supporting sustainable advancement
1. Patrons, the Board of Trustees and Staff .......................... 2
2. Message from the Chairperson ........................................ 3
3. Message from Executive Director ..................................... 4
4. Vision, Mission and Objectives ........................................ 6
5. The Work and Values of Inyathelo .................................... 7
6. Programmes held in 2003 ................................................... 9
   a. Training Seminars .................................................... 9
   b. Cadetships .......................................................... 13
   c. Resource Centre ................................................... 14
   d. Capacity-building interventions ................................. 15
   e. Black Empowerment Programmes ............................. 15
   f. Training across Africa .............................................. 17
   g. Other training ..................................................... 18
7. Donors and clients ......................................................... 19
8. Challenging programmes for the new year ......................... 20
9. Financial report .......................................................... 21
Eradication of poverty, social deprivation, pandemic disease and the creation of economic opportunity is a collective responsibility of all people in a society committed to democracy.

PATRONS, THE BOARD OF TRUSTEES AND STAFF

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Cyril Ramaphosa

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TRAINING OFFICER

OFFICE ADMINISTRATOR:

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Mark Volmink
Lindy Dlamini
Samantha Castle
MESSAGE FROM THE CHAIRPERSON

Over the last decade, South Africa has emerged from years of repression and upheaval with a model constitution, a democratic legislative and governance system, a free-market economy based on sound fundamentals and the most efficient tax-collection regime that the country has ever implemented. However, the legacy of Apartheid and South Africa’s formidable list of needs continues to cast a shadow over the success of these achievements.

It is clear that, even with the best intentions, the new state on its own is unable to address the country’s costly and diverse requirements including, inter alia, education and training, health, housing, poverty relief and job creation. It is in this context that the challenge to develop innovative philanthropic and social responsibility support has come sharply into focus. It is also in this context that the challenge exists for institutions involved in service delivery to equip themselves with effective Advancement skills and mechanisms to effectively interact with donor bodies. It is these two challenges that drive the South African Institute for Advancement (SAIA).

Arising from the political changes in South Africa, there has been a greater awareness of the need for partnerships between a broad range of role-players. These partnerships, which involve the state, business, labour and civil society, bring together skills, resources, financing, planning and innovation. Although all the relevant role-players understand the country’s social needs, the institutions asked to address them often lack the ability to do so successfully. In the changed South African funding environment, few organisations are able to secure the financial, technical and material support necessary to raise what they need from government agencies, foundations, corporations or individuals. Moreover, within South Africa, training related to resource mobilisation is limited, especially for development personnel at large institutions such as universities. Overseas opportunities exist, but they are expensive and frequently lack the relevant context needed to raise funds successfully in South Africa. The acute need to professionalise Advancement in this country is a key factor and the South African Institute for Advancement has proved its capacity to meet this challenge.

Over the past year the Institute has successfully focussed on advancement capacity building at universities and in the non-profit sector. The feedback from institutions and organisations has reflected an appreciation of the innovative resources and methodology that have been developed; the practical and theoretical knowledge and expertise of the Institute’s staff as well as the outstanding subject matter.

I am pleased to be associated with the South African Institute for Advancement as it begins to strengthen our institutions and civil society organisations. I would like to take this opportunity to thank the board and staff for the great strides that have been made in the year since the organisation’s inception. In particular a special thanks to Shelagh Gastrow, Executive Director, and Patric Tariq Mellet, Managing Director, for their vision and commitment in ensuring that the concepts of Advancement are institutionalised in South Africa.

Richard van der Ross
CHAIRPERSON
The concept of establishing Inyathelo emerged out of broad discussions during the latter part of 2001. Having agreed to a workable framework, a co-founder partnership was formed between Patric Tariq Mellet and Shelagh Gastrow to pursue the realisation of the Institute. By October 2002 the Institute was a legally established entity with a single staff member and enough seed finance to see it through the first six months.

Two years ago the idea of establishing a centre in South Africa that was dedicated to advancement training and capacity-building and focussed on assisting organisations to professionalise the manner in which they raised resources for their own sustainability was merely an idea. The fact that this is now a reality, delivering comprehensive training, capacity building and research in the fields of resource mobilisation and planned development reflects the commitment of the trustees, staff and those agencies that were willing to invest in a vision for the future. As we look back, we marvel on how far we have come since January when we moved on to the building site of what would blossom into the Cape Quarter leisure, office and shopping precinct of the de Waterkant district in Cape Town.

Inyathelo recognises that sustainability is based on a combination of innovative approaches to income generation and partnerships rooted in strong relationships between civil initiatives, the state, business, organised labour, individuals and the donor world in general. We therefore promote such relationships based on our core values, key to which is the concept that commitment to holistic human and environmental well-being is the basis of true advancement for organisations, institutions and the state.

In our first year of operation we have devised a number of programmes that include theoretical, practical and experiential components and can begin to see a rhythm in our activities. We work at various levels within institutions and organisations where we are involved in capacity building interventions as well as training. We employ programmes that have been conceptualised by ourselves, and have developed a range of customised training materials that have proved to work very well in our training programmes. We have continued to adapt, change and improve every workshop, varying our methodology and developing new resources such as video materials and experiential tools. Inyathelo has in the past year worked with a clientele that included universities, technikons, museums, NGOs and, the emergent black tourism business sector. With regard to the latter and with our black women CEOs peer group learning project, we have had a strong focus on black empowerment and the empowerment of women. Feedback from our over 500 workshop participants generally reflects surprise at the different and refreshing approaches that they have encountered. We have provided some of the comments from their evaluations later in the report. Our capacity building and training programmes are anchored in our resource and training centre. We have built up a substantial library of print, video and CD materials related to advancement and developed a database of donors in South Africa. This data base is being increasingly used by individuals from institutions and organisations who are responsible for raising funds. We have also made it available for purchase as a functioning tool in organisations that wish to have a ready searchable source on which they can record and track their own donor-investor relationships.

Finally, the Institute has a research component and in 2003 we undertook a research project
Holistic human and environmental well-being is the core of true advancement and sustainable development.

into the fundraising structures at institutions such as universities, technikons and museums. We have also entered into a partnership with the Human Sciences Research Council on a research project related to social cohesion in South Africa. It is our belief that the results of the research envisaged by this initiative will provide information on how partnerships are developed within society. This is a crucial component of growing philanthropy in South Africa.

I would like to take this opportunity to thank the patrons of the organisation, Cyril Ramaphosa and Dr Mamphela Ramphele, who have shown confidence in us and were willing to lend their names to the Institute; the trustees for their time, wisdom and support; the staff for their enthusiasm and for always being willing to go the extra mile; Michael Daries who has worked with us most creatively on our brand and “corporate image”; Esme Matshikiza who has worked tirelessly as a volunteer in our Resource Centre; Philip Balie who has assisted in seminars by leading sessions on proposal writing; Andre Zaaiman who has helped us to conceptualise and deliver the learning co-operative methodology and programmes; Jannie Hofmeyr who has shared his marketing expertise in our programmes; Gaby Ritchie who played a key role in the establishment of Inyathelo and all those who have made a financial investment in the Institute, especially the Open Society Foundation of South Africa, The Atlantic Philanthropies and the Liberty Foundation who shared our vision for the Institute from the start.

Shelagh Gastrow
EXECUTIVE DIRECTOR
THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT

VISION

The vision of the South African Institute for Advancement is to see the strengthening of initiatives, institutions and centres of excellence that address human well-being, learning, innovation, creativity and leadership in the interest of social and human advancement brought about through sustainable partnerships based on common values, sound management and effective deployment of resources.

MISSION

The Mission of the Institute is to provide a centre for reflection and to assist institutions, organisations and individuals to develop a professional approach to mobilising the support and resources required to ADVANCE their objectives and sustain initiatives. In so doing, the Institute also promotes a culture of social investment, voluntarism and self-help, rooted in the African cultural heritage of sharing.

OBJECTIVES

Inyathelo:

- Provides Advancement Training, Resource and Reflection Centre offering consultancy, professional interaction, training, research and resources dedicated to realise the vision and mission of the SAIA.

- Promotes initiatives and strategies related to sustainability supported by building long-term relationships between organisations, stakeholders, supporters and potential social investors.

- Engages in leadership development programmes with civil and institutional leaders who have been disadvantaged by the Apartheid legacy.

- Promotes the utilisation of indigenous knowledge and cultural heritage assets for sustainable development.

- Promotes social investment, voluntarism and self-help to meet national development priorities.

- Facilitates greater communication between different donor-investor sectors and civil initiatives through advisory services to partners.

- Conducts research on issues of advancement, social fabric, social investment, matching of donors to development proposals, pre-intervention needs analysis and evaluation of post-intervention impact.
THE WORK OF INYATHELO

The Managing Director explains the scope of the work of the Institute and the values within which it roots itself.

When referring to Advancement, we essentially refer to the sustainable development of institutions and organisations, and the skills development of their leadership. The SAIA provides a centre for reflection and learning focused on Advancement.

The Centre is the base from which we deliver on the core work of the Institute, namely training and capacity-building related to institutional advancement and leadership development. When the Centre is not used for any of the above purposes it is available for hire as a venue for small meetings and training seminars, and serves as a reflection centre providing special resources dealing with issues of cultural heritage.

Assistance to our clients is aimed at growing capacity to develop relationships with external supporters, encouraging innovative approaches to public image and marketing, changing outlooks to income generation, and exploring strategies to access finance and resources. This is done through the promotion of professional skills, disciplines and structures to advance the causes of organisations and those in leadership.

While assisting in building skills to access giving and social investment, the Institute also promotes social responsibility, personal giving, voluntarism and self-help. The work of the Institute is rooted in an approach that sees social investment and civil self-help initiatives as partnerships employing a strategic approach to the larger development picture in South Africa.
The Inyathelo team and associates also work on programmes that build leadership amongst those disadvantaged by the Apartheid legacy, through the use of peer-group learning co-operative methodologies. As part of this individual development, the Institute promotes reflection on strengths within the fields of cultural heritage and indigenous knowledge that can be innovatively employed to enhance leadership skills.

When the Institute was founded, we adopted a set of values within which we operate. The work of the South African Institute for Advancement is founded on a number of core values and recognitions. We uphold that:

- Holistic human and environmental well-being is the core of true advancement and sustainable development.
- Eradication of poverty, social deprivation, pandemic disease and the creation of economic opportunity is a collective responsibility of all people in a society committed to democracy.
- Development begins with nurturing support for individual leadership and the ‘power of one’.
- Indigenous knowledge, cultural heritage and South African diversity are to be cherished as assets for sustainable development.
- Institutional development and social development are closely bound, with ‘centres of excellence’ in South Africa being well placed to bridge the divide between social needs and knowledge.
- Advancing the cause of institutional and organisational development is bound to the strategic advancement needs of South Africa as a whole.
- By combining innovation, expertise, skills and resources available in South Africa we are able to accomplish fundamental advancement.
- To ensure greater effectiveness there should be increased partnerships between civil society, the state, labour organisations, businesses, individual effort and international support.
- Ultimately the measure of success is the change in the conditions faced by the poorest in our society.
- Increased social investment by companies and individuals is a key component for effective advancement of a better life for all South Africans.
- Excellent ideas, resources and all efforts committed to advancement will flounder if good governance is not firmly in place.

Over the last 17 months we have worked to give meaning to our commitment to these values by engaging with universities, technikons, museums, heritage sites, non-profit organisations, other civil initiatives and with individual leaders. A record of these programmes follow.
THE INYATHELO PROGRAMMES
TRAINING SEMINARS

University of Cape Town

Within weeks of the establishment of Inyathelo, the University of Cape Town requested training for its Development Office personnel in December 2002. Two workshops were undertaken — An Exploration of the Donor World and Brainstorming in Prospect Research. These workshops were the first modules developed by the Institute and continue to be used in modified form today.

Unitech

Although our key staff only joined the organisation in April 2003, we delivered our first major workshop in Gauteng in May. Commissioned by Unitech, this two-day training programme for its members who are mainly Communications, Marketing and Development personnel at universities and technikons was attended by 23 experienced development and fundraising staff from 14 institutions. These included:

- Technikon Free State
- Technikon Pretoria
- Technikon Witwatersrand
- Rand Afrikaans University
- University of Botswana
- University of Fort Hare
- University of Natal
- University of the North
- University of Stellenbosch
- University of the Witwatersrand
- University of Transkei
- University of Zululand
- Vaal Triangle Technikon
- Vista University.

The Carnegie Corporation of New York

Two workshops were commissioned by the Carnegie Corporation of New York for their South African grantees in June and August 2003. Forty-five participants from various universities, government departments and organisations were invited to our three-day training programmes on Advancement and Fundraising held in Green Point and Pretoria respectively. The aim of the programmes was for development personnel to acquire skills to access ongoing support for their projects, thereby ensuring long-term sustainability. Key modules covered during this programme were: Advancement, Development and Fundraising; Prospect Research; Cultivating Donor Relations, Stewardship, Solicitation and Exploring the Donor World. The discussion and interaction was stimulated through video sessions, group tasks and individual exercises. One of the highlights was a panel discussion and we were honoured to have
Institutional development and social development are closely bound, with ‘centres of excellence’ in South Africa being well placed to bridge the divide between social needs and knowledge.

representatives from the Ford Foundation, Ibis, the Old Mutual Foundation, Caltex and the Open Society Foundation for South Africa participating. We were also pleased that Courtenay Sprague, Carnegie Programme Officer, was able to attend and make a personal contribution.

The following universities, departments and organisations attended the two workshops:

- University of the Western Cape
- University of Cape Town
- University of Stellenbosch
- University of Pretoria
- Medunsa
- Rhodes University
- Peninsula Technikon
- Cape Technikon
- National Department of Education
- National Business Initiative
- South African University Vice-Chancellors’ Association
- University of the Witwatersrand
- University of Natal
- Rand Afrikaans University
- University of South Africa
- University of Fort Hare
- Council on Higher Education
- Medical University of South Africa

LETTER FROM CARNEGIE OBSERVER

"Firstly, the methodology of the training programme, that of Advancement, is a robust approach that underpins and is threaded through every segment of the programme. This has the effect of providing a powerful framework for participants, which undergirds the evolution of the course. It equips the participants with both a rationale for attending and a compass for orientating themselves in their work. This is incalculable for individuals who work in large organizations and have difficulty understanding how their specific tasks contribute to the larger mission and vision of the organization. Secondly, the content of each workshop is culled from the deep expertise and knowledge base of the facilitators. Their understanding of the field is unsurpassed. Therefore, participants benefit from a seasoned group of individuals with great experience across the gamut of topics presented. This provides an important resource pool for participants to tap into, as they grapple with internal dilemmas and challenges facing their respective organizations. Thirdly, the organization of Inyathelo as a whole, and of the specific programmes, is extremely well run, efficient and effective, with an enjoyable staff situated in a very pleasant environment. The level of thought, care and detail which the staff bring to bear on the end product is evident from the design of Inyathelo’s brochures, to the office decor, and the thorough responses to questions posed.”

(COURTENAY SPRAGUE, PROGRAM ASSOCIATE, INTERNATIONAL DEVELOPMENT PROGRAMME, CARNEGIE CORPORATION OF NEW YORK.)
The principles that apply to good Advancement practice at large institutions remain relevant to smaller organisations and we kept in mind the need to build sustainability amongst civil initiatives and non-governmental organisations. The City of Cape Town made the funding available for us to run two workshops specifically for the non-profit sector in the Western Cape. Participants from all over the Peninsula gathered to attend these courses which covered many practical aspects of fundraising in innovative and intensive sessions. Sessions included modules on The Donor World and Grantmakers' Views on Fundraising; Advancing Your Organisation's Interests; the Fundraising Process; Proposal Writing; Solicitation and Donor Cultivation. The courses also offered an opportunity for Inyathelo to meet and network with people working within communities so as to enable us to develop further programmes for this constituency. The workshops were well-received and most delegates found the training intervention to be an excellent learning experience, indicating that it would greatly benefit their fundraising initiatives back at work. They also felt that the course allowed them to change their paradigms and old mindsets about NPOs and fundraising and that they were equipped with a new perspective on accessing donor support and managing their organisations.

The following organisations attended these courses:

- Sarah Baartman Centre for Women and Children
- Zenzele Training and Development
- Environmental Monitoring Group
- Careers Research and Information Centre
- Quaker Peace Centre
- Early Learning Resource Unit
- Margret’s House
- Grassroots Adult Education and Training Trust
- Hartebees Kraal Multi-Purpose Community Centre
- Tabeisa (Peninsula Technikon)
- Planned Parenthood Association of South Africa
- Catholic Welfare Development
- Community Video Education Trust
- Black Sash
- SA Fisherwomen Association
- Hlumani Organisation
- The 5 in 6 Project
- Concerned People Network
- Women Demand Dignity
- Delta Training Programmes
- Cancer Association
Increased social investment by companies and individuals is a key component for effective advancement of a better life for all South Africans.

Charities Aid Foundation

The Charities Aid Foundation Southern Africa encourages “Give as You Earn” programmes in the corporate sector based on a formula of matching funds. CAFSA and Inyathelo held a joint seminar in Johannesburg involving non-profit organisations who were recipients of donations from individual givers linked into the CAFSA “Give as You Earn” programme. Whilst speakers from CAFSA and ABSA Bank spoke on the “Give as You Earn” and the Employees Volunteer Programmes respectively, Inyathelo made presentations and undertook interactive sessions on Institutionalising Development and Fundraising; Donor Cultivation and Stewardship. The focus was on how to make the donor experience a good experience and how to build lasting relationships particularly when supporters donate through a third party facilitated scheme such as “Give as You Earn”. Participants were encouraged to seek out their donors to thank them and deepen their relationships. A range of cultivation and communication methods were explored during the seminar.

The following organisations attended the workshop:

- St George’s Home
- Aids Counselling Care & Training
- Highveld Horse Care Unit
- Caritas Home
- Council for the Aged
- Avril Elizabeth Home
- Hospice Association of the Witwatersrand
- Vaal Region Community Chest
- SPCA Roodepoort
- SAVF Margareta Ackerman Huis
- People Opposing Women Abuse
- Tatenei Home Care Service
- Anglicare Children’s Home
- Sparrow Ministries
Cadetships

Each institution or organisation has a unique set of issues that they are working to resolve. To meet this need Inyathelo offers assignment-based cadetship programmes for individuals who are responsible for raising resources for their organisations. These programmes are specifically tailored to individual and organisational needs and involve one-on-one learning activities with a strong experiential component. Participating organisations in 2003 included the University of Natal (a cadetship solely focussed on prospect research), the University of Fort Hare, the Legal Resources Centre, the Centre for Development and Enterprise, the Cradle of Humankind Project, and the District Six Museum.

The cadetship for staff members from the University of Natal focussed on Donor Prospect Research and consisted of practical exercises, assignments, experiential training and theory. The topics covered included where and how prospect research fits into the Advancement Paradigm, newspaper research, socio-political research, broad research, creating a prospect list, brainstorming for new prospects and compiling prospect profiles.

We also welcomed the Assistant Director of Fundraising for the Cradle of Humankind Project and the Head of Development at the District Six Museum for a week-long cadetship on Advancement and Fundraising. Apart from theoretical discussions relating to the subject, the participants viewed our customised videos and spent time reading in the Inyathelo resource centre in order to produce daily assignments. In addition, they were given the opportunity to explore their ideas with Inyathelo personnel and were provided with feedback. The week was very full and both participants felt that the course exceeded their expectations, commenting that it “instilled …… hope” in them when faced with what had seemed to be an impossible task of raising money. They also commented that “Maybe I enjoyed my stay too much” and that “it has been worth every minute”.

Development begins with nurturing support for individual leadership and the ‘power of one’.

MAHEERAH GAMIELDEN, DISTRICT SIX MUSEUM AND ANN MOKHINE, CRADLE OF HUMANKIND PROJECT
COMPLETING A PROPOSAL-WRITING ASSIGNMENT.
By combining innovation, expertise, skills and resources available in South Africa we are able to accomplish fundamental advancement.

Resource Centre

Our training and capacity building programmes are anchored in the Inyathelo Resource Centre. Print materials including a wide range of books, journals and newspapers as well as CD and video materials are available on site to those who participate in our programmes and to people who wish to use the resources for their own research. In addition, we have a newspaper cutting section that is sorted into various categories for easy access to those who wish to gain an overview of the key issues that impact on social development in South Africa, Africa and globally.

Because this was our start-up year we had to meet the enormous challenge of stocking the resource library and developing our own training videos, power-point presentations and a range of innovative three-dimensional tools which would assist the learning process. Our approach to learning has been to attempt to break with the staid lecture mode and employ strong engagement with and between those on our courses. Thus our programmes make use of custom-designed tools used to explore the key issues.

One key issue for the sustainability of organisations is how to identify potential financial supporters. Inyathelo has developed a data base that includes details of over 1 700 prospective donor-investors, both within South Africa and abroad. It includes organisational details, a comprehensive search function and a reports function that provides printed profiles in a user-friendly format. The Resource Centre is being increasingly used by people who come to browse the prospect data base which we are also offering to organisations as part of a research package for purchase.

Besides providing full information about Inyathelo, a key resource is our website on which we have installed a large number of links to donor sites for easy access by grantseekers. A news page gives up-to-date information on calls for proposals and other relevant information on broad or specific issues that are pertinent to the resourcing of organisations.
We provide a variety of capacity building interventions and have been involved with a number of large institutions in relation to their Advancement requirements. This intervention has ranged from addressing executive level personnel to gain an understanding of advancement; assisting with the recruitment of Development and fundraising staff; Advancement planning and implementation, including audits of fundraising practices at such institutions. In this regard we have specifically worked with the University of Witwatersrand, University of Western Cape, Peninsula Technikon, the University of Jos, the District Six Museum and Iziko Museums.

Black Empowerment Programmes:

A peer group learning programme involving organisational development and sustainability training for black women CEOs of non-profit organisations.

This project, which was developed in consultation with several women who had recently taken over leadership of various non-profit organisations in the Western Cape, aims to strengthen the new echelon of South African civil society leaders, particularly women, through the building of skills and capacity in advancing their organisations and ensuring long-term financial security. It was decided to use an innovative learning co-operative model in which peers come together over a set time period to deal with specific issues and problems that arise in their context. The learning takes place through effecting real tasks and the agenda is set by the participants themselves. The co-operative produces its own knowledge, taking into account its own context, and such knowledge is then utilised by its members in their own systems and outputs. The co-operative is based on the philosophy that knowledge is within the group and thus people are able to learn through action and reflection to find their own solutions. The first workshop was held in November 2003. Although the key issue identified was organisational financial sustainability, the participants will collaborate through 2004 and 2005 in a process of strategic learning related to strategic planning, organisational advancement, development planning, fundraising planning, operationalisation and managing change. Each participant will record their experience and Inyathelo will publish the monograph that will result from their experiences.
A peer-group learning programme for Black tourism entrepreneurs looking at developing a specialised heritage tourism niche in the Western Cape.

Various limitations have been faced by black tourism entrepreneurs who have tried to break into the Western Cape market. These include difficulties in accessing finance for their businesses, building the skills of their staff and accessing the mainstream tourist market that has been dominated by long established tour operators. Historically this state of affairs has led to black exclusion in this vibrant sector. As a result, many such entrepreneurs have been relegated to the “township tours” market, an area that is fairly marginal at present and which does not necessarily generate adequate funding to sustain these new businesses. A further effect is that tourists often are subject to a skewed view of the culture, heritage and history of the people of Cape Town.

The aim of the project is to strengthen emerging black tourism operators to play a full role in the tourism market of the Western Cape. The objectives of the project are to assist in the advancement of this sector by:

- Providing a learning base within the city that offers resources and capacity-building opportunities for black tourism operators within a context that will grow the local heritage tourism niche for such operators.
- Initiating a development programme supporting black tourism entrepreneurs and strategies for their sustainability.

The first stage of this programme has been to register the facility with Cape Town tourism, advertise the facility, start-up the heritage tourism resource facilities and open the facility up to black tourism entrepreneurs. Phase two, the development programme, will be initiated in June 2004. We will be using a peer-group learning methodology for this programme which will develop understanding and promote narratives covering Creolisation, indigenous and slave heritage; identify sites that are based on such narratives; develop tour routes to complement the narratives; build lobbying and public participation skills to assist in promoting the development of such sites to provide attractions; develop a heritage tourism product and utilize the centre as a tours stop-over site to promote black tourism entrepreneurship and heritage tourism. Interwoven with each of these will be advancement of this as a business activity and the sustainability of this heritage tourism activity.
Training across Africa

We are living in an era of NEPAD, the African Union and the African Parliament where linkages between South Africa and other countries are growing. NPOs have been encouraged to work across borders in regional partnerships and Inyathelo has ventured to do just that over the last year.

- A workshop was conducted under the auspices of the Resource Alliance in Lesotho in February 2003 focussing on donor management and cultivation.

- Members of the Community Foundation for the Western Region of Zimbabwe attended a one day seminar at the Inyathelo Centre in November supported by Synergos. This covered aspects relating to advancement, development and fundraising.

- Shelagh Gastrow and Patric Tariq Mellet conducted a week-long workshop at the University of Jos in Nigeria’s central Plateau State in December. This was the first step in a two-year capacity-building intervention aimed at establishing a Development Office at the University of Jos in terms of a partnership established between the Carnegie Corporation of New York and the university. There was a high level of participation including the Vice-Chancellor, Deputy Vice-Chancellor, academic staff, administrative staff and student representatives. In addition, delegates from other Nigerian universities were in attendance. Senior UOJ personnel were taken on a tour of Development Offices at South African Universities early in 2004 as the next step in this learning process. The relationship between Inyathelo and UOJ is part of the exciting new developments that are occurring between South Africa and other counties in Africa. This is one of the mushrooming micro new partnerships for African development.
Other training

Other training programmes included:

- A session with the HERS-SA annual Academy in September. The Academy aims to provide professional development workshops for women employed in Higher Education, and is intended to provide participants with relevant, practical information that will enhance their effectiveness, in a secure, supportive environment. The Executive Director presented a session on donor cultivation and stewardship. It is envisaged that Inyathelo will run a workshop for HERS-SA participants in 2004, immediately following the week-long academy workshop.

- Inyathelo delivered a session on Exploring the Donor World for a workshop for Registrars and Deputy Vice-Chancellors under the auspices of the South African University Vice-Chancellors’ Association in October.

COMMENTS FROM PROGRAMME PARTICIPANTS

“One of the most empowering programmes I have taken this year.”

“The quality of your presentations was enhanced by the fact that you are clearly professional, passionate and experienced in the field of fundraising.”

“According to my expertise, this course is far the best I’ve attended in South Africa.”

“The NGO sector very rarely gets this type of opportunity ie on par with tertiary and business organisations.”

“And experience I should have had when I started as the manager of an organisation.”
Inyathelo is working on a model that includes both donor support and fees based on non-profit cost-recovery. Other income-generation initiatives are key to the long-term sustainability of Inyathelo.

The generous donor investment received has enabled us to establish the Institute and to carry out targeted programmes that further our vision and mission. Some donor organisations have also employed our services on behalf of their grantees, as clients, as have some of the larger institutions with whom we have worked. We would especially like to thank the following donors for their support and confidence in our endeavours:

- The Open Society Foundation
- The Atlantic Philanthropies
- The Charles Stewart Mott Foundation
- The Stella and Paul Loewenstein Educational Trust
- The Liberty Foundation
- The David Graaff Foundation
- The City of Cape Town
- The Swiss-South African Co-operation Initiative
- The Embassy of Finland
- The Anglo-American Chairman’s Fund
- BP Southern Africa
- Mr Benny Rabinowitz
- The Carnegie Corporation of New York.
- Synergos
- The Levi-Strauss Foundation
- Charities Aid Foundation Southern Africa

Our clients have included:

- The City of Cape Town
- The Swiss-South African Co-operation Initiative
- The Embassy of Finland
- The Anglo-American Chairman’s Fund
- BP Southern Africa
- Mr Benny Rabinowitz
- The Carnegie Corporation of New York.
- Synergos
- The Levi-Strauss Foundation
- Charities Aid Foundation Southern Africa
Inyathelo has constantly been aware that we need to be on a sure footing with regards to our own sustainability. This has been especially important because our main start-up grant was a challenge grant based on a formula of one rand for every two rands that we are able to raise.

Cost-recovery and operating an organisation with a professional image but nonetheless economical in terms of expenditure required good business planning, strategic thinking and meticulous practices.

During this start-up year, Inyathelo, fired by a belief that strategic learning by organisations occurs through doing, has proceeded by taking risks in rolling out our product and implementing it across South Africa. In so doing we have engaged with a broad range of client institutions and organisations. As we proceeded in engaging clients, delivering on our services, marketing ourselves and evaluating the market all in one process, we have piloted and monitored what works well. We have also assessed what is cost effective and what is not. As the year ended we began to investigate further sectors of the market that are open to our core business. These include:

- Further Education and Training Colleges now organised into regional umbrella institutions,
- Secondary Schools organised into regional circuits,
- Sports bodies,
- Community Grantmakers, and
- Other black empowerment programmes in the tourism and heritage arena.

In this regard meetings have been held with the relevant government departments to explore service delivery partnerships. At the same time we have subjected ourselves to the rigorous process of acquiring SETA accreditation which we should have by mid-2004.

Through this vigorous process, both our service product and clientele are clearly emerging, and a set of training and capacity-building modules have been developed into a pilot manual. By mid-2004 we will have practically tested the full range of opportunities open to Inyathelo and will begin to go into a phase of focussing and matching specific programmes to client niche markets. We will also consider on which opportunities we will focus and which we will need to set aside. Alongside this we will address issues of the future size and shape of Inyathelo and where we need to concentrate investment in effort and resources.
The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The financial statements have been prepared in accordance with generally accepted accounting practice and in the manner required by the Companies Act, 1973, in South Africa. The trustees are also responsible for the trust’s system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the 17 months under review. The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the trust has adequate resources in place to continue in operation for the foreseeable future.

RE Van der Ross  
PWT Mellet  
S F Gastrow
REPORT OF THE INDEPENDENT AUDITORS

TO THE TRUSTEES OF THE SOUTH AFRICAN
INSTITUTE FOR ADVANCEMENT TRUST

We have audited the financial statements of The South African Institute for Advancement Trust set out on pages 3 to 9 for the 17 months ended 29 February 2004. These financial statements are the responsibility of the trust’s trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- Assessing the accounting principles used and significant estimates made by management, and
- Evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Qualification

In common with similar organisations, it is not feasible for the trust to institute accounting controls over cash collections from donations prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Qualified audit opinions

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of the trust at 29 February 2004 and the results of its operations and cash flows for the 17 months then ended in accordance with generally accepted accounting practice.

Accounting and secretarial duties

With the written consent of all trustees, we have performed certain accounting and secretarial duties.

Supplementary information

The supplementary schedule set out on page 10 does not form part of the financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion on it.

Moores Rowland
Chartered Accounts (S.A.)
Registered Accountants and Auditors

Cape Town
02 June 2004
THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST

REPORT OF THE TRUSTEES

for the 17 months ended 29 February 2004

The trustees present their report for the 17 months ended 29 February 2004. This report forms part of the audited financial statements.

1. Incorporation
Your trust was incorporated on 09 September 2002 and obtained its certificate to commence business on same day.

2. General review
The trust’s business and operations and the results thereof are clearly reflected in the attached financial statements.

3. Property, plant and equipment
There have been no major changes in the property, plant and equipment during the period or any changes in the policy relating to their use.

4. Events subsequent to the year end
There have been no facts or circumstances of a material nature that have occurred between the accounting date and the date of this report.

5. Trustees
The trustees of the trust during the accounting period and up to the date of this report were as follows:

<table>
<thead>
<tr>
<th>Trustee</th>
<th>Appointed</th>
<th>Resigned</th>
</tr>
</thead>
<tbody>
<tr>
<td>T M F Phaswana</td>
<td>06 January 2003</td>
<td></td>
</tr>
<tr>
<td>S M Pityana</td>
<td>06 January 2003</td>
<td></td>
</tr>
<tr>
<td>N Badsha</td>
<td>06 January 2003</td>
<td></td>
</tr>
<tr>
<td>RE Van der Ross</td>
<td>06 January 2003</td>
<td></td>
</tr>
<tr>
<td>P W T Melle</td>
<td>06 January 2003</td>
<td></td>
</tr>
<tr>
<td>S F Gastrow</td>
<td>06 January 2003</td>
<td></td>
</tr>
<tr>
<td>M G Ritchie</td>
<td>06 January 2003</td>
<td></td>
</tr>
</tbody>
</table>

6. Auditors
Moores Rowland will continue in office in accordance with section 270(2) of the Companies Act.
## THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST

### BALANCE SHEET

as at 29 February 2004

<table>
<thead>
<tr>
<th>NOTE</th>
<th>29 FEBRUARY 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>13,260</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>2,740,144</td>
</tr>
<tr>
<td>Total assets</td>
<td>2,753,404</td>
</tr>
<tr>
<td>Equity and liabilities</td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td></td>
</tr>
<tr>
<td>Trust capital</td>
<td>100</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
</tr>
<tr>
<td>General reserve</td>
<td>2,749,185</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>4,119</td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td>2,753,404</td>
</tr>
</tbody>
</table>

### INCOME STATEMENT

for the 17 months ended 29 February 2004

<table>
<thead>
<tr>
<th>NOTE</th>
<th>29 FEBRUARY 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td>Gross revenue</td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>2,969,107</td>
</tr>
<tr>
<td>Operating costs</td>
<td>293,844</td>
</tr>
<tr>
<td>(3,470,008)</td>
<td></td>
</tr>
<tr>
<td>Operating loss</td>
<td>Interest received</td>
</tr>
<tr>
<td>Interest received</td>
<td>(207,057)</td>
</tr>
<tr>
<td>3</td>
<td>207,057</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
</tr>
</tbody>
</table>
THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST

STATEMENT OF CHANGES IN EQUITY

for the 17 months ended 29 February 2004

<table>
<thead>
<tr>
<th>TRUST CAPITAL</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 01 October 2002</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>100</td>
</tr>
<tr>
<td>Issue of trust capital</td>
<td>100</td>
</tr>
<tr>
<td>Balance at 29 February 2004</td>
<td>100</td>
</tr>
</tbody>
</table>

THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST

CASH FLOW STATEMENT

for the 17 months ended 29 February 2004

<table>
<thead>
<tr>
<th>NOTES</th>
<th>17 MONTHS ENDED 29 FEBRUARY 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>3,411,854</td>
</tr>
<tr>
<td>Cash generated by operating activities</td>
<td>455,612</td>
</tr>
<tr>
<td>Interest received</td>
<td>207,057</td>
</tr>
<tr>
<td>General reserve</td>
<td>2,749,185</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
</tr>
<tr>
<td>Expenditure for expansion</td>
<td>(671,810)</td>
</tr>
<tr>
<td>Property, plant and equipment acquired</td>
<td></td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td></td>
</tr>
<tr>
<td>Capital raised</td>
<td>100</td>
</tr>
<tr>
<td>Increase in cash and cash equivalents</td>
<td>2,740,144</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the period</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of the period</td>
<td>2,740,144</td>
</tr>
</tbody>
</table>
THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 29 February 2004

1. Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting practice. The financial statements are prepared under the historical cost basis.

1.1. Revenue recognition

Revenue is recognised once donations and grants has been received.

1.2. Property, plant and equipment

All property, plant and equipment are initially recorded at cost.

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

- Furniture and fillings 16.66%
- Telephone equipment 20.00 %
- Office equipment 20.00 %
- Computer equipment 33.33 %
- Audiovisual equipment 16.66 %

2. Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>COST R</th>
<th>2004 ACCUMULATED DEPRECIATION R</th>
<th>CARRYING VALUE R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture and fittings</td>
<td>273,318</td>
<td>273,318</td>
<td>-</td>
</tr>
<tr>
<td>Telephone equipment</td>
<td>13,859</td>
<td>13,859</td>
<td>-</td>
</tr>
<tr>
<td>Office equipment</td>
<td>35,770</td>
<td>35,770</td>
<td>-</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>252,685</td>
<td>252,685</td>
<td>-</td>
</tr>
<tr>
<td>Audiovisual equipment</td>
<td>96,178</td>
<td>96,178</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>671,810</td>
<td>671,810</td>
<td>-</td>
</tr>
</tbody>
</table>

The carrying amounts of property, plant and equipment can be reconciled as follows:

3. Interest received

Interest income
- Interest received 207,057

4. Grants received

Gross grants received 5,383,869
Less: Transfer to general reserve (2,749,185)
2,634,684
### 5. Notes to the cash flow statement

#### 5.1 Cash generated by operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2004 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustments for:</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>671,810</td>
</tr>
<tr>
<td>Interest received</td>
<td>(207,057)</td>
</tr>
<tr>
<td></td>
<td>464,753</td>
</tr>
</tbody>
</table>

| Movements in working capital             |         |
| Increase in trade and other receivables  | (13,260) |
| Increase in trade and other payables     | 4,119   |
|                                         | 455,612 |

#### 5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

<table>
<thead>
<tr>
<th></th>
<th>2004 R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>2,740,144</td>
</tr>
</tbody>
</table>
THE SOUTH AFRICAN INSTITUTE FOR ADVANCEMENT TRUST

DETAILED INCOME STATEMENT

for the 17 months ended 29 February 2004

<table>
<thead>
<tr>
<th>Income Description</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>2,969,107</td>
</tr>
<tr>
<td>Donations</td>
<td>334,423</td>
</tr>
<tr>
<td>Grants</td>
<td>2,634,684</td>
</tr>
<tr>
<td>Other income</td>
<td>500,901</td>
</tr>
<tr>
<td>Cost recovery fees</td>
<td>293,844</td>
</tr>
<tr>
<td>Interest</td>
<td>207,057</td>
</tr>
<tr>
<td>Total income</td>
<td>3,470,008</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure Description</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3,470,008)</td>
<td></td>
</tr>
<tr>
<td>Accounting fees</td>
<td>45,078</td>
</tr>
<tr>
<td>Advertising and marketing</td>
<td>125,948</td>
</tr>
<tr>
<td>Bank charges</td>
<td>10,236</td>
</tr>
<tr>
<td>Cleaning</td>
<td>11,028</td>
</tr>
<tr>
<td>Computer expenses</td>
<td>27,050</td>
</tr>
<tr>
<td>Consulting fees</td>
<td>21,800</td>
</tr>
<tr>
<td>Depreciation</td>
<td>671,810</td>
</tr>
<tr>
<td>General expenses</td>
<td>2,310</td>
</tr>
<tr>
<td>Hire of equipment</td>
<td>15,472</td>
</tr>
<tr>
<td>Insurance</td>
<td>24,819</td>
</tr>
<tr>
<td>International conference fees</td>
<td>2,013</td>
</tr>
<tr>
<td>Lease rentals</td>
<td>297,235</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>350</td>
</tr>
<tr>
<td>Postage</td>
<td>5,557</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>47,071</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>21,588</td>
</tr>
<tr>
<td>Resource centre</td>
<td>137,349</td>
</tr>
<tr>
<td>Salaries</td>
<td>1,676,731</td>
</tr>
<tr>
<td>Secretarial fees</td>
<td>2,150</td>
</tr>
<tr>
<td>Telephone and fax</td>
<td>91,702</td>
</tr>
<tr>
<td>Training functions</td>
<td>47,742</td>
</tr>
<tr>
<td>Travel - local</td>
<td>114,102</td>
</tr>
<tr>
<td>Travel - overseas</td>
<td>63,846</td>
</tr>
<tr>
<td>Utilities and CMC Levies</td>
<td>7,021</td>
</tr>
</tbody>
</table>


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