



Annual Report of the Sam
Tambani Research Institute
for the Financial Year ended
28th February, 2019.



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DEFINITION OF TERMS AND ACRONYMS

EMBTC	Elijah Barayi Memorial Training Centre
JB Marks	John 'Beaver' Marks Education Trust Fund
KPA	Key Performance Areas
KPI	Key Performance Indicators
MDA	Mineworkers Development Agency
MIC	Mineworkers Investment Company
MIT	Mineworkers Investment Trust
NUM	National Union of Mineworkers
NUMPROP	National Union of Mineworkers Property
PFMA	Public Finance Management Act
SATRI	Sam Tambani Research Institute



FOREWORD BY CHAIRPERSON OF THE BOARD

I am happy to present the Sam Tambani Research Institute (SATRI) Chairperson's report for the financial year ended 28 February 2019. The financial year was characterised by a concerted effort by the institute to meet its mandate of carrying out research on issues affecting workers' welfare in the Mining, Energy, and Construction sectors.

One of the key highlights for the year was the completion and publication of the biography of Sam Tambani, after whom the institute was named. The biography is titled: *The Life and Works of Sam Tambani: A Gem Lost too soon*.

The Institute also played an active role in ensuring that debates on the energy policy direction that the country was taking was cognisant and sensitive to workers interests. This was done in realisation that the energy sector is a key employer and pivotal sector of the South Africa's economy. The sector has important linkages with almost all other economic sectors of the country including

Mining, Trade and Industry. If a wrong energy policy is adopted by the country, it is most likely going to lead to direct job losses in the energy, mining and other related sectors. Most concerning though, a wrong energy policy has a potential to limit government ability to use energy as a development tool in the quest to achieve National Development Plan (NDP) objectives.

A key achievement for the institute in the year, was the recognition by the National Union of Mineworkers (NUM) and all its structures that the institute was the place to go whenever in need of factual information pertaining to workers issues. In this regard, the institute provided research and information support to the NUM PWV region during its wage negotiations, research support to the NUM Women's Structure in discussing and coming up with possible action plans to address challenges that still faced women in the mining sector, and the NUM Youth structure in making sense of the Fourth Industrial Revolution (4IR) and how to approach it from a labour perspective.

Regarding corporate governance, the institute has put in place a solid foundation to ensure that corporate governance principles are followed in conducting its business. The board of the institute and its sub-committees were active in the year to make sure that the institute was run under sound corporate governance. Specifically on financial matters, I am glad to report that the institute had an unqualified audited financial opinion for the 2018/2019 financials. This was against the background that the institute has never had a qualified audit opinion since its inception. I would like to congratulate the management of the institute on prudent financial management.

It is important to mention that most of the work that the institute does would not have been possible without the funding from Mineworkers Investment Trust (MIT). My special appreciation goes to the MIT for the continued funding of the institute.

On behalf of the entire board, I would like to reiterate our commitment to support and guide

management in ensuring that the institute continues meet its mandate and expectations of its founder entities – the NUM and the MIT.

Finally, I am aware that research will play an important role in advancing trade unionism and interest of workers going forward. I therefore call upon all individuals and parties concerned with the well-being of workers and workers community to partner with SATRI in collecting, analysing information and influence any policy or intervention that has or may have a bearing on workers welfare.

JOSEPH MONTISETSE





MESSAGE FROM THE EXECUTIVE DIRECTOR

The year 2018 marks five years since the Sam Tambani Research Institute commenced its operations. It is, therefore, appropriate to take a moment to reflect on how far the Institute has come, and the extent to which it has been able to carry out its mandate.

Over the past five years, the Institute has developed its capacity in terms of human resources and physical infrastructure to be able to conduct both limited sector-specific research as well as country wide research. This capacity has been used to meet research needs of the National Union of Mineworkers (NUM), the Mineworkers Investment Trust's (MIT) family entities as well as the worker constituency in general. Further, the Institute has positioned itself as one of the key entities undertaking worker-related research in South Africa.

Specific to the 2018-19 financial year, the Institute successfully undertook and completed six research projects. These projects included the

Energy Mix and the Protection of Workers project, the Workplace Restructuring and its effects on union recruitment project, and the exploration of Employee Share Ownership Plans (ESOPs) project. Some of these projects were designed to provide information needed to address challenges confronting the National Union of Mineworkers but some were intended to inform ways to protect workers in general given the emerging socio-economic developments in the country.

Within the year under consideration, the Institute also increased its visibility among its peers through publications and presentations of its research outcomes at various forums, locally and internationally. Some of the highlights pertaining to the publication and presentations of research conducted by the institute were:

- 1) Publication of findings emanating from Challenges Facing Women in the Mining Sector in an international journal - The Extractive Industries and Society;
- 2) Presentation at 2018 African Renaissance Conference organised by the Human Science Research Council;
- 3) Completion of the book on The Life and Works of Sam Tambani.

In the course of the year, the Institute also published quarterly research newsletters that contained research articles on various topics of interest to workers and unions. The newsletters were shared with all relevant stakeholders including the NUM library and academic institutions.

In terms of capability and capacity to deliver on its mandate, for the first time SATRI was able to fill all research positions. In addition, the Institute provided internship opportunities to two new graduates under which they were exposed to the basics of undertaking applied research.

The Institute continued to have prudent financial management and control systems in place. This is evidenced by the unqualified financial report for the year.

SATRI took deliberate action to nurture and sustain mutually beneficial relationships with entities sharing the same interests and research focus. In this regard, the Institute had collaborative research projects with the Friedrich Ebert Stiftung (FES), the Human Science Research Council (HSRC), and the National Labour and Economic Development Institute (NALEDI) of the Congress of South African Trade Unions (COSATU).

For a research institute that started only five years ago, SATRI has thus far done a good job towards meeting its mandate to undertake research on matters pertaining to the socio-economic welfare of workers (and their communities) in the Mining, Energy, and Construction sectors in Southern Africa. We are indebted to the Mineworkers Investment Trust (MIT) for funding the Institute. We are also appreciative of NUM for its confidence and guidance in the work that SATRI does.

Given the experience of the last five years, I am confident that the SATRI will continue to grow and be more effective in meeting the research and information needs of NUM and the worker constituency in general.

DR. MARTIN KAGGWA

Executive Research Director





SATRI CORPORATE PROFILE

The Sam Tambani Research Institute (SATRI) is an initiative of the National Union of Mineworkers (NUM) and Mineworkers Investment Trust (MIT). It was registered in 2012 as a non-profit institute, but it only commenced its work in earnest in 2014. SATRI was conceptualized through the recognition that information can be manipulated to perpetuate exploitation of workers. The same information, however, can also be used as a tool to negotiate for better conditions, as well as supporting pro-worker policies.

SATRI was mandated to undertake research relevant to the welfare of workers and their communities in the Mining, Energy and Construction sectors. In addition, the Institute is tasked with undertaking proactive research on national policies and emerging issues that have a bearing on the well-being of workers, both in the short term and long term.

Our Vision

“To be a recognised research institute on matters pertaining to the socio-economic welfare of workers (and their communities) in the Mining, Energy and Construction sectors in Southern Africa.”

Mission

Conducting research that is relevant and visible and that adds value to the livelihoods of workers and their communities in the Mining, Energy and Construction sectors.

Values

As a research institute, SATRI subscribes to the following values, which are embedded in our organisational culture:

- Professionalism
- Empowerment
- Research Excellence and Innovation
- Credibility.

SATRI's Objectives

- To undertake and facilitate research and publications that influence policy and contribute to the socio-economic needs of workers and their communities in the Mining, Energy, and Construction sectors.
- To build and maintain the capability and capacity of the organisation to deliver on its mandate.
- To ensure the development and implementation of effective and efficient internal systems, processes, and good corporate governance practices.
- To ensure prudent financial management and sustainability of the organisation.
- To ensure that SATRI is strategically positioned with all relevant stakeholders.



Research Agenda

The research that SATRI undertakes can be categorized in two broad areas:

- Research on national and emerging international policies that have a bearing on workers and their families and communities.
- Research on contemporary issues, existing or emerging, that affect the welfare of workers and their communities, and impact on the effectiveness of meeting workers' aspirations.



CORPORATE GOVERNANCE

Governance Statement

SATRI is committed to ensuring strict compliance with all relevant legislation and principles of sound corporate governance. The Institute continues to consistently strive to fulfil its statutory regulatory mandate by having due regard of the precepts of responsible decision making, fairness, transparency, accountability, and effective leadership.

Board Members

The mandate of the Board is to oversee the management of the Institute and ensure that the best interests of the Institute are achieved.

The Board, inter alia, is responsible for:

- Exercising oversight on governance matters pertaining to the operations of the Institute.
- Providing a supportive role in terms of strategic direction and partnerships forged by the Institute.

- Establishing the ethical standards, values, and compliance for the Institute's overall mandate.
- Monitoring the management of the Institute to ensure that the Institute's objectives and the interests of its constituencies are met.

In the 2018-2019 financial year, the Board of the Institute was composed of seven (7) members, with Mr Joseph Montisetse as the chairperson. Details of the Board members are summarised in the table below:

Name	Position/ Role in SATRI	Tenure
Julia Mulaudzi-Ramagoma	Member	2018 - Current
Joseph Montisetse	Chairperson	2016 - Current
Kanetso Matabane	Member	2016 - Current
Godfrey Mokate	Member	2015 - Current
Mamokgethi Mologyane	Member	2015 - Current
Moses Simphiwe Nanise	Member	2013 - Current
Martin Kaggwa	Member	2013 - Current

The Board sat three times in the 2018-2019 financial year to deliberate on the corporate governance issues of the Institute.

Audit Committee

The Institute's Memorandum of Incorporation (MOI) requires that there should be an audit committee consisting of not less than three (3) independent members. During 2018-2019 the audit committee was made complete by the appointment of a third audit committee member. The functions of the Audit Committee were expanded to include finance responsibilities, and the committee is now identified as the Audit and Finance Committee. The functions now include, among others, overseeing the internal controls of the Institute, to ensure compliance with policy of processes and

operations, forecasting and monitoring possible risks, and maintaining financial ethical standards within the Institute as a non-profit company.

MIT Family

What is referred to as the 'MIT Family' comprises of entities that receive grants from the MIT in order to perform their different functions. SATRI forms part of the MIT family, together with the JB Marks Education Trust Fund, Elijah Barayi Memorial Training College (EBMTC), Mineworkers Development Agency (MDA), Mineworkers Investment Company (MIC), and the National Union of Mineworkers Properties (NUMPROP).

As a form of accountability and coordination of activities between the different entities, the MIT family holds periodical meetings at which entities present their respective activities and progress reports.

The MIT family sat three (3) times during the 2018-2019 financial year.

MIT Fundraising Committee

SATRI also reports in the MIT Fundraising Meeting. At this meeting, all MIT family entities submit reports and present on their institutional activities. Three fundraising meetings took place in the 2018-2019 financial year.





2018-2019 OPERATIONS HIGHLIGHTS

Field Research

a) **Book Title: The Life and Works of Sam Tambani: A Gem Lost too Soon**

Project Background

Comrade Sam Tambani was a seasoned revolutionary dedicated to fight against poverty wages, poor working conditions, joblessness, homelessness, and apartheid in general. He was killed by apartheid police on 14 April 1993 at Protea Police Station in Soweto while spearheading the struggle for political freedom and the emancipation of blacks in South Africa. Despite having a Ward, a Welfare Centre in Soweto and a Research Institute named after him, little is known of who Comrade Sam Tambani was. The complete profile of the person, the worker, and workers' leader does not exist and only fragments are mentioned by those who worked and interacted with him at different times of his life.

Goals of this Project

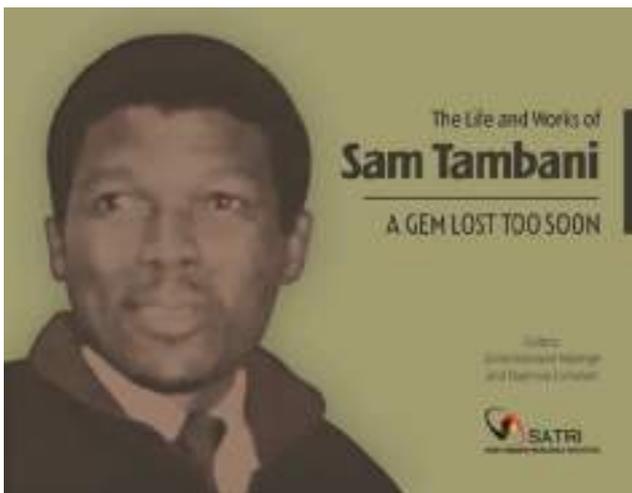
This book is aimed at contributing towards preserving and documenting the life and works of Sam Tambani, so that his legacy may not be lost for generations to come.

The Methodology

A combination of data collection methods were used in the project: observations and personal interviews with family, friends, comrades, and colleagues of Sam were conducted through non-probability sampling techniques - purposive sampling and snowballing.

Final Deliverable(s)

The book has been published. It was launched on the 12th of July 2019, at Emperors Palace.



b) Project Title: State of Housing and Financing Models for Mineworkers

Project Background

The provision of different housing options for mineworkers has been a problem within the mining sector. Only after the introduction of the Mineral and Petroleum Resources Development Act (28 of 2002) did mining companies start providing different housing options for mineworkers. Trade unions have, through collective agreements, played a key role in housing improvement for mineworkers. However, they have not kept track of the changing preferences; where this has been done, it has not been documented. There is a risk that what unions are advocating in terms of housing may not be what the members want. It is, thus, important that trade unions keep track of their members' housing benefit preferences to effectively advance their interests as regards housing.

Goals of this Project

This project has 3 inter-related objectives: 1) to identify different housing benefit models currently used by mining companies; 2) to determine the challenges faced by NUM members with regards to the different housing benefits models; 3) to explore NUM members' preferences with regards to different housing benefit models.

Methodology

This study employed a descriptive survey research approach. This approach will give a situation analysis with regards to the aim and objectives of the study.

Project Duration

The duration of this project is from September 2018 to October 2019.

Preliminary Results

So far, 122 NUM members from North East and Highveld have been interviewed – that is 57 members from North East and 65 members from Highveld. The first stage of the research was planned to be a pilot study and has been completed. The findings are to inform and guide the roll out of the main project. More NUM members in mining

need to be interviewed to get reliable results. To represent the population of the study, 2 250 NUM members need to be interviewed from the nine NUM regions, namely: Carletonville, Highveld, North East, PWV, Matlosana, Free State, Rustenburg, Kimberley, and KwaZulu-Natal. To achieve the targeted number of respondents, 250 NUM members need to be interviewed from each region.



c) Project Title: **Work Restructuring: Casualization and Sub-contracting of work in South Africa's Mining Industry**

The Aims and Objectives

The aim of this research was to look at the changing workplace dynamics and the effects it has on the welfare of workers in the South African mining industry.

The specific objectives of the research study are:

- To establish the extent and effect of employment casualization in South Africa's mining industry.
- To arm unions with facts and figures to organise against neo-liberal workplace restructuring in the various ways it manifest itself, including the labour brokering phenomenon.
- To explore new ways of organising.
- To develop resource materials that can be used by the Union in recruitment, building strength, and sustaining its relevancy to its members

Background and Methodology

Phase One of this project was aimed at igniting discussions around casualization and sub-contracting of labour in the mining industry. The purpose of this study was to explore in depth the extent and changing nature of employment structure in the South Africa's Mining and Energy sectors in the context of workers' welfare. As part of Phase One, a casualization and sub-contracting workshop for NUM organisers and recruiters was organised at which facts and concerns of the Union on the issue of casualization of work were discussed. A total of 67 people including NUM regional organisers and recruiters, Friedrich Ebert Stiftung (FES) representatives, and SATRI staff were in attendance.

After having completed Phase One of the project, Phase Two was planned to focus on a manual which will be developed to assist the NUM regional organisers and recruiters in overcoming the challenges they come across when they organise. A training workshop was conducted at EBMTTC on the 13-15 November 2018 where SATRI, together with FES, developed a basic training manual on organising and recruiting.

Key Findings and Contribution

The majority of the participants said that they do not use a manual for recruiting and organising. However, they admitted to having challenges of organising workers due to casualization and labour brokering.

Project Duration

The project was running for 2 years and officially closed in 2018.

d) Project Title: Energy Mix Choices and the Protection of Workers' Interests in South Africa

The Aims and Objectives

The research reviewed the status of the energy production mix, including nuclear production, in South Africa in the context of employment dynamics.

The specific objectives of the study were:

- To provide an overview of the current energy situation in the country in the context of employment and worker interests dynamics.
- To assess the appropriateness of different energy sources in South Africa's energy production mix given the socio-economic needs of the country.
- To assess the implication of the proposed energy mix on workers and their communities.

Background and Methodology

As part of Phase One, an energy mix symposium for NUM members and various interest groups was organised at which facts and concerns of the union on the energy issue were discussed. A document capturing what was discussed at the symposium was then drafted and presented at the NUM Central Committee for discussion. After having completed Phase One on the Energy Mix project, which focused on the discussions of the advantages and disadvantages of different energy sources, Phase Two was planned to focus on South African case studies on solar, wind and nuclear energy. The aim was to understand and document employment dynamics including required skills in these energy sectors in comparison with the coal sector. Data collection on the three case

studies took place in the Western Cape (Wind and Nuclear plants) and Northern Cape (Solar plant).



A workshop was conducted on 28 September 2018 at EBMTTC to present the findings of Phase Two of the project; case studies on solar, wind and nuclear energy. NUM members, IPP Office delegates, FES representatives, and SATRI officials were in attendance.

Key Findings and Contribution

With regards to jobs, most of the power stations visited have not achieved the 50% threshold target in terms of the IPPPP requirements. In general though, job creation appears not to be high at the power stations that were visited.

Project Duration

The project was underway for 2 years.

e) Project Title: Creating a Dividend Yielding ESOP Model for Workers

Aims and Objectives

The main objective of this research is to identify those structures that are key for an ESOP to yield dividends, and then recommend a generic ESOP model that has a high likelihood to yield dividends for workers.

The specific objectives include:

- To establish the key provisions and motivation behind the NUM ESOP model;
- To document the different structures of ESOPs;
- To determine the key factors that contribute to an ESOP yielding or not yielding dividends.

This research aims to understand why the many ESOP deals concluded in the mining industry have not yielded any tangible dividends for employees. It further aims to create a generic ESOP model that will serve as a guide for the industry to use in the hope of yielding dividends. In order for the study aims to be achieved, this study will employ purposive sampling. The study aims to conduct individual interviews with identified respondents most suited to assisting with the research.

Key Findings and Contribution

Some key findings confirm that ESOPs in the mining industry have indeed been performing poorly across various sectors. There is no sense of ownership culture encouraged amongst workers.

Project Duration

The project is due for completion by end November 2019.

f) Project Title: Business Models for Turning Around Loss-Making SOEs

This project aims to understand and explore the business models for turning around the State Owned Enterprises (SOEs) that are making a loss. Specific to South Africa, the SOEs have been experiencing failure and the state has had to intervene by giving bail outs.



Research Aims and Objectives

- To understand generic business models and their applications;
- To be familiar with key common turnaround strategies/business models for failing businesses, especially state-owned entities;
- To be familiar with the process of unbundling as a business model, both locally and abroad especially within SOE's;
- To find an alternative business model for Eskom that would mitigate socio-economic impacts and retain the utility's developmental role.

Study Methodology

The study will apply a mixed and multi-stage research methodology and will be predominantly qualitative in nature but implemented in multiple phases. Whilst the project is not fully underway, current findings are that ESKOM is in decline with mounting debt and an inability to provide uninterrupted supply of power to the country. The utility is in serious need of a turnaround strategy.

Project Duration

The project is due in March 2020.



g) Project Title: Is Care and Maintenance (C&M) a Potential Retrenchment Tool in the South African Mining Sector?

The Aims and Objectives

The main objective of this research is to examine whether care and maintenance can be used as a retrenchment tool by mining companies. Secondary objectives include:

- Documenting how care and maintenance unfolds in mining companies;
- Observing care and maintenance as a retrenchment strategy;
- To assess the implication of care and maintenance on workers and trade unions.

Background and Methodology

Care and Maintenance (C&M) is a temporary closure of a mine. During the process of C&M, mining companies are expected to close their operations temporarily for a period of five years due to economic conditions or any other constraints preventing the mine from making profits. In the course of this process, retrenchments are unavoidable. This is done in a manner that when those mentioned conditions improve, workers will be re-employed. These are the workers who are still able to work; age and health plays an important part in the re-hiring of workers. There is a risk that mining companies might use C&M as the easiest method to retrench as compared to normal retrenchments, for the reason that normal retrenchments are known to be a time-consuming process - compared to the C&M process which is effective and short. The research used Evander Gold Mine as a case study, for the reason that it was under C&M. Other methodologies used in the study are desktop research and a focused group consisting of National Union of Mineworkers (NUM) regional representatives, as well as SATRI officials.

Key Findings and Contribution

It was discovered that it is likely that Evander Gold Mine used the C&M provision to reduce headcount with a pre-conceived strategy of remaining profitable. The phenomenon observed at Evander Gold Mine is an un-intended consequence

of the C&M regulation that government and labour need to find ways to avoid. Evander Gold Mine is one example of many companies that put their operations on C&M. There is still a need for thorough research pertaining to C&M in other mining operations, to see how the process unfolds in these other cases.

Project Duration

The project is expected to be completed by December 2019.

h) Project Title: Possibility Of Mitigating Climate Change and Saving Jobs in South Africa's Coal Sector Using Clean Coal Technologies (CCTs).

In the context of climate change, there is a commitment to move from fossil fuels - as the fossil fuels are seen as a source of CO₂ emissions which pollute and contribute to climate change. One of the proposed solutions to climate change mitigation is deployment of CCTs. This project, therefore, aims to find out the extent to which Clean Coal Energy Technologies have been effective in cutting CO₂ and saving jobs in the coal sector in South Africa.

Aims and Objectives

The research objectives include:

- To identify Clean Coal Technologies existing in South Africa;
- To assess the extent to which Clean Coal Energy Technologies have reduced CO₂ emissions;
- To evaluate if these CCTs are responding to climate change mitigation;
- To establish the feasibility of using Clean Coal Technologies across the entire coal sector in South Africa.

Project Duration: This projected is expected to be completed in December 2019.

The Final Deliverable: The final study report shall be share with the National Union of Mineworkers and all stakeholders to inform and influence debates on energy transition issues in South Africa.

i) Project Title: EBMTC Training Impact Assessment

Aims and Objectives

The aim of this study was to assess the impact that EBMTC's education and training has on employability, community engagement, and on peoples' lives. It was also aimed at examining the extent to which the centre has been able to meet its mandate.

Background and Methodology

EBMTC is an accredited training service provider with a mandate to provide training and capacity building to Union members through needs-based programs developed internally. It serves as a resource for the Union and labour in general. The main aim of providing education and training by EBMTC is to enhance the skills of participants and broaden the scope of their professional experience so as to bring about change. For this reason, the centre realized the need to assess the level of impact it has had over the two decades of its existence.

A mixed-method interpretative approach was used in this study, with the main focus on EBMTC and its beneficiaries. Both qualitative and quantitative approaches were used. The major part of the research used qualitative methods, with quantitative methods being used for support and validation of the qualitative findings. A survey questionnaire was used as a tool to collect data.

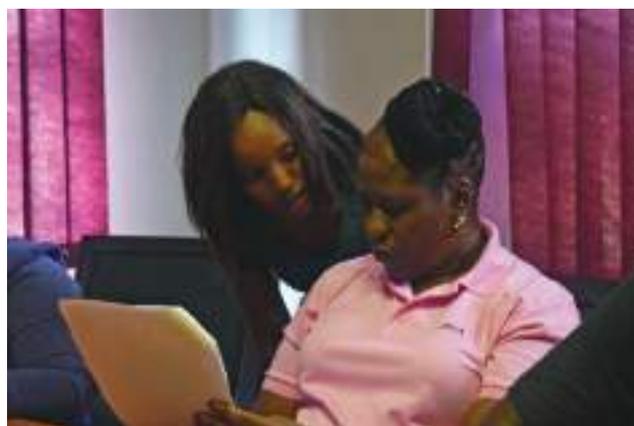
Key Findings and Contribution

After having completed a pilot study, the findings indicated that there has been an impact from the education and training offered by EBMTC. Participants reported an increased level of self-esteem as well as increased organisational and community networks. Furthermore, participants indicated an enhanced life-long learning attitude, with renewed interest in advancing their education and training.

Project Duration

The project started in 2017 and will be completed by end of August 2019. The challenge has been

accessing members who studied labour law with EBMTC from different regions. Going forward, telephonic interviews will be used.



j) Project Title: JB Marks Graduates Employability Study

Aims and Objectives

The JB Marks Bursary needs scientifically proven facts about factors affecting or contributing to the employability of its graduates. It is considered critical to assess knowledge, skills, and other vital attributes contributing to graduate employability. The study also intended to look into how the university attended influences a graduate's employability.

The primary objectives of this study are:

- To identify factors contributing to the employability of JB Marks graduates;
- To assess if university attended

- influences employability;
- To come up with suggestions based on findings that will enhance the employability of JB Marks graduates;
- To contribute to the stock of knowledge on factors contributing to the employability of graduates and, as such, inform decision makers and policy makers in formulating interventions and programmes on graduate employment.

Background and Methodology

JB Marks has produced 1 016 graduates since its inception in 1997. There is currently 750 students enrolled in different tertiary institutions. There has been about 2 400 beneficiaries over the past 20 years. These beneficiaries are members of the National Union of Mineworkers (NUM), while some are the dependents of the members of NUM. The bursaries are granted to these beneficiaries because it is deemed important to break the historical barrier of economic exclusion through tertiary education. The Trust Fund, therefore, decided to find out the extent to which its bursary scheme is achieving its objective. SATRI was then commissioned to conduct a study on JB Marks graduate employability. An online survey was used in Phase 1 of the study. A total of 139 graduates took part in the survey. Phase 2 of this study will use face-to-face interviews.

Key Findings and Contribution

The findings from the preliminary results of the online survey show that the majority (63.7%) of the JB Marks graduates are employed, compared to 36.3% who are not. The field of study is found to be the key factor that influences employment. Some of the barriers that contribute to unemployment include lack of experience, and the lack of job opportunities in general.

Project Duration

Phase 1 of this project was conducted between March 2017 and August 2017. The report for Phase 1 was published in June 2018. Phase 2 of the project shall be concluded in August 2019.



k) Project Title: Exploring Union Recruitment Strategies for the South African Construction Sector: Lessons from International Experiences.

The Aims and Objectives

The aim of this study was to ultimately recommend sector-specific recruitment strategies, as learned from international experiences, which would be used to increase the Union's membership in the construction sector.

The key objectives of the study include:

- To identify challenges of recruitment in the sector;
- To identify the recruitment strategies employed by NUM;
- To explore international union recruitment strategies for the construction sector;
- To ultimately recommend recruitment strategies.

Background and Methodology

It has been alarmingly difficult for NUM to grow its membership, particularly in the construction sector. Construction membership has declined from 27 607 to 21 425 in 2018, while the South African construction sector has grown from 1 395 000 employees in 2017 to 1 476 000 in 2018. The sector has shown growth potential. Jobs in the sector are generally characterised by a number of challenges the Union has no control over.



Key Findings and Contribution

In terms of addressing the Union's challenge of recruiting in general, the Union implemented a project which entailed hiring recruiters as a means of increasing membership. Recruiters struggle to reach monthly recruitment targets (400 new members per month), which has made the project unsuccessful. NUM does not have any documented recruitment strategies. The Union does not have sector-specific recruitment strategies; instead they use generic strategies across all sectors. NUM experiences the same common challenges as international unions in terms of recruitment.

Project Duration

The study runs from 01 June 2018 to 01 December 2019.



DESKTOP RESEARCH

a) Project Title: The 4th Industrial Revolution – How Should Organised Labour Respond?

Study Aim and Objective

The purpose of the study was to assess the 4th Industrial Revolution (4IR) and how organised labour should respond to it.

Study Background & Methodology

The 4IR has become a buzz word in many forums discussing global trends. A comparison of the 1st, 2nd, and 3rd industrial revolutions was done to compare against the emerging 4IR. The 1st Industrial Revolution is attributed to innovations pertaining to energy sources in manufacturing from single unit production to repetitive assembly manufacturing. The 2nd Industrial Revolution was accompanied by an improvement in transport and communication systems – air, rail, and sea - which enabled exports of the massively produced goods to global markets. The 3rd Industrial Revolution was catalysed by improvements in information and communications Technologies (ICT) and their incorporation into production processes. Lastly, the 4th Industrial Revolution is characterised by application of artificial intelligence, robotics, the Internet of Thing(s), autonomous vehicles, 3-D printing, nano-technology, bio-technology, material science, energy storage, and quantum computing.

Key Findings and Study Contribution

Implications of the 4IR is that it will reduce the number people employed in the workplace. This subsequently will cause concerns for labour as the 4IR will concentrate the negotiation powers in the workplace between the employer and the owner of technology, while at the same time dismantling the workplace power of organised labour. It is recommended that organised labour should consider defence of workers by understanding what the 4IR entails in its entirety, specifically for developing countries. Also, labour should identify which members of organised labour face the highest risk of losing their jobs with the onset of the 4th Industrial Revolution.

Study Duration

This research was conducted between May to August 2018.

b) Study Title: Exploring the Transformative Likelihood of Mine Community Development**Study Aims and Objectives**

This study was intended to analyse the mining community development projects as stipulated in the South African Mining Charter. These community development projects are aimed at uplifting communities in and around mines.

Study Background & Methodology

The mining industry continues to play a significant role in South Africa's economy. However, many of the mining communities do not benefit from mining developments. The mining communities are poor, with less opportunities trickling down to end poverty in the communities. The study outlined a development approach and framework as a conceptual and methodological tool for understanding what constitutes community development. The study recommended that principles of active participation, empowerment, and life-long learning by local people are central for holistic community developmental interventions.

Study Duration

This research was conducted between May and August 2018.

c) Study Title: Renewable Energy Independent Power Producer Procurement Programme: Where are the Fulltime Sustainable Jobs for Local Communities?**Study Aims and Objectives**

This study aimed to analyse the economic development requirement of the REIPPPP. In particular, this paper critically examines the model of employment of South Africans from local communities as currently being implemented by the REIPPPP. The paper attempts to gain a sense of whether this approach is creating full time sustainable jobs.

Study Background & Methodology

South Africa has experienced increasing problems in meeting the expanding energy demands for its industrial development, and the growing population. The government has attempted to mitigate these energy constraints by introducing environmentally friendly means to meet the demand. The study highlights that the renewable energy industry is not labour intensive. At the same time, the manufacturing side of the renewable energy sector mostly employs workers as contractors because they are dependent on gaining contracts from individual IPPs.

Study Findings & Methodology

The study recommended that there be a clause in the REIPPPP that speaks to the nature of work, in terms of longevity of the employment which IPPs should provide. In addition, the REIPPPP does not provide reference to the nature of work, in terms of longevity of the employment which IPPs should provide.

Study Duration

This research was conducted between May and August 2018.

d) Study Title: Indebtedness of Mining Workers in South Africa: What Interventions can be Implemented for Sustainable Debt Relief?**Study Aims and Objectives**

This study looked at the factors that contribute to mining workers' indebtedness in South Africa, and how the stakeholders can intervene.

Study Background & Methodology

Over indebtedness of the working class is a key challenge in South Africa. The mining sector is also affected by the problem. Statistics show that 6.5%-14% of employees in the mining industry have emolument attachment orders (EAOs) against their salary. In general, more than half of consumers have to use 75% of their salary to make debt repayments. However, the question is: are there amicable long term plans to save workers?

Key Findings and Study Contribution

This paper recommended that education of workers on financial matters and debt management must be enhanced, specifically by organised labour, the Chamber of Mines, employers, and government. The government needs to set up a clear regulatory framework to monitor illegal micro-lenders who sink workers in debt.

Study Duration

This research was conducted between May and August 2018.

PUBLICATIONS, PRESENTATIONS AND EVENTS

- Discussion paper on 'Energy Mix' for the NUM elective conference that took place in June 2018.
- Quarterly newsletter consisting of four articles was published in 2018.

- 'Technology Threatens Trade Unions Survival' – Article in the City Press of 06 May 2018
- 'We are Miners not Industrialists: The challenge of linking mining to Africa's industrialisation aspiration' – Presentation at Africa Unity for Renaissance Conference, May, 2018.
- 'Interventions to Promote Gender Equality in the Mining Sector of South Africa' – Global Conference on 'Gender, Oil, Gas, and Mining: New Frontiers of Progress, Challenges and Solutions', June 26-27, 2018; World Bank Group.
- EBMTTC Lessons: A Mathematics and Statistics module was presented to NUM leaders who were attending the TUPQ programme at EBMTTC in July and October 2018.







SATRI FUTURE PROJECTS

CATEGORY	THEMATIC AREA
PRIMARY /FIELD RESEARCH	1. State of Housing and Housing Financing Models for Mineworkers
	2. Energy Mix Choices and the Protection of Workers' Interests in South Africa
	3. Employee Share Ownership Plans (ESOPs)
	4. Social Labour Plans (SLPs)
	5. Trade Unionism
	6. 4th Industrial Revolution and Workers' Issues
	7. Mine Safety
SECONDARY DATA/ DESKTOP RESEARCH	1. Clean Coal Energy Generation Technologies
	2. Mine Maintenance and Care
	3. Black Ownership of Mines and Workers' Interests
	4. NUM/MIT ENTITY Ad hoc
PUBLICATIONS AND DISSEMINATION	1. Quarterly Research Newsletter
	2. Working Papers
	3. Books
	4. Research Reports
EVENTS	1. Internal Seminars
	2. Feedback Sessions on Women's Research
	3. Book Launch
	4. Sam Tambani Memorial Lecture
	5. Planning and Review Sessions



HUMAN RESOURCES

Human Resource Services

During the period 2018-2019, an external HR service provider continued to assist with HR functions. The service provider was tasked to:

- a) Draft staff contracts and ensure that they are signed;
- b) Ensure that staff HR files are complete;
- c) Review and update staff leave;
- d) Workshop all staff on the Institute's HR policies, note staff concerns about the policies, and make recommendations on how to deal with the concerns raised;
- e) Start on the process of implementing the HR policies for the Institute.

The contract was for a period of 12 months and it ended in September 2018. After the 12 month period, the expectation was that the Institute will use the services of an HR manager appointed by MIT on a part time basis. At the end of the

reporting period, MIT had not appointed an HR manager and the Institute was still using the services of the external HR service provider.

Skills Development

In recognition that people are the most important asset of any organisation, the Institute took deliberate steps to arrange for research-related training for its staff. During the reporting period, staff went through various formal and informal training relevant to research work. The Institute continues to be committed to investing in the individual development of its employees by providing opportunities for them to acquire the skills needed to maximize performance in their respective portfolios. The workshops that took place were designed to enhance the skills of the Institute’s employees.

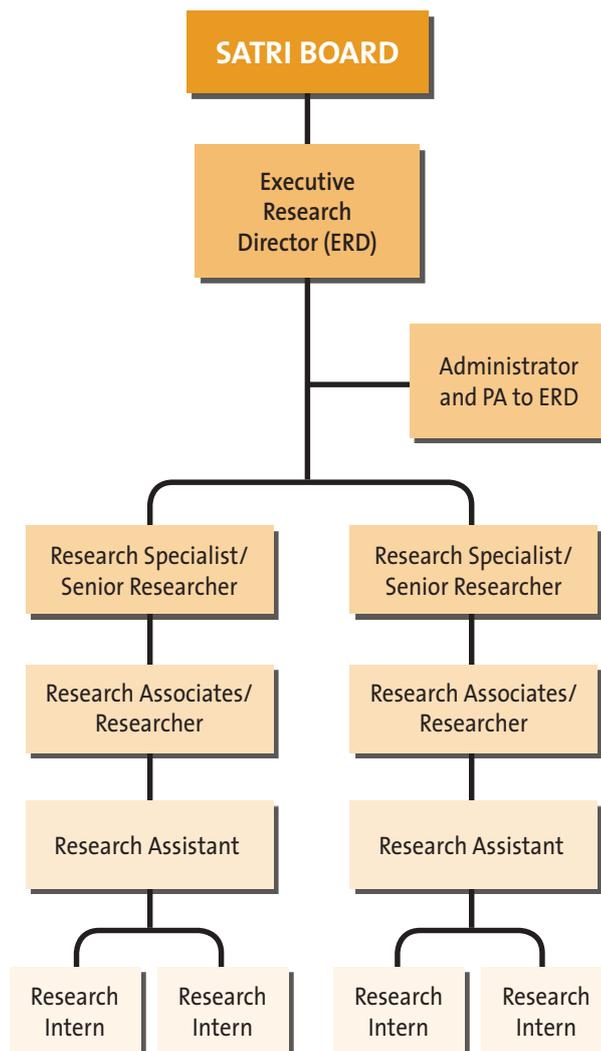
Areas covered include: problem statement writing, focused literature review, and quantitative analysis.

Remuneration

The Institute’s remuneration practices aim at having remuneration that is fair, equitable, and in line with the market. The Institute continuously benchmarks its salaries in order to ensure that they remain competitive. The Institute is cognizant of the fact that remuneration plays an important role in staff retention. A salary benchmark was done in the 2018-2019 financial year.

SATRI Organisation Structure

The organogram of the Institute is presented in the figure below:



Staff Complement

The SATRI staff complement in the 2018-2019 financial year, excluding the interns, was 8 permanent staff members.

The staff details are as follows:

Our Staff	Title
Dr Martin Kaggwa	Executive Research Director
Ms Lerato Mathibedi	Executive Assistant
Mrs Pulane Mafoea-Nkalai	Research Specialist
Mr Zolisa Mpange	Research Associate
Mr Tankiso Pitso	Research Associate
Ms Sinenhlanhla Sithole	Research Associate
Ms Daphney Livhalani	Research Assistant
Ms Sharon Mohlala	Research Assistant
Ms Mpho Nchabeleng	Research Assistant
Mr Doctor Magera Katangana	Intern
Mr Omphulusa Mamburu	Intern

Internship and Experiential Learning

SATRI has an internship programme that provides experiential training to young graduates. Although the programme is open to all graduates, priority is given to the JB Marks beneficiaries. The internship programme is offered for a period of 12 months. During this period, the interns are assisted and supported through a mentorship process. The interns' progress and performance is recorded and discussed with them in order to make sure that they gain experience, develop the skills they require, while at the same time contributing to the organisation's performance. During the 2018-2019 period, SATRI partnered with Ditsela in order to host their intern for the 12-month internship. Another intern who had completed their internship programme with the Institute was given a 12-month fixed contract as a research assistant.



DR. MARTIN KAGGWA
Executive Research Director



LERATO MATHIBEDI
Executive Assistant



PULANE MAFOEA-NKALAI
Research Specialist



ZOLISA MPANGE
Research Associate



TANKISO PITSO
Research Associate



SINENHLANHLA SITHOLE
Research Associate



DAPHNEY LIVHALANI
Research Assistant



SHARON MOHLALA
Research Assistant



MPHO NCHABELENG
Research Assistant



DOCTOR MAGERA KATANGANA
Research Intern



OMPHULUSA MAMBURU
Research Intern



FINANCIAL OVERVIEW

Overall challenges and improvements in the 2018-2019 financial year period

Some of the challenges experienced by the Institute in the 2018-2019 financial year were:

- Formalising the HR functions within the Institute has proven to be a tedious exercise. However, more effort is being exerted to have efficient HR systems in place.

Having succeeded in operationalising the Institute, and having created ample research capacity within the Institute, in the coming financial year more effort will be devoted to:

- Increasing the scope and rigour of research undertaken;
- Wider dissemination of research findings;
- Building more strategic relationships with other research entities.

SAM TAMBANI RESEARCH INSTITUTE (NPC)

(Registration Number 2012/106473/08)

**Annual Financial Statements
for the year ended 28 February 2019**

Audited Financial Statements

In compliance with Companies Act 71 of 2008

Prepared: Resilience Accounting & Tax

Position: Compiler

Reviewed: RMS Chartered Accountants Inc.

Position: Registered Auditors

SAM TAMBANI RESEARCH INSTITUTE (NPC)

(Registration Number 2012/106473/08)

Annual Financial Statements for the year ended 28 February 2019

Index

The reports and statements set out below comprise the annual financial statements presented to the members:

General Information

Independent Auditor's Report

Report of the Compiler

Directors' Responsibilities and Approval

Director's Report

Statement of Financial Position

Statement of Comprehensive Income

Statement of Changes in Reserves

Statement of Cash Flows

Accounting Policies

Notes to the Annual Financial Statements

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

SAM TAMBANI RESEARCH INSTITUTE (NPC)

(Registration Number 2012/106473/08)

Annual Financial Statements for the year ended 28 February 2019

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Research and analysis of substantive and primary issues affecting the welfare of workers in general, but especially workers in the mining, construction and energy sectors of South Africa
DIRECTORS	M S Nanise J Montisetse K Matabane G Mokate M Molopyane J M Ramagama (Appointed 16 May 2018)
REGISTERED OFFICE	7 Rissik Street Johannesburg 2000
BANKERS	First National Bank
INDEPENDENT AUDITORS	RMS Chartered Accountants Inc. 482 Jacqueline Drive Garsfontein Pretoria 0081
COMPANY REGISTRATION NUMBER	2012/106473/08
NPO NUMBER	930047294



Independent Auditor's Report

To the Member of Sam Tambani Research Institute (NPC)

Opinion

We have audited the financial statements of Sam Tambani Research Institute (NPC) set out on pages 9 to 17, which comprise the statement of financial position as at 28 February 2019, and the statement of comprehensive income, the statement of changes in reserves and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the organisation as at 28 February 2019, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the organisation in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The members are responsible for the other information. The other information comprises the Members' Report, and the supplementary information set out on pages 18 to 19. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

T 012 361 7125 | F 012 361 5416 | E admin@rmsauditors.co.za
A 482 Jacqueline Drive, Carsfontein, Pretoria, 0081 | PO Box 393, Carsfontein, 0042

DIRECTOR RM Scheepers CA (SA) | REG NO. 2006/022658/21 | PRACTICE NO. 900636

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RMS Chartered Accountants Inc.

25 July 2019



Per: RM Scheepers
Director / Partner
Chartered Accountant (SA)

482 Jacqueline Drive
Garsfontein
Pretoria
0081



CORNE SCHOLTZ
(AGA) SA

Tel: 012 361 7015 | Fax: 012 361 5411
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00208 101 | Garsfontein | Pretoria | 0081

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Report of the Compiler

To the Members of Sam Tambani Research Institute (NPC)

We have compiled the accompanying annual financial statements of Sam Tambani Research Institute (NPC) based on information you have provided. These annual financial statements comprise the statement of financial position of Sam Tambani Research Institute (NPC) as at 28 February 2019, the statement of comprehensive income, the statement of changes in reserves and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Resilience Accounting & Tax

25 July 2019

482 Jacqueline Drive
Garsfontein
Pretoria
0081

Per: CS Scholtz AGA (SA)
Associate General Accountant (SA)

SAM TAMBANI RESEARCH INSTITUTE (NPC)

(Registration Number 2012/106473/C8)

Annual Financial Statements for the year ended 28 February 2019

Director's Responsibilities and Approval

The members are required 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 satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the members' committee 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 organisation and all employees are required to maintain the highest ethical standards in ensuring the organisations business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the members have no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The financial statements have been audited by the independent auditing firm, RMS Chartered Accountants Inc., who have been given unrestricted access to all financial records and related data, including minutes of all meetings. The members believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors' unqualified audit report is presented on page 3 to 4.

SAM TAMBANI RESEARCH INSTITUTE (NPC)

(Registration Number 2012/106473/08)

Annual Financial Statements for the year ended 28 February 2019

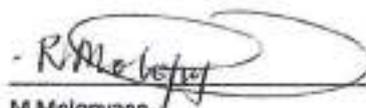
Director's Responsibilities and Approval

The annual financial statements as set out on pages 9 to 17 were approved by the members' committee on 25 July 2019 and were signed on its behalf by:

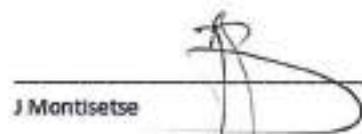


M S Nanise

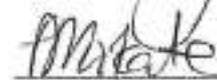
K Matabane



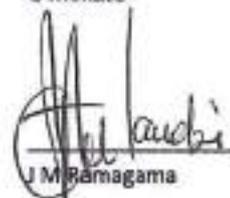
M Molopyane



J Montisetse



G Mokate



J M Ramagama

SAM TAMBANI RESEARCH INSTITUTE (NPC)

(Registration Number 2012/106473/08)

Annual Financial Statements for the year ended 28 February 2019

Members' Report

The members' committee present their report for the year ended 28 February 2019.

1. Review of activities

Main business and operations

The principal activity of the organisation is research and analysis of substantive and primary issues affecting the welfare of workers in general, but especially workers in the mining, construction and energy sectors of South Africa and there were no major changes herein during the year.

The operating results and statement of financial position of the organisation are fully set out in the attached financial statements and do not in our opinion require any further comment.

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.

The entity relies on grants from related parties and is not self sustainable. The directors are however confident in the continued support from their funders.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

4. Members

The members of the organisation during the year and to the date of this report are as follows:

M S Nanise
 J Montisetse
 K Matabane
 G Mokate
 M Molopyane
 J M Ramagama

5. Independent Auditors

RMS Chartered Accountants Inc. were the independent auditors for the year under review.

SAM TAMBANI RESEARCH INSTITUTE (NPC)

(Registration Number 2012/106473/08)

Financial Statements for the year ended 28 February 2019

Statement of Financial Position

Figures in R	Notes	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	3	155,228	135,625
Current Assets			
Trade and other receivables		8,345	-
Cash and cash equivalents	4	4,247,062	3,429,020
		<u>4,255,407</u>	<u>3,429,020</u>
Total Assets		<u>4,410,635</u>	<u>3,564,645</u>
Reserves and Liabilities			
Reserves			
Retained earnings		4,397,080	3,371,232
Current Liabilities			
Trade and other payables	5	13,555	193,413
Total Reserves and Liabilities		<u>4,410,635</u>	<u>3,564,645</u>

SAM TAMBANI RESEARCH INSTITUTE (NPC)

(Registration Number 2012/106473/08)

Financial Statements for the year ended 28 February 2019

Statement of Comprehensive Income

Figures in R	Notes	2019	2018
Revenue	6	10,062,496	7,971,197
Operating costs		(9,038,685)	(7,260,047)
Operating surplus	7	1,023,811	711,150
Finance income	8	2,037	4,150
Finance costs	9	-	(182)
Surplus for the year		1,025,848	715,118

SAM TAMBANI RESEARCH INSTITUTE (NPC)

(Registration Number 2012/106473/08)

Financial Statements for the year ended 28 February 2019

Statement of Changes in Reserves

Figures in R	Accumulated surplus	Total
Balance at 1 March 2017	2,656,114	2,656,114
Total comprehensive income for the year		
Surplus for the year	715,118	715,118
Total comprehensive income for the year	715,118	715,118
Balance at 28 February 2018	3,371,232	3,371,232
Balance at 1 March 2018	3,371,232	3,371,232
Total comprehensive income for the year		
Surplus for the year	1,025,848	1,025,848
Total comprehensive income for the year	1,025,848	1,025,848
Balance at 28 February 2019	4,397,080	4,397,080

SAM TAMBANI RESEARCH INSTITUTE (NPC)

(Registration Number 2012/106473/08)

Financial Statements for the year ended 28 February 2019

Statement of Cash Flows

Figures in R	Note	2019	2018
Cash flows from operating activities			
Surplus for the year		1,025,848	715,118
<i>Adjustments for:</i>			
Finance costs		-	182
Depreciation of tangible assets		80,622	84,507
Investment income		(2,037)	(4,150)
Operating cash flow before working capital changes		1,104,433	795,657
<i>Working capital changes</i>			
Increase in trade and other receivables		(8,345)	-
(Decrease) / increase in trade and other payables		(179,858)	141,441
Net cash flows from operations		916,230	937,098
Investment income		2,037	4,150
Finance costs		-	(182)
Net cash flows from operating activities		918,267	941,066
Cash flows used in investing activities			
Property, plant and equipment acquired	3	(100,225)	(65,210)
Net cash flows used in investing activities		(100,225)	(65,210)
Net increase in cash and cash equivalents		818,042	875,856
Cash and cash equivalents at beginning of the year		3,429,020	2,553,164
Cash and cash equivalents at end of the year	4	4,247,062	3,429,020

SAM TAMBANI RESEARCH INSTITUTE (NPC)

(Registration Number 2012/106473/08)

Financial Statements for the year ended 28 February 2019

Accounting Policies

1. General information

Sam Tambani Research Institute (NPC) is a non-profit organisation.

2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

2.1 Grants

Grants from the government and/or other institutions are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the organisation has complied with all attached conditions. Grants received where the organisation has yet to comply with all attached conditions are recognised as a liability (and included in deferred income within trade and other payables) and released to income when all attached conditions have been complied with. Government grants received are included in 'other income' in profit or loss.

2.2 Income taxes

The association has been approved as a public benefit organisation in terms of section 30 of the Income Tax Act, (the Act) and the receipts and accruals are exempt from income tax in terms of section 10(1)(cN) of the Act.

2.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Furniture and fittings	20.00%
Office equipment	16.67%
IT equipment	33.33%

SAM TAMBANI RESEARCH INSTITUTE (NPC)

(Registration Number 2012/106473/08)

Financial Statements for the year ended 28 February 2019

Accounting Policies

2.4 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the organisation will not be able to collect all amounts due according to the original terms of the receivables.

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

2.6 Employee benefit obligations

2.6.1 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.

2.7 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

2.8 Borrowing costs

Borrowing costs are recognised on the basis of the effective interest rate method and is included in finance costs.

SAM TAMBANI RESEARCH INSTITUTE (NPC)

(Registration Number 2012/106473/08)

Financial Statements for the year ended 28 February 2019

Notes to the Annual Financial Statements

Figures in R

2019

2018

3. Property, plant and equipment

	Cost	Accumulated depreciation	2019 Carrying value	Cost	Accumulated depreciation	2018 Carrying value
<i>Owned assets</i>						
Furniture and fittings	160,242	123,581	36,661	147,742	92,575	55,167
Office equipment	28,287	7,682	20,605	28,287	2,987	25,300
IT equipment	252,015	154,053	97,962	164,291	109,133	55,158
	<u>440,544</u>	<u>285,316</u>	<u>155,228</u>	<u>340,320</u>	<u>204,695</u>	<u>135,625</u>

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

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2019 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	55,167	12,501	-	(31,007)	36,661
Office equipment	25,300	-	-	(4,695)	20,605
IT equipment	55,158	87,724	-	(44,920)	97,962
	<u>135,625</u>	<u>100,225</u>	<u>-</u>	<u>(80,622)</u>	<u>155,228</u>

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2018 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	64,549	19,350	-	(28,732)	55,167
Office equipment	1,896	26,098	-	(2,694)	25,300
IT equipment	88,477	19,762	-	(53,081)	55,158
	<u>154,922</u>	<u>65,210</u>	<u>-</u>	<u>(84,507)</u>	<u>135,625</u>

4. Cash and cash equivalents

Favourable cash balances

Cash on hand	3,364	1,323
Bank balances	<u>4,243,698</u>	<u>3,427,697</u>
	<u>4,247,062</u>	<u>3,429,020</u>

5. Trade and other payables

Trade creditors	<u>13,555</u>	<u>193,413</u>
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SAM TAMBANI RESEARCH INSTITUTE (NPC)

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Financial Statements for the year ended 28 February 2019

Notes to the Annual Financial Statements

Figures in R

2019

2018

6. Revenue

An analysis of revenue is as follows:

Grant income	9,999,996	7,893,506
Event recoveries	62,500	77,691
	<u>10,062,496</u>	<u>7,971,197</u>

7. Operating profit

Operating profit is arrived at after taking into account the following items:

*Depreciation**Owned assets*

Furniture and fittings

31,007

28,732

Office equipment

4,695

2,694

IT equipment

44,920

53,081

80,62284,507*Auditors' remuneration**Audit fees*

-current

55,363

56,397

Operating lease charges

Premises

311,529

275,027

Motor vehicles

106,717

106,501

418,246381,528**8. Finance income***Interest income*

Interest received

2,037

4,150

9. Finance costs

Other

-

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Financial Statements for the year ended 28 February 2019

Notes to the Annual Financial Statements

Figures in R	2019	2018
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10. Related party transactions

Name	Relationship	Transactions	Movement		Amounts owed (to) / by the related party at year-end	
			2019	2018	2019	2018
Mineworkers Investment Trust	Holding organisation	Grant received	9,166,663	7,499,997	-	-

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.

The ability of the company to continue as a going concern depends on a number of factors. The most significant of these is that the entity relies on grants from related parties and is not self-sustainable. Management is however confident that the entity will continue to operate in the foreseeable future.

SAM TAMBANI RESEARCH INSTITUTE (NPC)

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Financial Statements for the year ended 28 February 2019

Detailed Income Statement

Figures in R	2019	2018
Gross Revenue		
Grant income	9,999,996	7,893,506
Event recoveries	62,500	77,691
	<u>10,062,496</u>	<u>7,971,197</u>
Other Income		
Investment income	2,037	4,150
	<u>2,037</u>	<u>4,150</u>
	<u>10,064,533</u>	<u>7,975,347</u>

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

SAM TAMBANI RESEARCH INSTITUTE (NPC)

(Registration Number 2012/106473/08)

Financial Statements for the year ended 28 February 2019

Detailed Income Statement

Figures in R	2019	2018
Expenditure		
Accounting fees	62,649	56,954
Advertising	188,982	163,832
Auditors' remuneration	55,363	56,397
Bank charges	11,252	10,555
Board and audit meetings	20,320	1,064
Board member expenses	397,617	103,985
Cleaning	76,661	54,438
Computer expenses	92,584	78,609
Consulting fees	126,369	58,330
Depreciation - Tangible assets	80,622	84,507
Electricity and water	57,825	49,476
Entertainment	46,768	39,196
Events and social responsibility	112,689	17,361
Finance costs	-	182
Fines and penalties	-	9,177
Gifts	23,271	3,000
Insurance	30,723	26,122
Lease rental on operating lease	418,246	381,528
Motor vehicle expense	92,840	89,369
Office supplies	17,380	13,968
Postage	566	600
Printing and stationery	17,416	28,351
Publications	760,313	731,140
Recruitment and human resource costs	142,163	153,900
Repairs and maintenance	15,026	5,997
Research and development costs	228,500	316,047
Salaries	4,841,472	3,723,077
Staff fieldwork	784,943	643,055
Staff training	85,457	68,774
Staff welfare	46,032	50,516
Subscriptions	21,589	11,071
Telephone and fax	100,113	68,504
Travel - local	30,434	121,247
Website expense	52,500	39,900
	<u>9,038,685</u>	<u>7,260,229</u>
Surplus for the year	<u>1,025,848</u>	<u>715,118</u>

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GENERAL INFORMATION ABOUT SATRI

Nature of Business and Principal Activities

Research Institute that conducts research in the mining, energy and construction sectors.

Legal form of Entity

Non-Profit Company (NPC)

Registered Office

Sam Tambani Research Institute (SATRI)
Reg. Nr.: 2012/106473/08
No. 7 Cnr Rissik and Albert Streets Alris Building,
2nd Floor
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2000

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Contact Numbers

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Website

www.satri.org.za

Email

info@satri.org.za

Facebook: Sam Tambani Research Institute

Link : <https://www.facebook.com/www.satri.org.za/notifications/>

Twitter: @Satri_official

Link: https://twitter.com/Satri_official

LinkedIn: Sam Tambani Research Institute

Link: <https://www.linkedin.com/company/sam-tambani-research-institute/>

Auditors

RMS Chartered Accountants Inc.
Reg. Nr.: 2006/022658/21



SATRI SOCIAL EVENTS



