications. It has most certainly carved out its space in South Africa's intellectual arena, influencing perspectives and providing a platform for intellectual collaboration and knowledge-sharing.

**Jenny Cargill**  
Chairperson of the Council of Advisors





## Message from the Chairperson of the Board of Governors

In the midst of global economic challenges, and their impact on developing economies including our own, MISTRA has continued in its second year of existence to pose the right questions, search for practical answers to the development challenges, and establish ideal collaborations.

During 2011-2012, the researchers at MISTRA, the Fellows of the Mapungubwe Institute (FMI) and other collaborators intensified their focus on core projects dealing with scientific, economic, social and practical technological matters that must influence positive development in South Africa and the African continent.

At the end of the reporting year MISTRA was in discussion with renowned researcher and scholar, Professor Thandika Mkandawire, from the London School of Economics, who has agreed to deliver the Institute's Inaugural Annual Lecture in March 2012. This flagship event is one of many important dialogues MISTRA researchers will conduct with the South African public through the print and electronic media. Professor Mkandawire's willingness to accept our invitation to present our Inaugural Annual Lecture and to engage through research and discussion on the African continent's major growth successes and leadership is greatly appreciated.

MISTRA also experienced exceptional participation of policymakers, policy implementers and private sector actors in the research work it is pursuing. The centrality of MISTRA in the research agenda of the country was thus firmly confirmed; and it proved helpful to policymakers and the public at large in making relevant development choices and engaging in public discourse on critical issues facing the country.



Given the fact that South Africa is part of the global community, it was also an imperative in 2011-2012 that MISTRA be seen and heard internationally. Different MISTRA representatives participated in global activities such as seminars, conferences and establishing global partnerships. A range of international stakeholders, including Professor Mkandawire, Dr Melvin Ayogu, Cosmonaut or “Rocket Man” Dr Gregory Olsen, Nobel Prize Winner and Distinguished Professor, John Byrne, and leading publisher, Dr Kassahun Checole were introduced to MISTRA. There was a lot of excitement and willingness to work with MISTRA in the present and the coming years.

This is the time to thank all at MISTRA who made 2011-2012 a resounding success. As the world battles with economic challenges and uncertainty, MISTRA continued to make a contribution toward ensuring that South Africa does not lag behind when searching for solutions. MISTRA positioned itself to be relevant in the development arena. As Milton Berle put it: ‘If opportunity does not knock, build a door.’ MISTRA has done so with sterling results.

We thank our donors for their support, and assure them that their contributions are being used to build a winning nation that is globally competitive. The quality of work produced by MISTRA is testimony to the emergence of a unique legacy in South Africa’s think industry.

**Sibusiso Vil-Nkomo**  
**Chairperson of the Board of Governors**



## Preface by the Executive Director

The year under review (2011/12) marks the second full year of the existence of the Mapungubwe Institute. It is a year that can be characterised as one of serious learning and development, as we pursue the objective of building a fully-fledged institute of strategic research and reflection.

From the launch events in March 2011, graced by Deputy President, Kgalema Motlanthe, and distinguished members of the intellectual and policy community, MISTRA has consolidated its identity as a dynamic institute that offers diverse services in strategic research, policy development and analysis.

One of the key emerging strengths of the Institute is its ability to bring together a range of local and international researchers, scholars, students and practitioners from various backgrounds to work on projects, ensuring a trans-disciplinary approach in terms of conception of research questions and application of knowledge. Out of this, we hope to contribute to the emergence of an intellectual movement bearing these attributes.

The Fellows of the Mapungubwe Institute (FMI) and the broader community of MISTRA researchers have been immersed in comprehensive work on the initial set of priority research projects, refining theoretical approaches, conducting case studies, undertaking field work and debating emergent ideas with wider collectives. This has included research workshops and conferences bringing together experts in the specific fields and other interested parties in festivals of ideas.

We therefore enter the closing phase of the eight priority research projects with confidence but also fully appreciative of the challenge of ensuring quality and excellence in both content and delivery.

Strategic retreats bringing together decision-makers from various sectors, consultancy work and reflective sessions such as the MISTRA Roundtables, and others in which we participated as partners of one kind or another, have also begun to feature in our calendar as the Institute's work gathers momentum. This is yet another way in which MISTRA adds value to the knowledge and policy community and the public at large.

Operationally, the organisation has begun to experience more stability and certainty that comes with the administrative and governance systems that are steadily becoming

entrenched. Planning has been routinised and implementation of the three-year strategic plan is moving apace. We have sought to improve operational efficiency and ensure that we recruit into our ranks reputable and qualified staff committed to the MISTRA brand as an institute that focuses on research and policy questions of strategic relevance to South Africa and humanity as a whole.

A progressive culture of open-mindedness and robust dialogue within the organisation is rightly taking shape; and this also informs the manner in which MISTRA approaches interactions with other organisations and public discourse.

We have consolidated partnerships and created new ones, and we have in the process signed and operationalised Memoranda of Understanding with a number of other research institutes and universities.

The Mapungubwe Institute is grateful to the unwavering commitment of the Board of Governors in the exercise of their fiduciary responsibilities and the Council of Advisors for their wisdom which greatly enriches the direction of MISTRA.

Our deepest gratitude goes to the local and international donor-partners who continue to support the work we do and thus demonstrate in action that the MISTRA idea is not just one whose time has come, but one that must live on.

This report is dedicated to the memory of two of our illustrious Fellows who passed on during the course of the past year: Professor Victor Ralushai, an expert in indigenous knowledge systems attached to the University of Venda and Professor Dani Nabudere, a world-renowned scholar attached to the Marcus Garvey Pan-Afrikan Institute based in Uganda. MISTRA is enormously indebted to these luminaries.

We publish this report not only as an obligation of accountability, but as a testament to the fact that we are truly committed to continuous learning, development and critical thought as a young member of the knowledge and policy community.

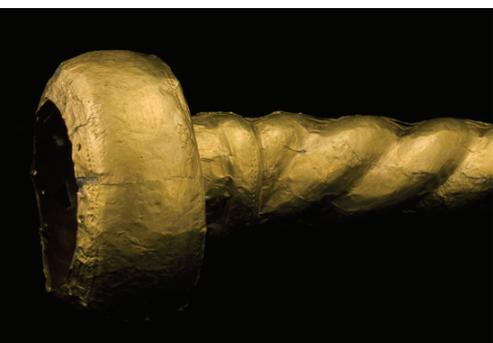
**Joel Netshitenzhe**  
**Executive Director**



The Mapungubwe Institute for Strategic Reflection (MISTRA) was founded by a group of South Africans with experience in research, academia, policy-making and governance who saw the need to create a platform of engagement around strategic issues facing South Africa. It is designed as an institute that combines research and academic development, strategic reflection and intellectual discourse. It applies itself to issues such as economics, sociology, governance, history, arts and culture and the logics of natural sciences.

South Africa has not had a think tank that devotes its attention to strategic approaches to the country's challenges, from a long-term perspective. Most research institutes in our country focus on outcomes that lend themselves to immediate application or on critiques that deal with detail rather than long-term trajectories. Similarly, government, by its very nature, deals with issues informed in the main by the popular mandate and the outcomes of engagement among social partners, as well as the pressures of immediate application.

As a result, our country has not developed sufficient capacity for high-level and sometimes speculative intellectual engagement. The Mapungubwe Institute seeks to address this deficit.



# Background

## Why Mapungubwe?

Mapungubwe is a pre-colonial southern African civilisation which was located in the far northern parts of South Africa, bordering Botswana and Zimbabwe. The people of this ancient civilisation had a sophisticated state and economic system which included mining, advanced artisanship and agricultural activities. They also traded with countries such as China, India and Egypt.

The story of Mapungubwe speaks to structured thought and development processes. It also contains lessons about the ebbs and flows of human civilisation. The Mapungubwe Institute has selected the golden sceptre — one of the artefacts found in Mapungubwe representing the authority and wisdom of leadership in communion with society — as its motif.

South Africa's struggle for democracy encouraged intellectual activism at various levels of abstraction. Over the years, the country also developed areas of excellence in some natural sciences and application of technology.

The South African story fascinates humanity because it represents the confluence of successes, challenges and aspirations that relate to global human advancement and solidarity across race, social status, religion and other attributes.

The Mapungubwe Institute has been constructed on these foundations, drawing lessons from the past and contributing to charting a course towards a future of peace, prosperity and general human fulfilment in our country, on the continent of Africa and across the globe.

## History

MISTRA was conceived in the latter half of 2009 by Professor Sibusiso Vil-Nkomo (former Commissioner of the Public Service Commission and then advisor to the Rector of the University of Pretoria) and Joel Netshitenzhe (then outgoing head of the Policy Unit in the Presidency).

As a result of an overwhelmingly positive response from widespread informal consultations, approximately fifteen individuals with extensive experience in government, academia, civil society and business were invited to a workshop in late January 2010 to take further the conceptualisation and formation of the Institute.

The attendees of the January 2010 workshop enthusiastically supported the establishment of the Institute and formed themselves into a Project Team. The Project Team included Sibusiso Vil-Nkomo, Joel Netshitenzhe, Barry Gilder (former Home Affairs Director-General and Coordinator for Intelligence), Harry Dugmore (professor at Rhodes University), David Maimela (Deputy Director in the Gauteng Premier's Office and former President of SASCO), Fébé Potgieter-Gqubule (former South African Ambassador to Poland and member of the ANC NEC), Tshilidzi Ratshitanga (formerly with the GCIS and currently in the private sector), Solly Mapaila (Head of Office of the SACP General Secretary), Trish Hanekom (former CEO Cradle of Humankind World Heritage Site) and Leonard Martin (former Head of Stakeholder Management at the Financial and Fiscal Commission). A broader consultative forum gave advisory support to the Project Team and included Mosibudi Mangena (former Minister of Science and Technology and former President of AZAPO), Professor Jakes Gerwel (Nelson Mandela Trust and Naspers) and the late Joe Matthews (former Deputy Minister of Safety and Security).

The main function of the Project Team was to drive the design of the Institute as well as the planning and implementation of its legal establishment, funding, staffing and so on. The Institute was formally registered as a Section 21 (non-profit) company in February 2010.



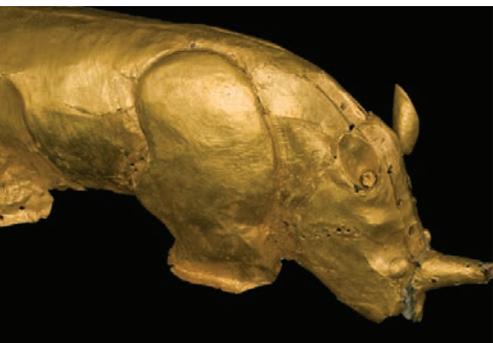


## Vision

An institute for research and reflection on domestic and global dynamics with a bearing on the advancement of South African society.

## Mission

To advance South Africa's development by addressing the complex challenges that straddle issues of nation-formation, economic growth, social equity, science and technology, and positioning in a globalised world.



# Strategic Vision

## Objectives

The Mapungubwe Institute is a progressive think tank, broadly informed by the ideals of our Constitution, to:

- develop and advance South Africa's paradigm of thinking and reservoir of knowledge in a wide variety of disciplines;
- advance the all-round development of South African society for the attainment of an improving quality of life;
- deepen South African democracy;
- promote African development and democracy;
- advance South Africa's global interests in pursuit of peace and equitable development;
- contribute to the mobilisation of society around a common vision;
- contribute to the betterment of the human condition globally; and
- promote sustainable development.

## Business Philosophy

Strategic high-level interrogation of issues in an atmosphere that is free from the pressures of immediate application, as well as considerations of sponsorship or sectoral interests.

## Key Attributes

- Interrogation of philosophical, theoretical and strategic underpinning to phenomena
- Relevance in relation to strategic challenges facing South Africa
- Blend of academic and experiential expertise among its researchers and staff
- Autonomy and independence



The evolution of human society, including thought processes, is highly dependent on the understanding of the environment within which communities, nations and regions operate. Thus, over time, communities of various scales of organisation were able to take advantage of, and influence, global dynamics in order to improve the human condition. This rings even truer at the current level of human civilisation.

#### Global Context

- The globalisation of human endeavours through trade, production, technology, tourism, arts and culture
- The speed of technological progress that possesses the potential to advance human comfort but at the same time to widen the gap between rich and poor, between and within countries
- The recurrent global economic crises and the collapse of the socialist system in Eastern Europe
- Global challenges such as poverty, environmental degradation, unresolved regional conflicts, terrorism and uncontrolled migration
- Issues relating to the intersection of the roles of the state, the private sector, civil society as well as regional and global multilateral bodies

#### Domestic Context

- Advances in changing South African society for the better through the consolidation of democracy and implementation of developmental policies
- Improved access to basic services and progress in respect of important indicators of human development
- Encouraging signals of social cohesion, but with fault-lines of race and social status much evident
- Weaknesses in the speed and profundity of change and the implications of this on the levels of poverty and inequality as well as the related challenge of nation-formation and social cohesion

#### Landscape

- Historical moment requires strategic reflection on the country's developmental trajectory and its global positioning



# Contextual Analysis

- Opening up of intellectual space for strategic research and reflection
- Need to operate above pressures for immediate tactical applicability: to provide 'deliverables' of immediate relevance to funders and clients
- Need for discourse that is not confined to dogmatic templates
- Need for mutually-beneficial interaction among and within research and academic institutions

## Strengths

- Research agenda unfettered by pressures of immediate application, considerations of sources of funding or relationships with other institutions
- Trans-disciplinary approach to research and analysis
- Prospective and longitudinal studies
- Attention to global developments, cutting-edge thinking, and reservoir of knowledge
- Extensive network for engagement with the public, private, civil society and academic sectors

## Threats

- Poor appreciation of long-term strategic work that does not deal directly with the immediate challenges of the time
- Temptation on the part of those who commission research briefs to control the orientation of such work and its outcomes
- Lack of endowment culture in the country to fund long-term intellectual projects which may not provide immediate return on investment
- Pigeon-holing the Institute as a platform for particular social, political and other interest groups
- Historical and current fault-lines within South African society, undermining pursuit of a unified national agenda
- Development of an un-mediated organisational culture in the Institute

## Opportunities

- A democratic order that has been sustained out of a negotiated settlement demonstrating the commitment across the board to make South Africa work
- Highly trained researchers, academics and policy analysts and practitioners available to the Institute
- A reservoir of knowledge and material at universities and independent research institutes to draw on
- An appreciation, albeit limited, of the role of intellectual work in the development of society



## Legal Status

MISTRA was established as a Section 21 (non-profit) company in February 2010 in terms of the South African Companies Act. In July 2010 the Institute adopted a two-part Memorandum of Incorporation, the first part in compliance with the then existing Companies Act with the second part coming into force with the enactment of the new Companies Act in 2011.

In November 2010 the Institute was granted Public Benefit Organisation status by the South African Revenue Service, exempting it from income tax and allowing the issuance of tax-deductible receipts to donors. The Institute has also registered as a Non-Profit Organisation, in keeping with the new Companies Act.

## Approach to Governance

The Institute elected to apply the highest standards of corporate governance to itself, with three levels of governance: a Council of Advisors, a Board of Governors and a Management Committee (MANCO). It has also chosen to apply the applicable King III principles including annual external financial auditing.

## Council of Advisors

In July 2010 the Institute established its Council of Advisors consisting of nine highly-respected South Africans who, collectively, reflect the objectives of the Institute. The role of the Council is, inter alia, to:

- act as advisory reference group on the broad direction of the Institute's work and, utilised individually and collectively, contribute to the Institute's broad strategic content;
- collectively and severally, reflect and advise on strategic issues within the research agenda of the Institute;
- promote the profile of the Institute domestically and internationally;
- contribute to institutional development and resource-mobilisation; and
- assist in building partnerships within South Africa and internationally.



# Governance

The members of the Council are:

- Jenny Cargill – Chairperson
- Jakes Gerwel – Vice Chairperson
- Geraldine Fraser-Moleketi
- Reuel Khoza
- Antjie Krog
- Barbara Masekela
- Abdul Minty
- Eric Mtshali
- Njabulo Ndebele

The Chairperson of the Board of Governors, the Executive Director and the Director Operations of the Institute also attend meetings of the Council.

The Council normally meets twice a year with one of its meetings held jointly with the Board of Governors. In the reporting year the Council met in June 2011 and November 2011.

## Board of Governors

The full Board of Governors of the Institute was established in July 2010 and consists of 24 South Africans with expertise and experience in areas relevant to the Institute's work. The Board was established to exercise fiduciary responsibility in relation to the Institute by ensuring that the Institute operates in accordance with relevant laws, regulations and corporate governance principles. Its general mandate is to supervise management of the Institute and ensure that the best interests of the Institute are served. The Board, inter alia:

- provides guidance on the broad direction of the Institute's work by approving, monitoring and evaluating the strategic plans of the Institute;
- contributes to the Institute's broad strategic content;
- exercises oversight on governance matters relating to the operations of the Institute, including approval of corporate governance principles as well as human resources and compensation policies;
- acts as the public face of the Institute on strategic governance matters;



- contributes to building domestic and international partnerships;
- receives reports from management and takes strategic decisions on matters of governance;
- exercises oversight with regard to the management of the funds of the Institute and, in this regard, approves investment policies, budgets and financial statements;
- ensures appropriate systems to manage risks; and
- contributes to fund-raising initiatives.

The Executive Director of the Institute is also Vice-Chairperson of the Board of Governors. The Director Operations is an ex-officio member of the Board.

The members of the Board of Governors are:

- Professor Sibusiso Vil-Nkomo – Chairperson
- Joel Netshitenzhe – Vice-Chairperson and Executive Director
- Tanya Abrahamse
- Frans Baleni
- Spiridoula Webster [Luli Callinicos]
- Barry Gilder – Director Operations
- Pregaluxmi [Pregs] Govender
- Patricia [Trish] Hanekom
- Jean-Marie Jullienne
- Mandla Langa
- Oyama Mabandla
- Brigitte Mabandla
- Mosibudi Mangena
- Solly Mapaila
- Jabu Moleketi
- Dipuo Mvelase
- Thandi Ndlovu
- Fébé Potgieter-Gqubule
- Muthanyi Robinson Ramaite
- Tshilidzi Ratshitanga
- Allister Rogan

- Sibusiso Sibisi
- Peter Vundla
- Sandile Zungu

The Board of Governors meets at least three times a year. In the reporting year it met in June 2011, August 2011 and November 2011.

The Board has the following committees:

### Strategy Committee

The Strategy Committee serves as a Board executive committee and meets bi-monthly, with the role of providing strategic guidance and support to the Institute's management in between meetings of the Board of Governors. The functions of the Committee are to:

- consider urgent Board matters in between meetings of the Board;
- provide guidance to the Institute management on key issues relating to the development and activities of the Institute;
- provide support to the Institute management on resource-mobilisation;
- consider regular financial and budget reports;
- approve budget variances within parameters set by the Board; and
- decide on any other matter delegated to it by the Board.

The Strategy Committee is chaired by Professor Vil-Nkomo and consists of:

- Joel Netshitenzhe
- Barry Gilder
- Patricia [Trish] Hanekom
- Jean-Marie Jullienne
- Brigitte Mabandla
- Oyama Mabandla
- Fébé Potgieter-Gqubule
- Muthanyi Robinson Ramaite
- Tshilidzi Ratshitanga
- Peter Vundla
- Sandile Zungu

During the reporting year, the Strategy Committee held eight meetings.

### Audit and Risk Committee

The functions of the Audit and Risk Committee are to:

- nominate for appointment as auditor of the Institute under section 90, a registered auditor who is independent of the Institute;
- determine the fees to be paid to the auditor and the auditor's terms of engagement;
- ensure that the appointment of the auditor complies with the provisions of the Companies Act and other legislation relating to the appointment of auditors;
- determine the nature and extent of any non-audit services that the auditor may provide to the Institute, or that the auditor must not provide to the Institute;
- pre-approve any proposed agreement with the auditor for the provision of non-audit

- services to the Institute;
- prepare a report to be included in the annual financial statements for that financial year:
  - describing how the Audit & Risk Committee carried out its functions
  - stating whether the Audit & Risk Committee is satisfied that the auditor was independent of the Institute
  - commenting in any way the Audit & Risk Committee considers appropriate on the financial statements, the accounting practices and the internal financial controls of the Institute;
- receive and deal appropriately with any concerns or complaints, whether from within or outside the Institute, or on its own initiative, relating to:
  - the accounting practices and internal audit of the Institute
  - the content or auditing of the Institute's financial statements
  - the internal financial controls of the Institute or
  - any related matter;
- make submissions to the Board of Governors on any matter concerning the Institute's accounting policies, financial controls, records and reporting; and
- perform other functions determined by the Board of Governors including the development and implementation of a policy and plan for a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the Institute.

The members of the Audit and Risk Committee appointed by the Board are:

- Patricia [Trish] Hanekom [Chairperson]
- Jabu Moleketi
- Peter Vundla
- Dipuo Mvelase
- Sibusiso Sibisi
- Frans Baleni

The Audit & Risk Committee met twice during the reporting year.

## Remuneration and Nominations Committee

The Remuneration and Nominations Committee assists the Board in setting and administering remuneration policies as well as processing nominations for further appointments to the Board. Its role is to assist the Board in ensuring that:

- the Institute remunerates directors and executives fairly and responsibly;
- the Institute adopts remuneration policies aligned with its strategy and linked to individual performance;
- the remuneration policy addresses base pay and bonuses, employee contracts, severance and retirement benefits and other long-term incentive schemes; and
- the Institute discloses the remuneration of each individual member of the Board of Governors and certain senior executives, including:
  - all benefits paid to Board of Governors
  - all salaries of the three most highly paid employees who are not Governors
  - incentive schemes to encourage retention



- justification of salaries above the median
- material payments that are ex-gratia in nature.

REMCO is also tasked with processing the appointment of senior staff and making recommendations to the Board of Governors.

It consists of:

- Peter Vundla (Chairperson)
- Brigitte Mabandla
- Mosibudi Mangena
- Solly Mapaila
- Tshilidzi Ratshitanga

Remco met once during the last financial year.

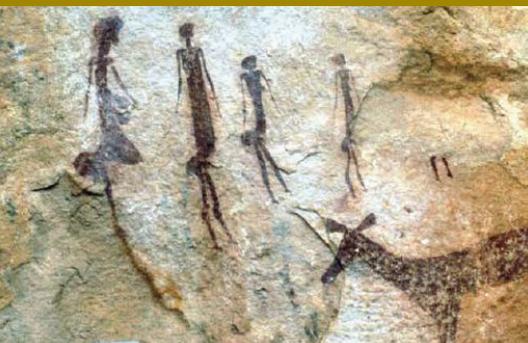
### Management Committee (MANCO)

The Management Committee is responsible for the day-to-day running of the Institute. It is chaired by the Executive Director, Joel Netshitenzhe, and consists of:

- Barry Gilder – Director Operations
- Leonard Martin – Faculty Head: Humanity
- Mcebisi Ndletyana – Faculty Head: Political Economy
- Ilva Mackay – Office Manager and Company Secretary
- Loyiso Ntshikila – Financial Manager

It has met on a weekly basis and invites the Institute's researchers and the Head of Communications and Outreach to attend the meetings for those agenda items dealing with content matters.

The Board has delegated relevant financial authority to the Executive Director and other members of MANCO.



MISTRA's organisational structure involves an Executive Director supervising a Directorate Operations and three Faculties.

## Faculties

The core research work of the Institute is conducted through three Faculties:

### Political Economy

This faculty deals with socio-economic issues and their intersection with the social structure of South African society and politics. During the reporting year Dr Mcebisi Ndletyana was appointed as Faculty Head and Sarraounia Samuels as an intern.

### Knowledge Economy and Scientific Advancement (KESA)

This faculty deals with the logics of natural sciences and their relevance for social development, including such issues as discovery, invention and innovation, incubation, adaptation, appropriation and quantitative analysis. A Faculty Head is due to be appointed in the new financial year. Ayender Makhuvela was appointed as Assistant Researcher.

### Humanity

This faculty interrogates history, arts and culture and broad issues such as ideology and religion, in relation to societal development. Dr Leonard Martin is Faculty Head.

The establishment of these Faculties is designed to provide focus to the work of the Institute. However, the trans-disciplinary approach to research is a key element of MISTRA's approach and the faculties therefore operate in a trans-disciplinary manner. In addition, the Institute will be undertaking cross-cutting research including prospective and longitudinal studies.



# Organisation

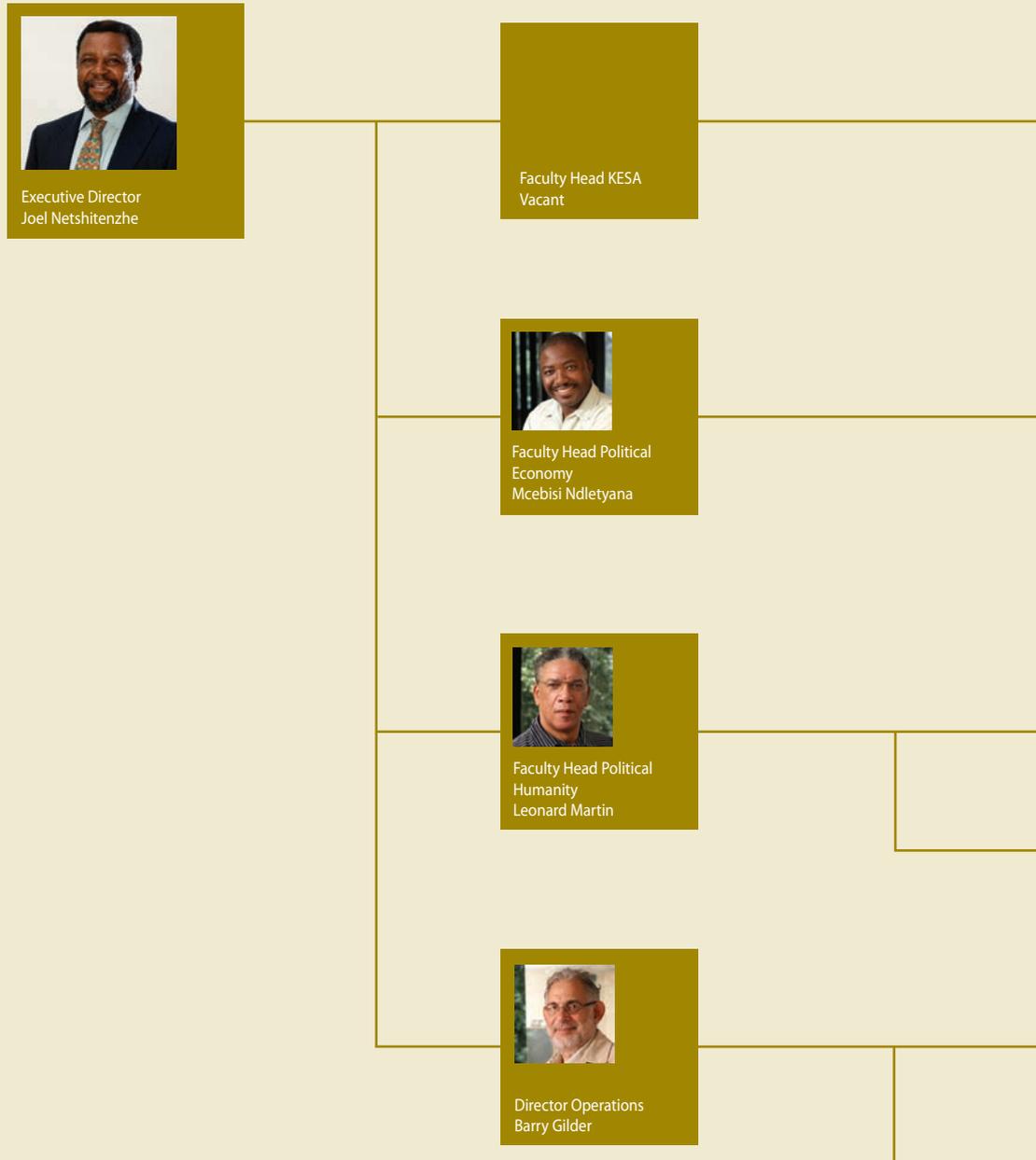
## Operations

The Directorate Operations is responsible for operationalising the overall work of the Institute. Its functions include financial management, resource mobilisation, logistics management, communications and outreach, publications, library services, administration, information management and ICT, company secretariat and human resources management.

The Directorate is headed by the Director Operations and comprises an Office Manager/ Company Secretary, Financial Manager, Head of Communications and Outreach, Office Administrator and Office Assistant. During the reporting year Gail Smith was appointed as Head of Communications and Outreach and Funeka Brukwe as Finance Officer.

# Organogram

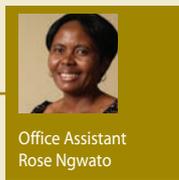
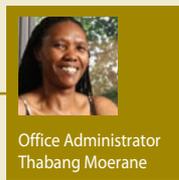
The organogram for the Institute for the reporting period is:



Senior Researcher  
Vacant



Senior Researcher  
Vacant





The core business of the Institute consists of two main areas of activity: research and strategic reflections. The products of the Institute include publications such as books, papers, articles and — in the medium-term — journals.

The Institute conducts its research through a process of engagement and facilitation, drawing on the wide range of available expertise in the country. Each research project is led by a Project Leader drawn from inside or outside the Institute and coordinated by a full-time MISTRA researcher. Each research project is overseen by a project team drawing on external and internal expertise and tapping into wider expertise through the holding of a range of workshops during the duration of the project, culminating in a public conference of experts and stakeholders at which the outcomes of the research are presented.

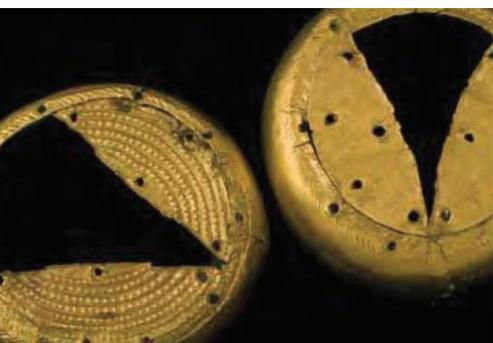
## Activities

During the reporting year MISTRA's activities comprised work relating to the eight core research projects:

- The Rise and Decline of the Mapungubwe Civilisation
- Nation Formation and Social Cohesion
- Poverty, Inequality and Patronage
- The Arithmetic of Savings in South Africa
- The Evolution of the South African State
- The Use and Displacement of Platinum Group Metals
- The Art, Philosophy and Science of Competitive Football
- The Concept and Application of Trans-disciplinarity

During the reporting year MISTRA held several workshops related to the eight core research projects, including:

- Triumvirate Workshop, held in August 2011 that brought together project leaders, core team members and coordinators to undertake a trans-disciplinary discussion on MISTRA's eight current priority projects. The workshop provided not only an opportunity to reflect on the way forward, but scope for comparisons and the identification of either similarities or deficiencies in the projects. At the same time, the



## Core Business

exercise provided the individual members within the projects to measure their own progress as well as get an estimation of the comparative quality of their research.

Additional workshops related to the core research projects included:

- Evolution of the SA State – October 2011
- Arithmetic of Savings – October 2011
- Joint Nation Formation & Poverty & Patronage workshop – November 2011
- Workshop on Platinum Group Metals – November 2011
- Joint Poverty & Patronage and Nation Formation workshop – December 2011
- The Rise and Decline of the Mapungubwe Civilisation – February 2012

### The Rise and Decline of the Mapungubwe Civilisation

This research study investigates key dynamics of the ancient Mapungubwe society in order to develop insights that are relevant to development challenges for present-day South Africa. The research project raises questions about the interplay between the economy and the environment, trade and innovation, class formation and political legitimacy, religion and social transformation. The project aims to provide a starting point for further journeys of discovery on the interplay between various pre-colonial dynamics. Analysis is being developed on the factors that contributed to the rise of the Mapungubwe society, its state system, the economy, and trade and related factors. Lessons are also being drawn from the dynamics that led to its ultimate decline.

The project team is led by Dr Amanda Esterhuysen and it is coordinated by MISTRA senior researcher, Jeffrey Sehume. It includes Drs Shadreck Chirikure, Alex Schoeman, Maanda Mulaudzi and Sekibakiba Lekgoathi. Core members are writing nine chapters on identified themes. An advisory panel is in place that will also comment and critique the work in progress. An introductory booklet entitled *Mapungubwe: A Living Legacy* was published in advance of the MISTRA public launch in March 2011. A copy of this booklet is available for download on the MISTRA website and also available in hardcopy.

Two consultative workshops have been held at the University of the Witwatersrand's Origins Centre: the first on 28 May 2011 aimed to refine the research themes and the second on 04 February 2012 was designed to invite critique of the chapter outlines,



methodology and benchmarks plus draw comments on the relevance of the chapters for South Africa's transformation and developmental agenda. The plan is to send the completed drafts to a readers' panel and thereafter for peer review. The various theme chapters will be completed in July 2012, and the integrated report will be completed during the fourth quarter of 2012.

### Nation Formation and Social Cohesion

This project examines, amongst other things, the different interpretations and meanings that diverse social actors attach to the calls and prospects for Nation Formation and Social Cohesion. The purpose is to examine the efficacy of these concepts to present-day South African society.

The project is led by MISTRA Board-member Fébé Potgieter-Gqubule with MISTRA senior researcher, Leslie Dikeni, as project coordinator. The project team is made up of a core group and a wider team acting in an advisory capacity. The core group comprises the project leader, the project coordinator and Professor Andries Oliphant, Sandile Ngidi and Faizel Mamdoo. The Project Team includes researchers, academics from various institutions, private sector practitioners and various state practitioners.

The study examines these factors through different case studies using ethnographic research in four research sites. These are in the Northern Cape, the Western Cape, KwaZulu-Natal and Gauteng. To date various workshops focusing on the theme of the study and involving a diverse group of social actors from different academic institutions, NGOs and government institutions have taken place. Key to this process has been the analysis and interpretation of findings from the field by project team members. It is envisaged that the research process will be finalised at the end of June 2012 and that the final research report will be produced during the fourth quarter of 2012.

Project workshops were held in November and December 2011.

### Poverty, Inequality and Patronage

The study probes both the origins and effects of patronage politics, focusing primarily on post-apartheid South Africa with particular attention at a local municipal level.



Specifically, the study seeks to understand the conditions under which patronage politics arises and thrives; its impact on the efficacy of public institutions and on the lives of the citizenry, as well as the meaning attached to it by those involved and affected.

Led by Tony Trew and coordinated by Leslie Dikeni, the project has a core group, which includes Dr Mcebisi Ndletyana and Karuna Mohan, and a project advisory body.

The study rests on the hypotheses that patronage politics is a function of poverty, inequality, the disposition of public institutions and officials towards the public culture; and the state of the political party system. Its saliency is thus prefigured by the nature and presence (or absence) of the afore-mentioned factors within the various locales.

In the reporting year various workshops focusing on the theme of the study and involving a diverse group of social actors from different academic institutions, NGOs and government institutions, and the business community have taken place. Key to this process has been the constant analysis and interpretation of findings and data from the field by project team members. A workshop involving different organisations doing similar work (based on the theme of the study) was held in November 2011. The key objective of the workshop was to draw contrasting themes from the work of these research institutions with the aim of ensuring that there was no duplication of the work that other institutions are doing.

The research process will be finalised at the end of June 2012 and the project will be completed during the fourth quarter of 2012. This project has had various workshops with the Nation Formation and Social Cohesion Project Team with the aim of sharing findings and exchanging ideas.

The study seeks to examine these important issues through different case studies within four provinces of South Africa using ethnographic research. These are: Gauteng, Western Cape, the Eastern Cape and the Free State.

Project workshops were held in November and December 2011.



### The Arithmetic of Savings

As project leader Nicola Viegi articulated in his presentation at the MISTRA launch in March of 2011, the project addresses the conditions that allow a nation to look ahead to the future, and the instruments that help it do so. The subject of savings thus forms part of the process of nation formation and social cohesion because its key function — internally funded economic growth — is what contributes to the development of a more equal and prosperous society. South Africa's present poor culture of saving must be seen as a critical obstacle to the country's development, and the reasons underpinning this impediment to growth need to be scrutinised. In line with MISTRA's objectives of spearheading new thinking, the Savings project thus seeks to contribute towards a better understanding of economic, social and institutional factors that contribute to the low saving rate South Africa is experiencing.

The project is linking three aspects: the individual's interaction with financial and social institutions: the credit market and the welfare state, and the linkages between South Africa's internal financial market and the global market; how global activity impacts on the South African economic landscape and how these linkages can constrain the ability of the country to make certain decisions. Altogether, these aspects help build a story around the future orientation of our nation and how this orientation is being shaped.

The project will run until July 2012. The work is being carried out by three academics: Professor Nicola Viegi (University of Pretoria), Dr Shakill Hassan (SA Reserve Bank) and Dr Albert Touna-Mama (University of Cape Town). Professor Viegi is being assisted by two of his Masters students, Dineo Lekgeu and Pontsho Mathebula. Research assistance is being provided by doctoral candidate (University of Johannesburg), Evan Hurwitz, and the project is being coordinated by MISTRA researcher, Rachel Browne. A project workshop was held in October 2011.

The project will be completed towards the end of the third quarter of 2012.

### The Evolution of the South African State

This project sets out to understand the historical evolution of the South African state and the impact of this on the inherited state in 1994 as well as the transformation efforts that



have been undertaken since 1994. The project will also provide forward-looking insights into possible trajectories for the more effective transformation of the state and its utilisation as an instrument of social transformation. The project is led by MISTRA Director Operations Barry Gilder and Dr Mcebisi Ndletyana (Head of the Political Economy Faculty), and coordinated by MISTRA researcher David Maimela, who are supported by a core project team that includes Professor Kwandiwe Kondlo and Dr Leonard Martin.

The project has made progress with the first phase: the conceptual thematic papers. The papers were discussed extensively at a workshop in October 2011 and will be used as background theoretical information to interpret the data that will emerge from the field. Planning for the Second Phase: interviews with those involved in the post-1994 state, has begun. The project will be completed during the first quarter of 2013.

### The Use and Displacement of Platinum Group Metals

The objective of this project is to interrogate the use of Platinum Group Metals (PGM), as well as other metals, in the development of downstream industries to service the global putative hydrogen economy. The research also investigates the geo-political implications of South Africa's PGM endowment for the region and how South Africa could be positioned in the development of the hydrogen economy.

In the reporting year the core project team has met weekly to look at issues that would affect the project and give strategic direction to project work. Resource material has been accessed from various sources including the World Hydrogen Energy Conference (WHEC) held in Germany in 2010, which deals with the production of hydrogen. In addition, MISTRA has access to material held at the Department of Science and Technology (DST) on the hydrogen economy (H2ECO™).

Beneficiation of strategic minerals is central to the reconfiguration of the South African mineral energy complex. In the case of South Africa it has more than 80% of known world reserves of platinum, a key ingredient of fuel cells used in a number of stationary and mobile applications.



In addition to the desktop research, workshops and interviews with key stakeholders were vital in undertaking the research.

Interviews with platinum miners and manufacturers of fuel cells were conducted as part of the research work. Internationally, fuel cell technology has reached the demonstration level, as part of readying it for commercialisation.

The project is led by Thabang Makubire and is coordinated by MISTRA researcher, Wilson Manganyi, assisted by Ayender Makhuvela. Work undertaken in the project is led by the following team: Dr Peter Mukoma, Lufuno Marwala, Joyce Lesia, Nosiphiwo Mzamo, Dr Dmitri Bessarabov, Rets Tawulo and Professor Vladimir Linkov. They were joined at the beginning of the new financial year by Dr Velaphi Msimang, Head of the KESA Faculty, who has assumed overall leadership of the project.

A project workshop was held in August 2011. Further, a Pre-COP Conference was held in November 2011, reviewing the work of the team and assessing the alignment between the research work and global efforts to attain a Green Economy. The project is scheduled to be completed during the third quarter of 2012.

### The Art, Philosophy and Science of Competitive Football

This project assesses the state of South African football, the extent to which modern science is applied in its development and identifies interventions required to improve the country's overall performance. It also assesses the current grassroots and youth development programmes, their efficacy and sustainability, and how they contribute towards increasing the knowledge base amongst grassroots and youth football practitioners.

The project is led by Chris Fortuin, who is supported by a core project team that includes Johan Govea, Professor Yoga Coopoo, and Professor Hanlie Moss. It is coordinated by MISTRA researcher, David Maimela.

In the reporting year data has been gathered on youth development programmes in Gauteng. The data has been technically processed and analysed. The data provides a



quantitative and descriptive understanding of the state of youth football development programmes in existing structured football academies in Gauteng.

Fieldwork is on-going and covers academies outside of Gauteng. Because of the nature of the questionnaires, the data also touches on the various aspects of football such as scientific approaches to football, coaching and management.

More qualitative data will also be forthcoming to enrich analysis of existing literature and identify the gaps that exist. The project is scheduled to be completed towards the end of the third quarter of 2012.

### Trans-disciplinarity

This project examines the use of trans-disciplinarity as an innovative tool of analysis to address the multiple challenges facing South Africa in the building of an inclusive society. The research interrogates how trans-disciplinarity may be applied in education and in society generally, and includes case studies being undertaken at identified centres of higher learning. The case studies focus particularly on identifying the successes of, and constraints on, trans-disciplinary practice on developmental knowledge production, and the lessons to be gained from this study for education, research and societal discourse. Furthermore, this study investigates the advantages of employing trans-disciplinarity in areas of policy planning, development of previously unacknowledged discourses such as indigenous knowledge systems, and alignment of skills responsive to the developmental and transformative challenges.

A project team led by MISTRA Faculty Head Humanity, Dr Leonard Martin, and coordinated by senior researcher, Jeffrey Sehume, is undertaking the research, supported by core project team members Dr Hester du Plessis, Mr Louis du Plooy, Mr Joy Rathebe, Dr Themba Masilela, Dr Catherine Ndinda, Osmond Mlonyeni, and Geci Karuri-Sebina. An advisory panel will comment on the project outcomes and strategically guide the project through its duration.

The project seeks to interrogate frameworks for the understanding and application of transdisciplinarity in higher education by focusing on the following institutions:



Universities of Johannesburg (SeTAR Centre), Fort Hare (Trans-disciplinary Centre), and the Witwatersrand (School of Social Science). Thus far, research was undertaken and chapters on Literature Review and the SeTAR Centre have been completed. Fieldwork is being prepared for the remaining research sites. The aim is to complete the write-up of the chapters and thereafter send the full research report for peer review. The project will complete its work during the third quarter of 2012.

### Partnerships: joint research initiatives; commissioned studies, consultancy

From its inception, MISTRA has identified commissioned studies and consultancy work as forming part of its scope of work on the condition that these are in line with the Institute's core mandate. This work also forms part of MISTRA's resource-mobilisation strategy, and thus the Institute has undertaken to provide its services for a reasonable market-related fee. Broadly, commissioned work falls into three categories: short-term studies, programmatic policy studies and conceptual research studies.

During this reporting period MISTRA has initiated or undertaken commissioned research projects and consultancy work for the following clients:

- South African Breweries
- Eskom
- National Planning Commission
- Gauteng Department of SACR
- Gauteng Department of Community Safety
- Department of Arts and Culture

### Strategic Reflections

Over and above the workshops and conferences arising out of the Institute's research projects, the Institute also facilitates strategic reflections on topics relevant to its core mandate. These take the form of the MISTRA Annual Lecture, workshops, seniors, roundtables and strategic retreats. During the reporting year the following events have taken place:

- MISTRA and the Sustainable Energy Technology and Research Centre (SeTAR) at the University of Johannesburg jointly hosted a lecture in July 2011 by Dr Gauhar Raza (Head of the National Institute of Science Communication and Information Resources) in India. Dr Raza's paper was entitled *Engagement with Science: A Necessary Condition for the Survival of Democracy*.
- MISTRA hosted a Strategic Retreat in November 2011, entitled 'South Africa's Energy Security Imperatives: Uranium Mining and Nuclear Energy Programme', in conjunction with Anglo-Gold Ashanti (AGA) as the largest producer of Uranium, the South African Nuclear Energy Corporation (Necsa) and Eskom. Other stakeholders who attended included Mzansi Energy Solutions, and the following government departments: Trade and Industry, Mineral Resources, Energy, Public Enterprise, Science and Technology, and Higher Education. The aim of the strategic retreat was to bring the private and public sectors into conversation on the nuclear energy value chain, in relation to the country's nuclear electricity-generation programme. Arising from this Retreat, a broader consultation, involving all stakeholders in this sector, will be held.
- During this period preparations began for the MISTRA Inaugural Annual Lecture. Prof Thandika Mkandawire, Chair in African Development at the London School of Economics, was invited to speak on: "Building the African state in the age of globalisation — the role of social compacts and lessons for South Africa". During the reporting period preparations included interactions with Prof Mkandawire on the themes, securing a venue, sponsorship, a media campaign, and other logistical preparations.
- MISTRA, in conjunction with the University of South Africa's (UNISA) Faculty of Art, Design and Architecture (FADA), and the Sustainable energy Technology and Research (SeTAR) Centre, Faculty of Science, University of Johannesburg, convened a seminar series on "The concept and application of trans-disciplinarity in intellectual discourse and research" at the University of South Africa (UNISA) in May 2011.



The focus of the operational activities of the Institute in the year under review has been on the further development of systems, capacity, service-provision, accommodation, resource-mobilisation, staffing, ICT, policies, communications and outreach, administration and overall support to the core business work of the Institute.

## Communications and Outreach

Communications and Outreach have continued to be a key focus in the current reporting period. In addition to an improved profile from regular columns and articles by MISTRA staff in major publications, MISTRA launched its Monthly Briefings in November 2011. Monthly Briefings are issued monthly to 1,200 individuals and aim to inform MISTRA's partners about the Institute's research, strategic reflections, published papers, and other news relating to the network of people and organisations committed to MISTRA's strategic engagement with the issues facing South Africa.

## Partnerships

A key element of the Institute's approach to its research work is to play the role of facilitator of intellectual and experiential expertise on the issues it researches. For this reason the establishment of partnerships with a wide range of institutions and individuals is key to the success of the Institute.

During the year further contact was developed with universities in South Africa, as well as a range of research institutions, public and private sector entities and individuals. Some contact was also made with a number of embassies and international research institutes.

During the reporting period, over and above the partnerships forged in the previous year with virtually all South African universities and research institutes, MISTRA initiated discussion on partnerships with several universities, research institutions, and other entities, including:

- Australian Embassy
- Business Trust Leadership Dialogue



## Operations

- George Washington University
- Goethe Institute
- Henley Business School
- Institute for Studies in Poverty & Inequality
- Kennedy School of Government (Harvard)
- Letsema Circle
- Limpopo University
- Nordic Africa Institute
- Open Society Foundation, Cape Town
- Rand Corporation
- Recteza
- Rhodes University
- SANPAD
- Sikkim University (India)
- South African Council of Churches
- Swedish Institute for Future Studies
- Tata Institute of Social Sciences (India)
- Thami Mazwai, Director SME at UJ; Malose Kekana, consultant and Vusi Khanyile of Thebe Investment.
- Thwasa
- University of Delaware
- Woodrow Wilson Centre

## Networking

The Institute has identified networking as a key plank of its communications and outreach strategy. Networking activities have included participation in, and attendance at, a range of conferences, workshops, seminars and other events of the public, private and civil society sectors domestically and internationally by members of the Board, management and staff of the Institute. These events serve as an opportunity both to contribute to discourse on issues of interest to MISTRA as well as to extend the Institute's network of intellectual collaborators, research partners, clients and funders.

These included local and international seminars, conferences and other events organised by Economic Development Department, Friedrich Ebert Stiftung (FES), PSOE, Foundation for European Progressive Studies, International Marketing Council office in the UK, Open Society Foundation, South African Council of Churches (Limpopo), University of Cape Town (Summer School), Wits P&DM, and Olof Palme Centre. The Executive Director has also made presentations at Board and Executive meetings of various private sector organisations.

## Website

MISTRA launched its public website in May 2010. The site provides background information on the Institute including its history, vision and mission and organisational structure. With the initiation of the Institute's eight priority research projects in October 2010, information on these projects was placed on the website together with an expression of interest form, allowing members of the public to express interest in participating at various levels in any of the projects.

The website also contains a range of documents including the Corporate Profile, Memorandum of Incorporation, progress reports, papers and speeches by members of the MISTRA Board, management and researchers as well as media releases.

Since the inception of the website it has received an average of between 800 and 1,000 domestic and international visitors per month.

## Media

During the reporting period, MISTRA's Executive Director and staff published extensively in various major publications and newspapers on topical and project-related issues.

## Public Launch

MISTRA's public launch took place in March 2011 and aimed to communicate its establishment, ethos and activities to the intellectual and policy communities, potential partners, donors, to the media and to the public at large.

The launch took the form of a two-day conference focusing on the themes of the eight priority research projects, preceded by a dinner. The Deputy President of South Africa, Kgalema Motlanthe, gave the keynote address at the launch dinner. Two international guest speakers gave inputs at the dinner and the conference — Professor Dominick Salvatore of Fordham University in New York and Professor Dani Nabudere of the Marcus Garvey Pan-Afrikan Institute in Uganda. Other speakers at the conference included the project leaders and key participants in the eight priority research projects.

Attendance at the launch included MISTRA research partners, university vice-chancellors, public and private sector leaders, leaders of civil society, the diplomatic corps, MISTRA donors and potential donors and the media. The launch was fully-funded through sponsorship.



## Human Resources

### Policies

During the reporting year MISTRA reviewed its Human Resources Policy to include a Performance Management & Development System, as well as introduce a probationary period. The reviewed policy was approved by the Board of Governors and is effective from 1 March 2012.

MISTRA is committed to promoting the development and growth of young researchers and other professionals and the Institute has developed an internship and volunteer programme as an important part of this commitment.

This is an opportunity to provide young graduates who have a relevant three-year qualification with an opportunity to receive on-the-job experience at MISTRA.

One intern in Political Economy was appointed in the reporting year and the Institute will be employing a further four graduates in the new financial year for a period of twelve months, in the following fields: Humanity, Knowledge Economy & Scientific Advancement, Communications and Resource Mobilisation.

### Recruitment & staffing

#### • Posts on the establishment & staffing plan

MISTRA started functioning in April 2010 with a staff complement of four and by the end of December 2010 there were 13 members of staff. During the reporting year the Institute appointed the Faculty Head for Political Economy, Dr Mcebisi Ndletyana; Ms Gail Smith as the Head of Communications & Outreach; Ms Hope Prince as Faculty Secretary; Ms Funeka Brukwe as Finance Officer; and Ms Ayender Makhuvela as Assistant Researcher: Knowledge Economy & Scientific Advancement. Ms Sarraounia Samuels joined us first as a volunteer and then as an Intern: Political Economy.

Towards the end of 2011 the Institute initiated the appointment of a Faculty Head: Knowledge Economy, Senior Researcher: Political Economy and two interns who were due to commence their duties in the new financial year.

- **Staff members at 29 February 2012**

The breakdown of the staff complement by function is as follows:

Function	Current [2011]		Projected [2014]	
	No.	%	No.	%
Core Business	11	61%	32	67%
Support	7	39%	16	33%
<b>Totals</b>	<b>18</b>	<b>100%</b>	<b>48</b>	<b>100%</b>

- **Equity**

In terms of representivity, MISTRA has a staff complement which is 83.3% black and 44.4% female.

	African	Coloured	Indian	White	Total
Women	4	3		1	8
Men	7	1		2	10
<b>Total</b>	<b>11</b>	<b>4</b>	<b>0</b>	<b>3</b>	<b>18</b>

## Finance

The year under review saw the conclusion of MISTRA's first Annual Financial Audit, from which it received an unqualified audit report. However, the Auditors would not have accomplished their task had they not identified areas of improvement within our financial management framework. In responding to the identified weaknesses, the Institute developed and adopted a financial management and procedures manual. The manual ensures consistency of approach and strict application of financial management principles.

To further improve financial management capacity, a Finance Officer was appointed effective 1 July 2011. This appointment has ensured greater and effective segregation of duties amongst those responsible for the financial management function.

Management has continued to evaluate practice and procedure, thus improving organisational efficiency and the effective utilisation of the resources at the Institute's disposal.

## Office Accommodation

The Institute took occupation of its offices in Woodmead, Johannesburg in May 2010. The offices were provided as an in-kind donation by one of MISTRA's core founding donors — the Simeka Group — and the benefit was extended to May 2012. Expenditure on the offices is reflected as expenditure in the Institute's financial statements and offset as an in-kind donation. Some work was done on office alterations to customise the space to MISTRA's requirements.

A significant portion of the Institute's office furniture was provided as an in-kind donation and most of the rest was purchased second-hand.

## ICT

In its early stages the Institute agreed that it would not be able to afford to develop in-house ICT capacity. An external ICT service provider was contracted to provide ICT infrastructure including laptops, desktops, printers, networking, software and other services.

The Institute contracted Thete Technologies to develop an intranet, document management system and meetings management system on a SharePoint platform. R1 million of the cost of this system was provided as an in-kind donation by Thete. The new system went live at the end of August 2011.

## Strategic Planning

In October 2011 the management and staff held the Institute's annual strategic planning workshop to evaluate the work of the Institute over the previous year and to revise its strategic plan for the next three years — from March 2012 to February 2015. Arising from this evaluation the workshop identified five key revised challenges facing it from 2012 to 2015:

- **Key Challenge 1: Quality Content Work**

In order to capitalise on the strong momentum that the Institute has experienced in its start-up period, as well as demonstrate the Institute's worth to partners, donors, potential clients and society, there is a challenge to produce quality content work, within the agreed timelines

- **Key Challenge 2: Organisational Efficiency and Effectiveness**

The demands on, and expectations of, the Institute to produce quality content work in the coming period require heightened levels of organisational efficiency, effectiveness, project management and accountability.

- **Key Challenge 3: Resourcing**

The Institute needs to ensure that it is adequately resourced to ensure its long-term survival and growth and to enable it to carry out quality content work.

- **Key Challenge 4: Capacity**

MISTRA needs to be capacitated to meet the demands on it for the delivery of quality content work.

- **Key Challenge 5: Organisational Systems**

In order to address these key challenges, the workshop identified five revised strategic priorities for the coming three-year period:

- **Strategic Priority 1: Consolidate and enhance MISTRA content-production**
- **Strategic Priority 2: Develop Heightened Level of Organisational Efficiency, Effectiveness, Management and Accountability**
- **Strategic Priority 3: Further develop the capacity to respond to the demands on MISTRA to extend and intensify its content work.**
- **Strategic Priority 4: Implement a flexible Resource Mobilisation Strategy**
- **Strategic Priority 5: Consolidate and enhance effective organisational systems to ensure good governance and meet the demands of the growth of the Institute**

These priorities formed the basis of the MISTRA Strategic Plan 2012 – 2015, which was approved by the Board of Governors in November 2011. Subsequently, the Strategic Plan was unpacked into detailed Business Plans and progress on the implementation of these is monitored by the MISTRA management on a monthly basis.

## Resource Mobilisation

As reported in the 2010/11 Annual Report, the Institute managed to raise over R10 million in its first year of operation. To the Board of Governors and the Institutes Management and Staff, this was affirmation that MISTRA's vision resonated with the South African and international donor community.

Especially after the public launch in March 2011, the overwhelming response to the founding of the Institute, created pressure to deliver on the Institute's promise. As a result, the Institute's management had to review the resource mobilisation strategy in order to ensure that the requisite resources were available to realise this promise.

The review noted the constraints to the resource mobilisation efforts of the Institute and identified the categories of the resource mobilisation campaign, including possibilities of endowment funding, shareholding relationships and individual (personal) contributions.

We are happy to report that 50% more funds were received in the 2011/12 financial year than what was available in the previous year. This has facilitated the growth of the Institute as reflected by the increase in the number of staff as well as the activities undertaken.

During the year under review, we received contributions from the following donors, in alphabetical order:

### SA Corporates

- Airports Company of South Africa
- Anglo Platinum
- Aveng
- BASWA
- Brimstone
- Matemeku
- MTN
- Mvelaphanda
- Nuclear Energy Corporation of South Africa
- Nedbank
- Ogilvy
- Peu
- Safika
- Shanduka
- Simeka
- South African Breweries
- Xstrata
- Yellowwoods

### SA Government

- Department of Science and Technology

### Individuals

- Cyril Ramaphosa

- Lincoln Mali
- Liphosa Matodzi
- Mathews Phosa
- Roger Jardine

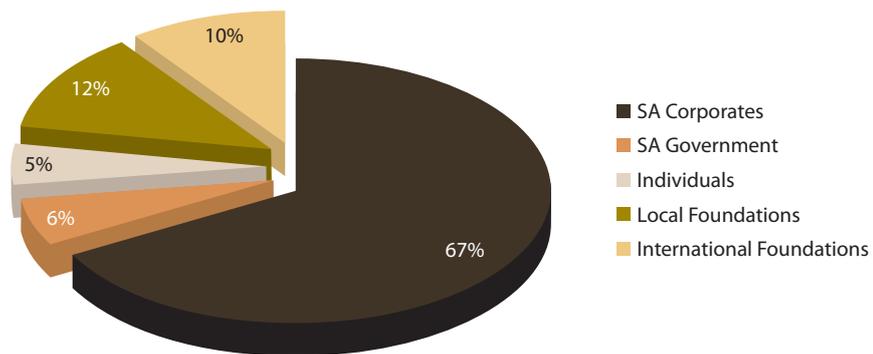
#### Local Foundations

- A.M. Moolla Charity Trust
- Darene Foundation
- First Rand Foundation
- National Lotteries Board

#### International Foundations

- Friedrich Ebert Stiftung South Africa
- Irish Aid
- The Olof Palme International Center

#### Breakdown of % Support for the 2011/12 Financial Year



Coupled with the fundraising strategy, the Institute provides consultancy services as a means of generating additional income. To ensure that the Institute does not deviate from its core mandate, the Board has placed a cap of 25% as the maximum amount of time full-time staff can dedicate to such services. The Institute aims to gradually increase the proportion of self-generated income to total income to 10% in the third year of operation. For the 2011/12 financial year, self-generated income is 5% of total income. For the year under review, besides presentations in various — mainly private sector — fora, MISTRA provided services to clients identified in the section (*Partnerships: joint research initiatives; commissioned studies, consultancy*).

We continue to reflect on ways of improving our resource mobilisation efforts and hope that as the first batch of research projects is concluded, and MISTRA fully demonstrates its value-addition to South Africa’s intellectual endeavour, we will secure multi-year partnerships that will facilitate long-term planning and improve the Institutes’ sustainability.

#### Public Benefit Organisation status

MISTRA has been accorded the status of a Public Benefit Organisation by SARS, and this allows it to issue Section 18A certificates to enable contributors to claim the requisite tax benefit.



## Mapungubwe Institute for Strategic Reflection (MISTRA)

(Registration number 2010/002262/08)

Annual Financial Statements for the year ended 29 February 2012

### General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Research
Registered office	First Floor Cypress Place North Woodmead Business Park 142 Western Service Road Woodmead, Johannesburg 2191
Postal address	PostNet Suite 586 Private Bag X29 Gallo Manor 2052
Auditors	Nyamezela Incorporated Chartered Accountants (SA) Registered Auditors
Secretary	Ilva Mackay
Company registration number	2010/002262/08



# Financial Statements

## Mapungubwe Institute for Strategic Reflection (MISTRA)

(Registration number 2010/002262/08)

Annual Financial Statements for the year ended 29 February 2012

The reports and statements set out below comprise the annual financial statements presented to the board of directors:

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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## Mapungubwe Institute for Strategic Reflection (MISTRA)

(Registration number 2010/002262/08)

Annual Financial Statements for the year ended 29 February 2012



### Independent Auditor's report

#### To the directors of Mapungubwe Institute for Strategic Reflection (MISTRA)

We have audited the annual financial statements of Mapungubwe Institute for Strategic Reflection (MISTRA), which comprise the statement of financial position as at 29 February 2012, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 5 to 14.

#### Directors' Responsibility for the Financial Statements

The Institute's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Mapungubwe Institute for Strategic Reflection (MISTRA) as at 29 February 2012, and its financial performance and its cash flows for the year then ended, are in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa.

### Completeness of Grant Income

We draw attention to the following matter:

In common with similar organisations, it is not feasible for the organisation to institute accounting controls over certain income prior to the initial entry in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

### Other matters

Without qualifying our opinion, we draw attention to the fact that the supplementary information set out on pages 15 to 16 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

*Nyamezela Incorporated*

**Nyamezela Incorporated Chartered Accountants (S.A) Registered Auditors**

**Per: M. J. Vuso**

**Partner**

## Mapungubwe Institute for Strategic Reflection (MISTRA)

(Registration number 2010/002262/08)

Annual Financial Statements for the year ended 29 February 2012

### Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Institute as at the end of the financial year, and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Institute and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Institute and all employees are required to maintain the highest ethical standards in ensuring the Institute's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Institute is on identifying, assessing, managing and monitoring all known forms of risk across the Institute. While operating risk cannot be fully eliminated, the institute endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

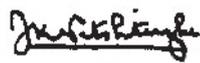
The directors have reviewed the Institute's cash flow forecast for the year to 28 February 2013 and, in the light of this review and the current financial position, they are satisfied that the Institute has or has access to adequate resources to continue in operational existence for the foreseeable future.

External auditors are responsible for independently reviewing and reporting on the Institute's annual financial statements. The annual financial statements have been examined by the Institute's external auditors and their report is presented on page 3.

The annual financial statements set out on pages 5 to 16, which have been prepared on the going concern basis, were approved by the Board on 6 June 2012 and were signed on its behalf by:



**Board Chairperson**



**Executive Director**

# Mapungubwe Institute for Strategic Reflection (MISTRA)

(Registration number 2010/002262/08)

Annual Financial Statements for the year ended 29 February 2012

## Directors' Report

The directors submit their report for the year ended 29 February 2012.

### 1. Review of activities

#### **Main business and operations**

The Institute is engaged in research and operates principally in South Africa. The central focus of the Institute is in-depth strategic research, as well as retreats and roundtables bringing together leaders from various sectors of South African society to explore the country's challenges. The aim is to deepen the nation's understanding of macro-social dynamics and propose courses of action that will take the country onto a higher trajectory of development.

The operating results and state of affairs of the Institute are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

### 4. Secretary

The secretary of the company is Ilva Mackay of:

Business address                      First Floor Cypress Place North, Woodmead Business Park, 142 Western Service Road  
Woodmead, Johannesburg 2191

Postal address                         PostNet Suite 586, Private Bag X29, Gallo Manor 2052

### 5. Auditors

Nyamezela Incorporated will continue in office in accordance with section 270(2) of the Companies Act.

## Mapungubwe Institute for Strategic Reflection (MISTRA)

(Registration number 2010/002262/08)

Annual Financial Statements for the year ended 29 February 2012

### Statement of Financial Position

Figures in Rand	Note(s)	2012	2011
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	1 544 418	500 398
Current Assets			
Trade and other receivables		174 314	1 399 111
Cash and cash equivalents	3	3 732 702	1 129 084
		<b>3 907 016</b>	<b>2 528 195</b>
Non-Current Assets		1 544 418	500 398
Current Assets		3 907 016	2 528 195
<b>Total Assets</b>		<b>5 451 434</b>	<b>3 028 593</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Surplus income		3 935 059	1 788 649
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	4	1 516 375	1 239 944
Non-Current Liabilities			
Current Liabilities		1 516 375	1 239 944
Equities		3 935 059	1 788 649
Liabilities		1 516 375	1 239 944
<b>Total Equity and Liabilities</b>		<b>5 451 434</b>	<b>3 028 593</b>

## Mapungubwe Institute for Strategic Reflection (MISTRA)

(Registration number 2010/002262/08)

Annual Financial Statements for the year ended 29 February 2012

### Statement of Comprehensive Income

Figures in Rand	Note(s)	2012	2011
Income	5	16 182 632	8 682 992
Revenue		16 182 632	8 682 992
Other income		686 908	1 983 808
Operating expenses		(14 689 762)	(8 878 060)
		16 182 632	8 682 992
		(14 002 854)	(6 894 252)
<b>Operating surplus</b>	6	<b>2 179 778</b>	<b>1 788 740</b>
Finance costs	7	(33 368)	(91)
Surplus for the period		2 146 410	1 788 649
<b>Surplus for the period</b>		<b>2 146 410</b>	<b>1 788 649</b>
<b>Total comprehensive income for the year</b>		<b>2 146 410</b>	<b>1 788 649</b>

## Mapungubwe Institute for Strategic Reflection (MISTRA)

(Registration number 2010/002262/08)

Annual Financial Statements for the year ended 29 February 2012

### Statement of changes in equity

Figures in Rand	Surplus income	Total equity
<b>Balance at 01 March 2010</b>		
Changes in equity		
Total comprehensive income for the year	1 788 649	1 788 649
Total changes	1 788 649	1 788 649
<b>Balance at 01 March 2011</b>	<b>1 788 649</b>	<b>1 788 649</b>
Changes in equity		
Total comprehensive income for the year	2 146 410	2 146 410
Total changes	2 146 410	2 146 410
<b>Balance at 29 February 2012</b>	<b>3 935 059</b>	<b>3 935 059</b>
Note(s)		

## Mapungubwe Institute for Strategic Reflection (MISTRA)

(Registration number 2010/002262/08)

Annual Financial Statements for the year ended 29 February 2012

### Statement of Cash Flows

Figures in Rand	Note(s)	2012	2011
Cash flows from operating activities			
Cash receipts from customers and donors		16 182 632	9 591 068 (7
Cash paid to suppliers and employees		(12 216 553)	775 139)
Cash generated from operations	8	3 966 079	1 815 929
Finance costs		(33 368)	(91)
Net cash from operating activities		<b>3 932 711</b>	<b>1 815 838</b>
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1 329 093)	(686 754)
Total cash movement for the year		<b>2 603 618</b>	<b>1129 084</b>
Cash at the beginning of the year		1 129 084	
Total cash at end of the year	3	<b>3 732 702</b>	<b>1129 084</b>

## Mapungubwe Institute for Strategic Reflection (MISTRA)

(Registration number 2010/002262/08)

Annual Financial Statements for the year ended 29 February 2012

### Accounting Policies

#### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the annual financial statements. No significant judgements were made.

#### **Financial assets measured at cost and amortised cost**

The Institute assesses its financial assets measured at cost and amortised cost for impairment at each reporting period date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

#### 1.2 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment, and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

<b>Item</b>	<b>Average useful life</b>
Furniture and equipment	5 years
Computer equipment	3 years
Computer software	1 year and infinite
Leasehold improvements	2 years

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

### 1.3 Financial instruments

#### **Financial instruments at amortised cost**

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

### 1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

### 1.5 Impairment of assets

The Institute assesses at each reporting period date whether there is any indication that an asset may be impaired. If any such indication exists, the Institute estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

### 1.6 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

### 1.7 Grant Income

Grants are recognised when there is reasonable assurance that:

- the Institute will comply with the conditions attaching to them; and
- the donations will be received.

Grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A grant that becomes receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the entity with no future related costs, is recognised as income of the period in which it becomes receivable.

Grants related to income are presented as a credit in the income statement (separately).

# Mapungubwe Institute for Strategic Reflection (MISTRA)

(Registration number 2010/002262/08)

Annual Financial Statements for the year ended 29 February 2012

## Notes to the Annual Financial Statements

Figures in Rand 2012 2011

### 2. Property, plant and equipment

	2012			2011		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and equipment	357 085	(225 338)	131 747	339 308	(96 360)	242 948
Computer equipment	260 302	(143 256)	117 046	196 461	(61 122)	135 339
Computer software	1 259 958	(19 900)	1 240 058	38 206	(19 900)	18 306
Leasehold improvements	123 076	(67 509)	55 567	112 779	(8 974)	103 805
<b>Total</b>	<b>2 000 421</b>	<b>(456 003)</b>	<b>1 544 418</b>	<b>686 754</b>	<b>(186 356)</b>	<b>500 398</b>

#### Reconciliation of property, plant and equipment- 2012

	Opening Balance	Additions	Disposals	Depreciation	Total
Furniture and equipment	242 948	18 577	(1)	(129 777)	131 747
Computer equipment	135 339	78 467	(4 373)	(92 387)	117 046
Computer software	18 306	1 221 752			1 240 058
Leasehold improvements	103 805	10 297		(58 535)	55 567
	<b>500 398</b>	<b>1 329 093</b>	<b>(4 374)</b>	<b>(280 699)</b>	<b>1 544 418</b>

#### Reconciliation of property, plant and equipment- 2011

	Opening Balance	Additions	Depreciation	Total
Furniture and equipment		339 308	(96 360)	242 948
IT equipment		196 461	(61 122)	135 339
Computer software		38 206	(19 900)	18 306
Leasehold improvements		112 779	(8 974)	103 805
		<b>686 754</b>	<b>(186 356)</b>	<b>500 398</b>

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3 599	3 372
Bank balances	3 729 103	1 125 712
	<b>3 732 702</b>	<b>1 129 084</b>

### 4. Trade and other payables

Trade payables	535 052	673 634
Accruals	981 323	566 310
	<b>1 516 375</b>	<b>1 239 944</b>

### 5. Revenue

Commissioned work income	158 798	1 015 563
Speakers fees	170 807	71 127
Grant Income	15 853 027	7 596 302
	<b>16 182 632</b>	<b>8 682 992</b>

# Mapungubwe Institute for Strategic Reflection (MISTRA)

(Registration number 2010/002262/08)

Annual Financial Statements for the year ended 29 February 2012

## Notes to the Annual Financial Statements

Figures in Rand	2012	2011
<b>6. Operating surplus</b>		
Operating surplus for the year is stated after accounting for the following:		
Research costs	853 982	120 632
Employee costs	9 808 933	4 943 637
Depreciation and amortisation	284 736	186 356
Impairment of property, plant and equipment	4 373	
Audit fees	36 301	
	<b>10 988 325</b>	<b>5 250 625</b>
<b>Retained surplus includes:</b>		
Unspent grant income- financial services sector vision 2025	1 015 563	1 015 563
<b>7. Finance costs</b>		
Interest paid	33 368	91
<b>8. Cash generated from operations</b>		
Surplus income	2 146 410	1 788 649
<b>Adjustments for:</b>		
Depreciation and amortisation	276 326	186 356
Finance costs	33 368	91
Other non-cash items	8 746	
<b>Changes in working capital:</b>		
Trade and other receivables	1 224 798	(1399111)
Trade and other payables	276 431	1 239 944
	<b>3 966 079</b>	<b>1 815 929</b>
<b>9. Related parties</b>		
Audit Committee Chair	Trish Hanekom	
<b>Related party balances</b>		
<b>Amounts included in Accruals regarding related parties</b>		
Trish Hanekom		(136 900)
The consulting fees were earned prior to her appointment to board.		
<b>Related party transactions</b>		
<b>Consulting services provided by related parties</b>		
Trish Hanekom		136 900

## Mapungubwe Institute for Strategic Reflection (MISTRA)

(Registration number 2010/002262/08)

Annual Financial Statements for the year ended 29 February 2012

### Notes to the Annual Financial Statements

Figures in Rand	2012	2011			
<b>10. Directors' emoluments</b>					
<b>Executive</b>					
<b>2012</b>	<b>Emoluments</b>	<b>Pension paid or receivable</b>	<b>Loss of office compensation</b>	<b>Gain on exercise of options</b>	<b>Total</b>
Joel Netshitenzhe	1 135 393	-	-	-	1 135 393
Barry Gilder Loyiso	958 069	-	-	-	958 069
Ntshikila	551 091	-	-	-	551 091
	<b>2 644 553</b>				<b>2 644 553</b>
<b>2011</b>	<b>Emoluments</b>	<b>Pension paid or receivable</b>	<b>Loss of office compensation</b>	<b>Gain on exercise of options</b>	<b>Total</b>
Joel Netshitenzhe	971 285	-	-	-	971 285
Barry Gilder Loyiso	767 904	-	-	-	767 904
Ntshikila	200 527	-	-	-	200 527
	<b>1 939 716</b>				<b>1 939 716</b>

#### Details of service contracts

Executive directors do not have fixed term contracts and non-executive directors' term is 3 years.

#### 11. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

#### 12. Events after the reporting period

The annual financial statements were authorised for issue on 06 June 2012 by the Board of Governors of the Institute.

## Mapungubwe Institute for Strategic Reflection (MISTRA)

(Registration number 2010/002262/08)

Annual Financial Statements for the year ended 29 February 2012

### Detailed Income Statement

Figures in Rand	Note(s)	2012	2011
<b>Revenue</b>			
Commissioned work income		158 798	1 015 563
Grant income		15 853 027	7 596 302
Speaker's fees		170 807	71 127
	5	<b>16 182 632</b>	<b>8 682 992</b>
		16 182 632	8 682 992
<b>Other income</b>			
Sponsorship fees		485 251	1 925 000
Other income		201 657	58 808
		<b>686 908</b>	<b>1 983 808</b>
		(14 689 762)	(8 878 060)
<b>Expenses (Refer to page 16)</b>		<b>(14 689 762)</b>	<b>(8 878 060)</b>
		16 182 632	8 682 992
		686 908	1 983 808
		(14 689 762)	(8 878 060)
<b>Operating surplus</b>	6	<b>2179 778</b>	<b>1 788 740</b>
Finance costs	7	(33 368)	(91)
Profit (loss) before taxation		2 146 410	1 788 649
<b>Surplus for the year</b>		<b>2 146 410</b>	<b>1 788 649</b>

The supplementary information presented does not form part of the annual financial statements and is unaudited

# Mapungubwe Institute for Strategic Reflection (MISTRA)

(Registration number 2010/002262/08)

Annual Financial Statements for the year ended 29 February 2012

## Detailed Income Statement

Figures in Rand	Note(s)	2012	2011
<b>Operating expenses</b>			
Accounting fees		(2508)	(5 157)
Audit fees		(36 301)	-
Bank charges		(16 426)	(8 973)
Cleaning		(2 526)	(7 623)
Consulting fees		(15 900)	(152 900)
Delivery expenses		(17 711)	(5 277)
Depreciation, amortisation and impairments		(280 699)	(186 356)
Entertainment- Networking meetings		(3497)	-
Employee costs		(9 801 004)	(4963801)
Entertainment- editors dinner		-	(14102)
Strategic Reflections		(55 200)	-
Indirect fund raising expenses		-	(300 000)
Publications purchases		(43 601)	(52 638)
Public launch expenses		(1153 389)	(621 072)
Website Maintenance.		(10 875)	(54 776)
Office Installations		(25 572)	(54 048)
Workshops and meeting expenses		(359 141)	(192 505)
Publication expenses		(12 090)	-
Computer expenses		(73 004)	(308 094)
Insurance		(11451)	(6 879)
Lease rentals on operating lease		(947 357)	(794 558)
Legal expenses		(26 638)	(281 104)
Parking expenses		(95 465)	(87 780)
Recruitment costs		(39 792)	(5 340)
Postage		(21 797)	(2 398)
Printing and stationery		(147 442)	(190 969)
Repairs and maintenance		(38 955)	(18 174)
Research costs		(853 982)	(174032)
Security		(6 858)	(13123)
Staff welfare		(11 044)	(1 450)
Subscriptions		-	(3 437)
Telephone and fax		(210 528)	(118973)
Training		(9 457)	(2 799)
Travel- local		(116 276)	(90 433)
Travel- overseas		(68 264)	(13 089)
Utilities		(175 012)	(146 200)
		<b>(14 689 762)</b>	<b>(8 878 060)</b>

The supplementary information presented does not form part of the annual financial statements and is unaudited



