

ANNUAL REPORT 2018



STATE MANDATED SECURITY PRINTER



**government
printing**

Department:
Government Printing Works
REPUBLIC OF SOUTH AFRICA



home affairs

Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA



Government
Printing
Works

1919
Works



ANNUAL REPORT 2018



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MR M.K.N. GIGABA, MP
MINISTER OF HOME AFFAIRS

I have the honour of submitting the Annual Report of the
Government Printing Works for the period 1 April 2017 to 31
March 2018



MS N. MOYO
ACTING CHIEF EXECUTIVE OFFICER



Overview

The esteemed Minister of Home Affairs, Mr. MKN Gigaba gives an outline on innovations, achievements and progress made by the Government Printing Works (GPW), while the Acting Chief Executive Officer, Ms. N Moyo provides further information on how the organisation is transforming into a modern print and media organisation.



Foreword by the Minister

The Government Printing Works (GPW) is a key partner to the Department of Home Affairs, not only in the roll out of Home Affairs' modernisation programme, but also in ensuring the development of highly secured documents for the management of citizens' identity and effective border security management.

The year 2017/2018 has been one of remarkable developments for GPW. Among some of its great achievements is the completion of its modernisation project, valued at R320 million, including the development of the Pavilion 3 printing factory at the Visagie Street facility, enabling its goal to be the security printer of choice for the State.

GPW is still committed to its mission to provide:


- Cost effective, secure, reliable and timeous services to all spheres of government in printing;
- The public with equitable information; and

- Dissemination of government information through technology, innovation and service excellence.

Considerable progress has been made towards the Security Printer's Bill. Among its intentions, this Bill aims:

- to provide for the regulation of Security Printing relating to the State;
- to provide for Government Printing Works to be regarded as a Security Printing Entity
- to provide for the exclusive provision of Security Printing relating to the State by Government Printing Works;
- to provide for the accreditation of Security Printing Entities; to provide for the classification of secure printed material; and
- to provide for matters connected therewith.

GPW has fully prepared itself for its mandate as required by this Bill, including the investment in world-class hi-tech printing technology and equipment in its high security printing facility.



In the financial year 2017/18 GPW produced a total of 917 934 passport booklets, which are highly secure, with the best possible resistance against criminal attacks. Furthermore, GPW developed a new Refugee Passport for the Department of Home Affairs, in compliance with the United Nations High Commissioner for Refugees (UNHRC) directives and ICAO standards for security. Other core documents produced by GPW during the reporting period are as follows:

- 274 196 green Identity books
- 2 869 257 ID smart cards
- 18 738 498 examination papers (various departments of education), and
- 1 977 editions of the Government Gazette

Pertaining to other new products and services, the South African Police Service has mandated GPW to begin development and testing towards production of the firearm licenses & related permits. This work is currently in progress.

It should be noted that GPW did not receive any voted funds since 2012. It operates on regular business principles, which implies that all its operations are self-funded through revenue, which exceeded R 1.4 bn during the 2017/18 year.

GPW will continue to strive for excellence in the achievement of all its tasks in the oncoming years.



**THE HONOURABLE
MR. MKN GIGABA, MP**
MINISTER OF HOME AFFAIRS



Accounting Officer's Report

Government Printing Works (GPW) has achieved notable success in the 2017/18 financial year. The Annual Report gives an account of the performance of GPW against the Strategic Plan, Annual Performance Plan and the budget as approved by Parliament. The report also details annual performance by the various branches, which culminates into organisational performance.

The outcome of the audit by the Auditor General of South Africa is included to provide an objective reporting on GPW's financial management and viability. This Annual Report is the result of work undertaken by GPW management working closely with an independent Audit Committee, Risk Committee and the Ministerial Advisory Council, who rendered valuable assistance and guidance to management. GPW had 25 planned targets for the 2017/18 financial year. It has achieved 23 targets, representing a 92% achievement rate as compared to 79% in the previous financial year.

GPW is the State's mandated security printer with its

core business being security printing for the State, particularly supporting the Department of Home Affairs in the provision of secured documents. It continues to provide this critical security printing service to all government departments and its agencies in all spheres of government. GPW utilises internationally trusted, sophisticated and most secure printing equipment to produce security documents such as smart ID cards, travel documents, gazettes, examination scripts and essential government forms and documentation.

The three strategic outcome oriented goals of GPW for the 2017-2021 period were firstly to convert the Government Component into a State Owned Company (SOC), secondly, to optimise processes and facilities and lastly to attain a developed work force. The first strategic outcome oriented goal was amended during the financial year to retain GPW as a Government Component. This was due to a decision taken by the Governance and Administrative Cluster Cabinet Committee in response to GPW's presentation on three challenges experienced by the organisation

that prompted its intention to convert to SOC. GPW consulted with National Treasury, the Department of Public Works and Department of Public Service and Administration, through bilaterals and partnerships with a view to address the identified challenges. The second outcome entails construction of the production and printing facility and acquisition of high technology printing machinery. The modernisation of printing equipment in a 3-5 year journey is aimed at preparing GPW to be adequately capacitated to produce high security digital and litho printing machinery. The last outcome serves to ensure that GPW has human capital that is efficient, effective, well trained, and capacitated to deliver on its mandate.

In the year under review, GPW recorded 75% acquisition of its goods and services from BBBEE level 1-3 companies. GPW also focused on ensuring good corporate governance and alignment between the various units to achieve the goal of a state mandated security printer. Internal controls and performance management systems are being strengthened and identified risks mitigated.

The organisation received an unqualified audit opinion from the Auditor General of South Africa for the 2017/18 financial year and will continue to work towards a clean audit in the coming years. GPW is financially stable with a turnover of over a billion rand. In the 2017/18 financial year, 2 869 257 smart ID cards, 917 934 passports, 274 196 green ID books, 18 738 498 examination scripts, were produced and 1 977 e-gazette editions comprising of 176 300 pages of gazettes were published. The plan to digitise printing and to introduce secure box packaging for examination papers is well on course and will be implemented during the 2018/19 financial year. This will not only reduce the chances of leakage of

examination papers, but will also produce high volume within a short turn-around time.

All smart ID cards and most passports are produced by live capture in enabled Home Affairs offices, minimising the risk of fraud or error. The plan is to realise the objective of all 57 million South Africans to be in possession of the smart ID cards. During this financial year, the pavilion 3 construction was completed within the planned timeline. This is the first phase of migration and commissioning of world-class equipment to promote innovative and technologically advanced manufacturing techniques.

The security production of IDs and travel documents remains compliant to clients' specifications and there were no security breaches, loss or theft of smart ID cards or passports during the financial year under review. There were no breaches of ICT security and ICT systems availability were maintained at 99,9%. GPW and its governance structures will continue to work together in the next MTEF to build the organisation into secure and modern state security printer.

On behalf of GPW Executive Management, I would like to extend my appreciation to GPW clients, customers, employees and management for the collective effort put together to realise GPW'S objectives. A thank you goes to GPW governance structures, Department of Home Affairs and other Departments who continue to collaborate with us to achieve our mandate.



MS N. MOYO

ACTING CHIEF EXECUTIVE OFFICER
GOVERNMENT PRINTING WORKS

The background is a solid teal color. It features several abstract geometric elements: a large orange ring-like shape on the left side, composed of three segments; two grey ring-like shapes on the bottom left and bottom right; and several thin, white, curved lines that sweep across the background, creating a sense of motion and depth.

About GPW

Government
Printing
Works

Washington
D.C.





About GPW

The Government Printing Works, often referred to as GPW, is a government component reporting to the Minister of Home Affairs; with oversight by the Parliamentary Portfolio Committee for Home Affairs. The organisation specialises in the printing and development of security media, including passports, visa, birth certificates, educational certificates, smart identity documents, examination materials, and a wide range of other high security printed documents.

Based in Pretoria, Gauteng, GPW boasts a rich history spanning 130 years' experience in the printing industry. GPW has adhered to the goals of security printing, which is to prevent forgery, counterfeiting and tampering which may lead to identity theft. Today, GPW ranks as one of the most progressive security printing specialists in Africa, boasting a high-tech production facility with world leading technologies.

Security documents are documents containing embedded security features to protect the document against criminal attacks.

GPW'S MISSION AND VISION

GPW's vision, mission and its business behaviour are governed by this market demand, its core values and key purpose of providing State Departments, Government Entities and Agencies with high security printed matter, thus enabling it to eliminate counterfeiting of key documents and maintain state security.

Vision

To be the State's mandated security printer.

Mission

- To provide cost effective, reliable and timeous services to all spheres of government in printing;
- To deliver equitable information to the public; and
- To disseminate government information through technology, innovation and service excellence

Values

- Service oriented and excellent client experience
- High productivity
- High security
- Equality and diversity
- Quality and reliability

SERVICE OFFERING

Having invested in modern and world-class printing and data management technology, GPW is fully equipped to meet its customers' printing needs, offering a comprehensive suite of standard printing, security printing and publishing services to the South African government. GPW also supports the dissemination of government information to the public.

As the editor and publisher of Government Gazettes - the official publications used by government to communicate messages of national importance to the general public - GPW now also provides its customers with convenient electronic access to submit content, read current gazettes and access all back issues. GPW's wide range of products and services comprises printing services, security printing and consulting services, gazette services, publications, and government stationery services.

SECURITY PRINTING SERVICES

With advances in technology in modern printing equipment becoming increasingly available to the general public - including small printing, presses, computers and photographic equipment document security and solutions to eliminate the criminal attack of key documents of the state are topical issues in the war against crime and state security. The rise of identity theft, which occurs when someone unlawfully obtains another's personal details without their knowledge, to commit fraud, has left many in the country vulnerable to criminal activities.

Document security features generally function on three levels:

- First level security consists of overt elements such as watermarks and tactile features, which can be readily verified with the naked eye under natural light.
- Second level features are made up of hidden elements such as invisible ink and micro-printed text, which can be verified only with the use of elementary tools.
- The most intricate, however, is the third level of security, which comprises covert elements, such as infrared detectable inks, that can be verified only with the use of sophisticated laboratory equipment.

The knowledge and capacity of GPW to produce documents containing all three levels of security, place it among the most modern printing facilities, both locally and internationally, in particular as GPW encompasses international best practice standards.

Passport production

GPW offers an end-to-end passport production solution, incorporating ICAO compliant booklets in any

configuration, with personalised polycarbonate data pages, using advanced laser engraving technology. Should it be required by the customer, GPW can also produce blank ICAO compliant booklets in any configuration, including the incorporation of polycarbonate data pages, for personalisation by the customer.

Card media development

GPW can develop card type documents -smart cards with integrated circuits, such as identification cards and drivers licenses, as well as regular cards, including access control cards. This service includes the maintenance of internal computer servers to accept downloaded data from customers, which is used for card personalisation by either D2T2 (full colour personalisation) or laser engraving.

Document securitization

Breeder documents, such as birth certificates, have high value in validating the holder's citizenship and supporting the population control measures. GPW has sophisticated laser technology to create high value security features in such documents. This technology is applied according to customers' preference, for instance in logos, special images and numbering. GPW also uses other various security elements to secure documents, such as UV inks, optically variable devices (OVDs), security foils and more, based on customers' needs.

Rubber stamps production

GPW has a modern rubberstamp plant to produce regular rubberstamps. It also uses laser technology to produce high security rubberstamps, such as stamps used for border control (visa stamps).

NON SECURITY PRODUCTS AND SERVICES

Government stationery

The GPW's Stationery Services business unit is responsible for the provision of standard documents, such as medicine registers for local clinics, patient cards for hospitals and standard forms, which are used across government departments, municipalities and other entities.

This division does not print, but supports the procuring of stock, warehousing and distributing the orders to customers. The business unit operates from a 10,000 square metre warehouse in Zandfontein, Pretoria, and has regional support offices in Mmabatho, Polokwane and East London.

Government publications

Publications and hard copy items such as maps, aviation logbooks, SADC road traffic signs manuals, motor vehicle forms, patent journals and terminology dictionaries, as well as self-help books created to assist with the social and economic growth of all South Africans, fall under the Publications business unit. Also included among publications are the Government Gazettes, which are available electronically on the GPW's website – www.gpwonline.co.za

Customer Support

The GPW team consists of professionals with numerous years of knowledge and experience in the fields of printing and security printing. Printing/security printing experts are committed to delivering an end-to-end consulting service and informing the client about how GPW can add value to their project requirements.

Consulting services include the following:

- Designing the document around the customers' specifications;
- Advising on raw materials and best practices printing;
- Advising on security production processes;
- Recommending printing methods and paper
- Educating the client about the selection of security features on offer to protect documents from fraudulent attack.

THE PRINTING SERVICES PROCESS

GPW provides a full suite of services, which comprises the three main disciplines related to the development of printed matter - origination, printing and finishing - as well as related specialised services.

Origination

These services relate to the preparation of text, in a format ready for printing, and include:

- Typesetting – a customer can deliver text in written format, which GPW will typeset.
- Layout and design – GPW can assist the customer to design new documents and to do the layout required for printing.
- Acceptance of document in most electronic formats and converting such documents to printed formats.

The above includes the development of security features required to safeguard documents against forgery, such as micro text, guilloche backgrounds, vignettes and more.

Printing

Once the document is received from origination, it can be printed as:

- Offset printing – full colour, high quality printing in sheet format, such as posters, annual reports, passport visa pages and more.
- Continuous printing – full colour jobs/ single colour jobs printed in high volumes, including newsletters, census forms, voter registration forms and more.
- Digital printing – either full colour or black & white. Digital printing is used for production of variable data (no two documents are the same), such as voters' rolls, personalisation of documents such as certificates and more.

Finishing

After receiving printed matter from the print rooms, finishing operations are executed to deliver the printed matter in its final format as:

- Sheeted
- Fan folded packs
- Sprocketed continuous stationery (also multipart)
- Multipart snap sets
- Folded forms
- Perfect bound books
- Multipart
- Reel-to-reel format
- Books (side stitched and saddle stitched)
- Full-bound books (including genuine leather)
- Foil blocking

All of the above relate to both security and non-security printing jobs.

The graphic features a teal background with a large, stylized circular emblem in the center. The emblem is composed of three orange segments and three grey segments, arranged in a ring. Overlaid on the center of this emblem is the text "GPW'S Flagship Projects" in a bold, white, sans-serif font. The background is decorated with faint, white, concentric circular lines and radial lines, creating a subtle grid-like pattern.

GPW'S Flagship Projects



GPW's Flagship Projects

GPW MODERNISATION

GPW embarked on a program towards development and the modernisation of its facilities as follows:

COMPLETION OF PAVILION 3 CONSTRUCTION PROJECT

The construction of Pavilion 3 was completed in the last quarter of 2017/18 at a cost of R257 million. The new building will accommodate a state-of-the-art digital printing room with capacity to produce examination papers in a highly secure environment. Document sortation system - large volumes of printed documents such as passports and ID-cards are sorted manually for distribution. The new production line will mechanise the sortation and packaging process. This will mean minimal human intervention in the production of smart ID cards from the time of live capture of the citizens' details to the point of handover to the courier in the Dispatch Centre.

In addition to the Pavilion 3 phase, the modernisation project includes the establishment of GPW's new headquarters and the realisation of the final Master Plan, which includes the outstanding campuses of GPW Precinct.

NEW HEADQUARTERS

GPW previously procured a vacant, six-level office block adjacent to the current Visagie Street campus, with the vision of consolidating it to serve as GPW's Headquarters as from 2018. The facility will be renovated into a modern building with pedestrian bridge connecting Visagie factory precinct and Administration Building across the street. All

Administration personnel will be housed in the building. Overall estimated cost is at R49 million and completion is planned for 2019/2020.

MASTER PLAN PROJECT

The GPW Precinct will, upon completion in 2020, comprise the remaining development of the Visagie Street site, and incorporate the adjacent vacant land known as the Minnaar Street site. This will fulfil the total spatial requirements of GPW, allowing it to consolidate its entire operation into one precinct, and will enable the transition from the legacy Bosman Street site.

The envisaged GPW Precinct will consist of a number of designated, function-oriented campuses, made up of self-contained and product-oriented processing centres, which will allow for secure, efficient and high quality business operations.

The estimated cost associated with the Master Plan project was revised to R 1.2 billion by the appointed professional services team, and is presently being executed by the Department of Public Works on behalf of GPW.

EQUIPMENT MODERNISATION PROGRAMME

GPW intends to continue with the equipment modernisation programme in support of its strategic plan. In this regard, the following is highlighted:

NEW DISPATCH CENTRE

With the construction of Pavilion 3 completed, GPW plans to implement a mechanised dispatch centre within the building, targeting the distribution of both smart ID cards and travel documents. The automated process will allow GPW to promptly sort products for direct delivery to the courier service provider, thereby efficiently supporting the Department of Home Affairs to improve on its turnaround time and its service delivery to citizens.

EXPANSION OF EXAMINATION PRODUCTION FACILITY

GPW has commissioned modern and technologically advanced script sorting and packaging equipment. This mechanised line has reduced the risk associated with manual sorting and packaging operations. The line will be incorporated into the greater examinations production facility in the next year, following the completion of the Pavilion 3 facility.

Current demand for examination services exceeds the existing capacity and requires an expansion. The acquisition of two low-capacity production lines will allow for increased flexibility and redundancy within the system.

STANDARD PRINTING

GPW presently operates a kraft web-fed press for the production of high-volume standard stationery. This includes, amongst others, file folders utilised for document administration at all government institutions. The current unit, being in a dilapidated state, will be replaced with a modern, high-speed printing press.





History and Milestones



History and Milestones

Originally founded in 1888, GPW boasts a rich, illustrious - and sometimes challenging - history. In this section, we describe its evolution through the passages of time. During its rule of the Western Cape region of South Africa from 1652 to 1799, the Dutch East Indian Company did not allow the operation of printing facilities until its final years of existence in the region. The first attempt to produce printed matter in the Cape was initiated during 1782 by Governor van Plettenberg, when a ship, transporting money from the Netherlands, was delayed due to poor weather conditions at sea. The resultant shortage of money left the governor with no other option but to produce primitive banknotes on a parchment substrate, as an interim measure.

In 1784, Johann Christian Ritter, a Bavarian born in Bayreuth in 1755, was appointed by the Dutch East Indian Company to assume duties as an artisan bookbinder in the Cape. On a small printing press, he successfully produced a variety of maps for the organisation over the year, leading to the establishment of the first printing plant in the Cape in 1785. Ritter was also appointed as the first printing superintendent. It is thus widely accepted that Ritter is the founder of the printing industry in the Republic of South Africa. A number of other artisans joined Ritter's printing company in the following years and, although a variety of printed matter -such as government notices, handbills and other documents – was produced, printing facilities remained limited until 1800 when Walker & Robertson, a prominent slave trading company, imported a complete set of printing

machines and support equipment.

This was installed in February 1800 at the company's premises situated at 35 Plein Street in Cape Town. Subsequently, the company was appointed by Governor Yonge as the sole supplier of government printed matter in the Cape colony. Yonge also authorised the company to produce a weekly gazette, which commenced circulation with effect from 1 August 1800, known as the "Kaapsche Stads Courant". This publication was the predecessor to what is known as today's "Government Gazette". Following his appointment as the new governor of the Cape colony during 1801, Major-General Dundas monopolised all government and commercial printing and subsequently issued an order of attachment on the printing facility of Walker & Robertson. On 8 October 1801, the entire printing works was moved to the Castle and the first Government Printing Works (GPW) was established under the supervision of Sir John Barrow, a government official who also served as accounts auditor of the Cape colony. Barrow retained this position until the British reoccupied the Cape during 1806, when George Ross was appointed the superintendent of printing.

The first apprentice to learn and complete a printing trade in South Africa was BJ van der Sandt, who enrolled at the printing facility during 1811 and remained there until retirement age, eventually also being appointed as the superintendent of printing. The year of 1824 saw a fierce battle break out between the governor, Lord Charles Somerset, and a group of determined Scotsmen, comprising George Greig, a printer who originated from the King's Printing Office

in Shacklewell, Thomas Pringle, who was an 1820 settler, and John Fairbairn, a prominent South African journalist. The struggle was an attempt by the group to break the government's monopoly on printing and establish a free press, one that continued for the next five years, which culminated in Sir Lowry Cole's 1829 declaration of a free press in South Africa.

The declaration saw an immediate increase in the number of commercial printers, with printing facilities being established in places such as Grahamstown, Port Elizabeth, Bloemfontein and Durban, among others. As a result, most of the printing presses at the Castle facility were sold during 1829 and the government's printing requirements were divided equally between the printing establishments of George Greig and William Bridekirk.

Bridekirk and his later associate, SJ Mollet, were awarded a 10-year government contract for the production of the Gazette. During 1847, Saul Solomon & Company purchased Bridekirk's printing facility and remained the government's main printing supplier until 1881, when a new company, WA Richards & Sons, obtained the majority of all the government contracts. During this period, printing establishments also expanded to other areas with the northbound movement of pioneers and the establishment of the Republic of Transvaal.

When Marthinus Wessel Pretorius became the president of the Republic of Transvaal in 1856, he invited Cornelius Petrus Moll and Jan Cilliers to establish a printing plant at Potchefstroom. This company produced the first Government Gazette of the Republic on 25 September 1857. However as Cornelis Moll also utilised the gazette to publish his own editorial viewpoints in opposition to the government's

opinion, the president was forced to place the printing facility under direct government control, purchasing it from Moll and Cilliers in September 1859. Whilst Jan Cilliers moved back to the Cape, Cornelius Moll retained his position as printing superintendent, and when the Republic of Transvaal moved its capital from Potchefstroom to Pretoria in 1860, he relocated the entire printing works to Pretoria. Here, it was modernised to the extent that it produced the first postage stamps for Transvaal on 4 April 1879, utilising printing plates and gum-paper from suppliers in Germany.

During 1873, Cornelius Moll's earlier partner, Jan Cilliers, moved back to Pretoria from the Cape and successfully negotiated to purchase the printing works from the government. He then established the plant as a private printing works with contracts to produce printed matter for government, operating from his premises in Church Street, Pretoria, under the name Cilliers and Rous. This position remained unchanged until the annexation of the Republic of Transvaal by the British Empire during 1877, when the British confiscated the printing works and utilised the facility for the provision of local government printed matter. However, when the war broke out, Cilliers managed to lay his hands on old, dilapidated machines, which he repaired sufficiently to continue with the printing of private documents and newsletters. General Piet Joubert continuously collected donations and utilised the funds for upgrading Cilliers' existing rundown machines and to purchase new equipment, thus allowing him to maintain a printing facility of reasonable proportion throughout the war.

After the war ended, the House of Assembly authorised government to establish a proper GPW on 4 July 1888, to procure the necessary equipment for

such a plant, and also to appoint printing staff on a permanent basis. In view of this, the printing works, which Cilliers successfully maintained during the war, was purchased by government to serve as a basic facility for further development. On 1 August 1888, the new GPW commenced with its duties under the supervision of PWT Bell, who was appointed as the first government printer in South Africa. The printing works operated from premises situated between Church Street and Bureau Street in the centre of Pretoria, with a staff complement of two clerks, six typesetters and two machine operators.

On the afternoon of 14 March 1891, the building was struck by lightning and subsequently caught fire. Whilst GPW staff attempted to put out the fire, the chief of local police and the fire chief could not agree on who was in charge of the limited firefighting equipment. The disagreement quickly turned ugly and the two officials became involved in a fistfight - one that lasted several minutes - in the middle of Church Street. By the time the fire chief finally managed to put the police chief down, the entire GPW building had been completely incinerated. Government decided to rebuild the building and the new structure was completed on 29 May 1891.

Continuous expansion of printing operations during the following years, led to government seeking out alternative premises to house the printing works, with eight stands, located in Koch Street, Pretoria (today Bosman Street), purchased from the late estate of AH Nelmapius during 1894. A tender was awarded to a building contractor, WJ Geerts, to erect the buildings for an amount of 20,940 pounds and construction commenced during the same year. The building project was completed during 1897, at a final cost of 24,504 pounds, and remains the distinctive red-brick

head office of GPW until this day.

FROM 1976 TO 2008

In 1976, GPW was established as a trade account. This meant that it had to operate on regular business principles and since then, financial viability of the institution thus depended entirely on GPW's ability to generate sufficient revenue from services rendered to defray all its operational and capital expenditure. Being functionally charged with the rendering of inter-departmental services, the National Treasury directed the trade account's operations within the following framework; meeting its mandate required GPW to make a substantial investment in sophisticated equipment and processes, which, if restricted to the production of security printed matter only, would not be utilised economically, and thus it was considered imperative that other related services also be rendered by GPW to ensure optimum utilisation of the institution's internal capacity.

In view of this, the National Treasury directed that government institutions be obliged to source all of their printing related services only from GPW. This arrangement established GPW as a centralised national printing facility with a stable customer base, ensuring optimum utilisation of its infrastructure by rendering security printing services as well as related non-security services to government institutions.

Following the 1994 general election, all printing facilities of the former independent states and self-governing territories were allocated to GPW. The new political dispensation implied that South Africa had six printing facilities and GPW, operating on business principles, had to absorb all of them, resulting in a substantial duplication of personnel and equipment. Given this untenable situation, cabinet was approached with

a recommendation that the Department of Home Affairs be authorised to re-organise and rationalise government's printing functions. Cabinet approved this recommendation on 24 February 1996. Upon completion of its investigation, the Department of Home Affairs submitted a cabinet memorandum with recommendations that certain printing facilities, such as the Umtata Printing Works, be closed down, whilst others be restructured to serve as provincial offices of GPW. The restructuring process resulted in GPW's head office in Pretoria with regional offices in Polokwane, Mmabatho, East London and Cape Town respectively.

FROM 2008 TO PRESENT DAY

During 2008, GPW prepared a business case to propose its conversion to a government component. During September 2008, this business case was presented to a joint panel (the National Treasury, Department of Public Service and Administration and the Department of Home Affairs), which was then approved by the Ministers of Finance, Home Affairs and Public Service and Administration respectively. Emanating from this process, GPW was established as a Government Component on 9 October 2009 (refer Government Gazette 32616 dated 9 October 2009).





Careers at the GPW

Careers at the GPW

Emphasis was placed on the filling of strategic positions in the organisation and critical posts of General Manager: Financial Services (CFO), Chief Information Officer and Directors Strategic Support, Costing and High Security Printing were filled. More positions were filled in Strategic Management and Operations and Production departments. However, as per the previous year under review, one of the major challenges experienced by GPW was the recruitment of scarce skills.

The 2017/18 financial year saw a proactive effort being placed on human resources development, illustrated by 27 graduates taken up in an internship programme and a campaign to appoint apprentices in the 2018/2019 financial year.

GPW acknowledges that people play a critical role in the organisation's growth and fulfillment of its vision. It therefore places a strong focus on training and development while striving to be an employer of choice. A total of 63 bursaries were granted to employees to improve their educational qualifications and the enhancement of skills. This demonstrates GPW's commitment to invest in its human capital. The organisation has maintained a harmonious work environment, created by a workforce that adheres to its core values.

The employee wellness service has been improved with the introduction of a health care service and medical assistance on the premise. All employees are encouraged to take part in health and risk assessments and to fully make use of the services offered. Further to GPW's goals of managing human resources in totality, all objectives set for 2017/18 were fully achieved, and the human resources business unit continues to render solid services to each GPW business unit.

PERFORMANCE REPORT



GOVERNMENT PRINTING WORKS – Annual Performance Report for the financial year 2017 -2018

1. OVERALL PERFORMANCE

Government Printing Works had a total of 25 planned targets for the 2017/18 financial year. The organisation achieved 23 targets representing an achievement of 92%. The summary is provided as follows:

GPW ANNUAL PERFORMANCE: 2017/18		
Total planned targets	Achieved	Not Achieved
25	23	2

2. GPW'S ANNUAL COMPARATIVE ANALYSIS AGAINST THE ANNUAL PERFORMANCE PLAN

Below is a comparative annual performance analysis based on the past 4 financial years:

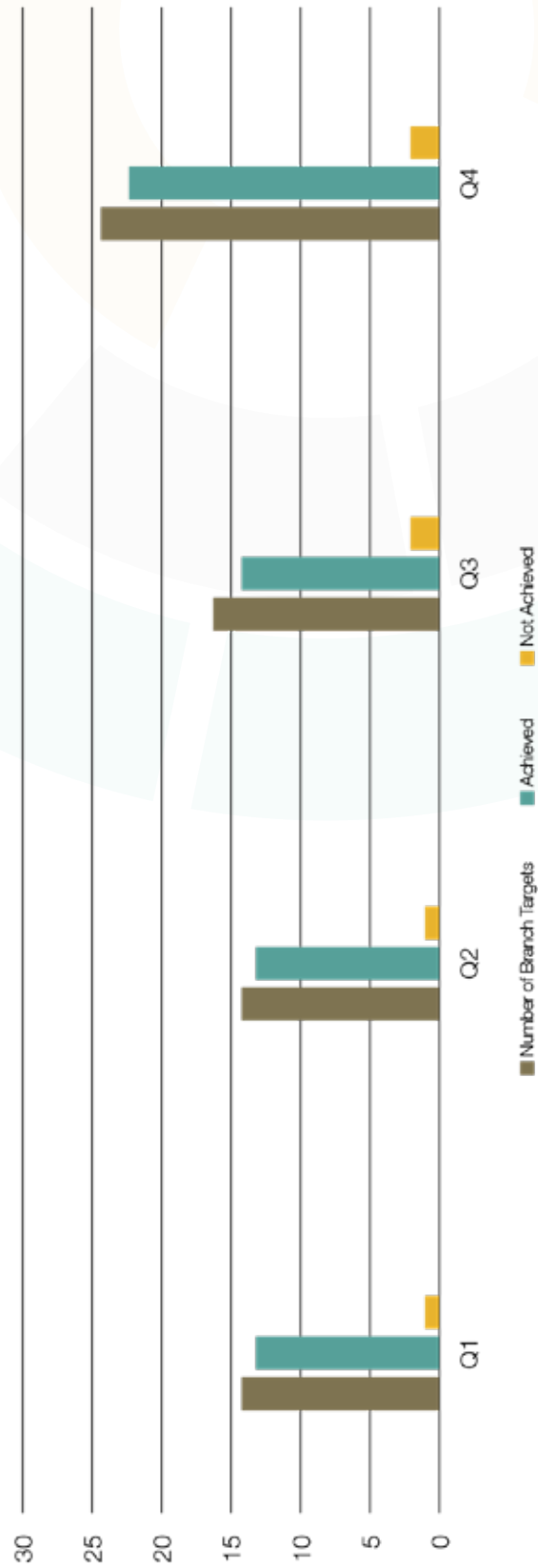
ANNUAL COMPARATIVE ANALYSIS AGAINST ANNUAL PERFORMANCE PLAN				
GPW OVERALL ANNUAL PERFORMANCE				
Financial Year	No of Branch Targets	Achieved	Not Achieved	Annual % performance
2014/15	45	40	5	89%
2015/16	26	23	3	88%
2016/17	28	22	6	79%
2017/18	25	23	2	92%

3. EXECUTIVE SUMMARY

An annual analysis of GPW's performance against targets indicates a 92% achievement rating, which demonstrates an elaborate effort made towards attainment of performance targets that were set. This performance outcome reflects that 8% of targets planned for implementation in the 2017/18 financial year were not achieved. A breakdown of the annual performance is as follows:

QUARTERLY COMPARATIVE ANALYSIS AGAINST ANNUAL PERFORMANCE PLAN					
SUMMARY: 2017/18 TARGETS					
Quarter	Number of Branch targets	Achieved	Not Achieved	Quarterly % Performance	
Q1	14	13	1	93%	
Q2	14	13	1	93%	
Q3	16	14	2	88%	
Q4	24	22	2	92%	

Quarterly Comparative Analysis



4. SUMMARY OF ANNUAL PERFORMANCE PER BRANCH: 2017/18

A breakdown of GPW's performance per Branch is highlighted below. The total planned targets per Branch are as follows; Operations and Production had five (5) targets planned; Strategic Management and Financial Services had eight (8) targets respectively and Branch: Human Resources had a total of four (4) targets.

A summary table below demonstrates all targets and performance status as follows:

Table 04: Summary of annual performance per Branch

BRANCH	TARGETS: 2017/18	STATUS
OPERATIONS AND PRODUCTION	Total targets= 5	
	100% of Identity Documents/ Cards distributed must conform to the client's specifications	😊
	100% of Travel Documents delivered must conform to the client's specifications	😊
	100% of examination papers delivered must conform to the client's specifications	😊
	100% of Government Gazettes published to conform to quality and timeline specification	😊
BRANCH	Completed construction of secure facilities	
	• Construction of pavilion 3 completed	😞
	• New Head Office building completed	
	• Construction of remaining GPW Visagie Street Site 10% complete	
	TARGETS	STATUS
STRATEGIC MANAGEMENT	Total targets= 8	
	>99% security vulnerabilities mitigated as detected by security assessments	😊
	>99% system availability	😊
	>80% ICT service offerings identified implemented	😊
	Three new security products developed	😊
	Submit all required and identified documentation for the establishment of a State Owned Company to Parliament for approval	😞
	Implement security risk management according to approved plan	😊
	90% of annual internal audit plan, implemented	😊
	100% of annual risk & compliance plan as approved by the Risk Committee, implemented	😊

BRANCH	TARGETS	STATUS
FINANCE	Total targets= 08	
	Maintain unqualified audit opinion for 2016/17	😊
	18% operating cost as percentage of revenue reached	😊
	28% gross profit margin achieved	😊
	80 days debtor collection period decreased	😊
	5 positive working capital ratio achieved	😊
	3 inventory turnover ratio achieved	😊
	Conclude SLA's with 10 additional external customers and 10 suppliers	😊
	19% return on capital investment	😊
BRANCH	TARGETS	STATUS
HUMAN RESOURCES	Total targets= 4	
	Implement 100% revised Human Resource staffing plan	😊
	Fill 85% of positions identified in accordance with the HR staffing plan	😊
	Develop 3 GPW training and development programs	😊
	2 average training interventions based on organisational /employee developmental needs	😊

Performance highlights: An overview of the performance per Branch: Operations and Production achieved 4 out of 5 targets, Branch: Strategic Management achieved 7 out of 8 targets, Branch: Financial Services achieved 8 out of the 8 set targets whilst Human Resources achieved all 4 targets set for the financial year 2017/18.

- **Branch: Operations and Production's** performance indicate that the Branch achieved a total of 4 out of 5 targets that were set. The branch managed to produce 100% of high quality products in a form of identity cards and travel documents, which conformed to client specifications. The target on examinations scripts delivered according to quality specifications was also achieved. The only target that was not achieved by Operations and Production relates to the completion of construction activities, which had three sub targets namely; Construction of pavilion 3 completed, New Head Office building completed and the Construction of remaining GPW Visagie Street Site 10% complete.

- **Branch: Strategic Management** achieved 7 out of 8 (88%) targets set in the functional areas of ICT, marketing and risk management, planning and governance as well as Internal Audit. The target that was not achieved relates to the planning and governance target that focused on submission of all required and identified documentation for the establishment of a State Owned Company to Parliament for approval. These documents were submitted however to the Governance and Administration Cabinet Committee as opposed to Parliament as per the purport of the set target. It is also important to highlight that a decision was taken for GPW to retain its status as Government Component

instead of pursuing status of a State Owned Company.

- **Branch: Financial Services** achieved a total of 8 out of 8 set targets. These targets relate to maintaining unqualified audit opinion for 2016/17, 18% Operating cost as percentage of revenue, 28% gross profit margin, debtors collection period of 80 days, 5 positive working capital ratio maintained, 3 inventory turnover ratio, concluding SLA's with 10 external customers and 10 suppliers and 19% return on capital investment.
- **Branch: Human Resources** achieved all 4 planned targets for the financial year. These targets relate to implementation of the revised Human Resource staffing plan, filling 85% of posts identified for filling, developing 3 GPW training and development programmes and the provision of two average training interventions per employee.

Challenges: Performance related challenges, including those identified from were tabled and discussed at MANCO and EXCO. Performance improvement decisions are taken and action plans put in place to address them. At the beginning of the financial year GPW did not have adequate senior management staff in some business units, however continued to capacitate itself through appointment of qualified and experienced officials into senior management positions during the course of year.

5. BRANCH PERFORMANCE AGAINST TARGETS

5.1 BRANCH: OPERATIONS AND PRODUCTION

STRATEGIC OBJECTIVES, BRANCH PERFORMANCE INDICATORS AND TARGETS FOR 2017/18

Strategic Objective	Branch Performance Indicator	2016/17 Audited Performance	Annual target	Actual Performance	Achieved	Not Achieved	Deviation /Comments
Acquire modern production equipment to satisfy all State security printing requirements	Number of equipment items procured	2 equipment items procured	Recapitalisation plan rescheduled for 2019/20	Recapitalisation plan rescheduled for 2019/20		N/A ¹	
Produce security printed materials according to customer requirements and local /international standards	Identity Cards distributed according to client's specifications	100% Of 2 699 047 Identity Cards distributed conformed to the clients specifications	100% of Identity Documents/ Cards distributed must conform to the client's specifications	100% of 2 869 257 Identity Documents/ Cards distributed produced conformed to the client's specifications	X		
	Travel Documents delivered according to client's specifications	100% of 883 891 Travel Documents delivered according to client's specifications	100% of Travel Documents delivered must conform to the client's specifications	100% of 917 934 Travel Documents delivered conformed to the client's specifications	X		
	Examinations scripts delivered according to Quality specifications	100% of 26 750 543 examination papers delivered conformed to client's quality and delivery specifications.	100% of examination papers delivered must conform to the client's specifications	100% of 18 738 498 examination papers delivered conformed to client specifications	X		
Coordination and distribution of government information in accordance with quality and delivery specifications	Government Gazette published according to Quality specifications	N/A	100% of Government Gazettes published to conform to quality and timeline specifications	100% 176 300 of Government Gazettes published conformed to quality and timeline specifications	X		

¹ Target not applicable for the year as recapitalisation plan was rescheduled for 2019/20 financial year.

Strategic Objective	Branch Performance Indicator	2016/17 Audited Performance	Annual target	Actual Performance	Achieved	Not Achieved	Deviation /Comments
Completed construction of secure facilities ²	Progress of construction of secure facilities	Construction of pavilion 3 at 71.3% completed	Completed construction of secure facilities Construction of Pavilion 3 completed	Construction of Pavilion 3 completed and the migration the machines commenced.		X	Overall target not achieved as performance indicator had three deliverables.
			Construction of remaining GPW Visagie Street Site 10% complete	The final Plans of the GPW Visagie Street Site were approved by Department of Public Works. The tender process for actual construction of the GPW Visagie Street Site will start in the 2018/19 financial year.		X	Construction of secured facilities was dependent on approvals by the Department of Public Works.
			New Head Office building completed	Final Plans for the construction of the New Head Office building completed and submitted to City of Tshwane Municipal Council.		X	Completion of New Head Office building was dependent on finalisation of plans and their submission to City of Tshwane Municipal Council.

2 As per the 2017/18 APP this target had been captured both in Operations and Production as well as Financial Services. The target however resided with Operations and Production in terms of responsibility and accountability.

5.2 BRANCH: STRATEGIC MANAGEMENT

STRATEGIC OBJECTIVES, BRANCH PERFORMANCE INDICATORS AND TARGETS FOR 2017/18

Strategic Objective	Branch Performance Indicator	2016/17 Audited Performance	Annual target	Actual Performance	Achieved	Not Achieved	Deviation/ Comments
Secure and protect ICT assets	Percentage of security vulnerabilities (detected by security assessments) mitigated	99.9% security vulnerabilities mitigated as detected by security assessments	>99% security vulnerabilities mitigated	>99% security vulnerabilities mitigated	X		
Availability of ICT services	Availability of ICT systems	99.18% system availability	>99% system availability	>99% system availability	X		
Introduce new and or re-design ICT service offerings	Percentage (number) of ICT services offerings identified implemented	81.8 ICT service offerings identified implemented	>80% ICT services offerings identified implemented	>80% ICT services offerings identified implemented	X		
Marketing and Sales							
Diversification of product mix within security printing	Number of new security products developed for customers	The following products were developed: SAMSA licence books and stamps; Ghana embassy emergency certificate and liquor licence for the Department of Economic Development.	3 new security products developed	3 new security products developed	X		

Strategic Objective	Branch Performance Indicator	2016/17 Audited Performance	Annual target	Actual Performance	Achieved	Not Achieved	Deviation/ Comments
Planning and Governance							
Conversion of the Government Component to a State Owned Company	Establishment of State Owned Company	Target partially achieved and to be tabled in Parliament in 2017	Submit all required and identified documentation for the establishment of a State Owned Company to Parliament for approval ³	All required documentation for the establishment of a State Owned Company were prepared and submitted to the DHA for tabling to the Governance and Administration Cabinet committee.		X	On 10 October 2017, the Governance and Administration Cabinet committee considered the Department's Cabinet Memorandum 12 of 2017 dated 04 October 2017 . GPW was requested to address key material problems that prompted a review of the proposed conversion into a Schedule 3B Public Entity, and to present a balance sheet to support the business case of the organisation the organisation remaining self-sustainable as a Government Component.

³ As per the 2017/18 APP this target had been captured both in Branches Strategic Management as well as Financial Services. The target however resided with Strategic Management in terms of responsibility and accountability. Target should be counted once.

Security Services						
Strategic Objective	Branch Performance Indicator	2016/17 Audited Performance	Annual target	Actual Performance	Achieved	Not Achieved
To protect and secure assets ,people and information of GPW	Developed and implemented security and risk management plan	80% of approved Security Risk Management Plan implemented	Implement 100% security risk management programs in accordance with the approved plan	100% of planned activities as per the approved security plan implemented.	X	
Internal Audit						
To assist management to improve organisational operations by providing assurance and consulting services on the adequacy and effectiveness of internal controls, governance and risk management processes	Percentage of annual internal audit plan implemented	71% of the annual audit plan implemented	90% of annual internal audit plan implemented	94% of annual internal audit plan implemented	X	
Compliance and Risk Management						
Implement controlled risk management environment	Percentage of annual & compliance plan implemented	100% Annual risk and compliance plan as approved by the Risk Committee implemented	100 % of annual risk & compliance plan as approved by the Risk Committee, implemented	100 % of annual risk & compliance plan as approved by the Risk Committee, implemented	X	

5.3 BRANCH: FINANCIAL SERVICES

STRATEGIC OBJECTIVES, BRANCH PERFORMANCE INDICATORS AND TARGETS FOR 2017/18

Strategic Objective	Branch Performance Indicator	2016/17 Audited Performance	Annual target	Actual Performance	Achieved	Not Achieved	Deviation/ Comments
Provide quality financial and supply chain management services in compliance with legislation and stakeholders needs to contribute towards financial sustainability	Clean audit report	Unqualified report with matters of emphasis	Maintain unqualified audit opinion for 2016/17	Unqualified audit opinion obtained for 2016/17	X		
	Operating cost as percentage of revenue	11.7%	18% Operating cost as percentage of revenue	17.2% Operating cost as percentage of revenue	X		
	Gross profit margin	50.2%	28% gross profit margin	49.4% gross profit margin	X		
	Debtor collection period	60.7 days debtor collection period	80 days debtor collection period	59.9 days debtor collection period	X		
	Positive working capital ratio	11.7 positive working capital ratio achieved	5 positive working capital ratio maintained	16.2 positive working capital ratio maintained	X		
	Inventory turnover ratio	8.9 inventory turnover ratio achieved	3 Inventory turnover ratio	9.8 Inventory turnover ratio	X		
	SLA's concluded	9 SLA's concluded with external customers	Conclude SLA's with 10 external customers 10 suppliers	10 SLA's concluded with external customers	X		
		10 SLA's concluded with suppliers		21 SLA's concluded with suppliers ⁴	X		
	Return of capital investment	75.3% return on capital investment	19% return on capital investment	64.6% return on capital investment	X		

⁴ More SLA's concluded with suppliers due to product or service demand by GPW.

5.4 BRANCH: HUMAN RESOURCES

STRATEGIC OBJECTIVES, BRANCH PERFORMANCE INDICATORS AND TARGETS FOR 2017/18

Strategic Objective	Branch Performance Indicator	2016/17 Audited Performance	Annual target	Actual Performance	Achieved	Not Achieved	Deviation/ Comments
Human Resource Plan	Revised and implemented Human Resources staffing plan	Draft Human Resource Staffing Plan approved	Implement 100% revised Human Resource staffing plan	100% of requests approved for filling of identified positions as per the Human Resources Staffing Plan were advertised.	X		
	Fill positions in accordance with identified needs	205 (84%) positions of 244 requests received from line management were filled	Filled 85% of posts identified for filling in accordance with HR staffing plan	The total requests approved for the financial year are 353 positions (including temporary resources/ graduates/ apprentices) of which 301 were filled. Therefore a total of 85% positions have been filled.	X		
Learning and Development Plan	Develop GPW Training and Development Programmes	N/A	Develop 3 GPW training and development programmes	Three (3) GPW training and development programmes developed (Recruitment, Selection and interviewing middle Management; Graduate Programme and Apprentice programme)	X		
	Provide training and development	1768 training days achieved (against 1629 days that were targeted)	2 average training interventions per person	The set target of 1 100 was set for this financial year. A total of 601 training interventions were provided bringing the total training interventions for the year to 1 200 training interventions, exceeding the set target by 100.	X		

The background of the image is a teal-colored photograph of a group of people sitting around a table in a meeting or workshop. They are looking towards the camera. In the foreground, there is a large, stylized graphic of a gear or a circular arrow. The gear is composed of several segments, with three of them colored orange and the others in a lighter shade of teal. The text "Human Resources" is written in white, bold, sans-serif font across the center of the orange segments.

Human Resources



1. SERVICE DELIVERY

The tables below reflect the components of the Service Delivery Improvement Plan as well as progress made in the implementation thereof.

Table 1.1 – Main service for service delivery improvement and standards

Main Services	Actual Customers	Potential Customers who may be integrated	Standard of Services	Actual Achievements against Standards
Printing	All Public Service Departments and South African citizens.	Africa countries that may require security printing services.	Service Delivery Standards are set out in the GPW Business Model.	The re-capitalization programme and building of printing capacity.

Table 1.2– Consultation arrangements for customers

Type of arrangement	Actual Customer	Potential Customer	Actual achievements
Direct interaction with clients.	All Public Service Departments and South African citizens.	Not applicable.	Direct consultation, workshops and information sessions.

Table 1.3– Service delivery strategy

Strategy	Actual Achievements
Continuous interactions with various customers and stakeholders to build on improved relations. Commissioning of new equipment. Implementation of new technology.	Improved capacity and on time services.

Table 1.4 – Service information tool

Type of Information Tool	Actual Achievements
Daily interaction with various customers and stakeholders.	Rendering of additional services.

Table 1. 5 – Complaints mechanism

Complaints Mechanism	Actual Achievements
Suggestion boxes. Hotline at the Department of Home Affairs and Public Service Commission.	Suggestion box information analysed regular and feedback is provided to staff by means of various types of information sharing.

2. EXPENDITURE

The Government Printing Works budgets in terms of clearly defined programmes. The tables below summarises final audited expenditure (Table 2.1) and by salary level (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of the salary bands within the Government Printing Works.

Table 2.1 – Personnel costs

Programme	Total Expenditure	Personnel Expenditure	Training Expenditure	Professional and Special Services	Personnel Cost as % of Total Expenditure	Average Personnel Cost per Employee	Employment as at 31 March 2018.
	(R'000)	(R'000)	(R'000)	(R'000)		(R')	
Government Printing Works	953 509	212 422	1 025	41 563	22.3	341 168	604
Total	953 509	212 422	1 025	41 563	22.3	341 168	604

Table 2.2 – Personnel costs by salary band

Salary Bands	Personnel Expenditure	Percentage of Total Personnel Cost	Average Personnel Cost per Employee
	(R'000)		(R')
Lower skilled (Levels 1-2)	1 761	0.8	176 100
Skilled (Levels 3-5)	70 455	33.7	246 346
Highly skilled production (Levels 6-8)	61 546	29.5	366 345
Highly skilled supervision (Levels 9-12)	35 146	16.8	605 966
Senior management (Levels 13-16)	19 827	9.5	1 166 294
Contract Skilled (Levels 3-5)	12 783	6.1	365 229
Contract Highly skilled production (Levels 6-8)	374	0.2	0
Contract Senior management (Levels 9-12)	669	0.3	0
Contract Senior management (Levels 13-16)	4 262	2.0	1 420 667
Graduates and Apprentices	1 773	0.8	65 667
Total	208 596	100	341 168⁵

⁵ The column Average Personnel Cost per Employee total refers to the average salary cost per employee in GPW

Table 2.3 – Salaries, overtime, home owners allowance and medical aid

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount	Salaries as % of Personnel Costs	Amount	Overtime as % of Personnel Costs	Amount	HOA as % of Personnel Costs	Amount	Medical Ass. as % of Personnel Costs
	(R'000)		(R'000)		(R'000)		(R'000)	
Government Printing Works	156 163	75.7	14 375	6.9	6 375	3.1	10 980	5.3
Total	158 163	75.7	14 375	6.9	6 375	3.1	10 980	5.3

Table 2.4 – Salaries, overtime, home owners allowance and medical aid by salary band

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount	Salaries as % of Personnel Costs	Amount	Overtime as % of Personnel Costs	Amount	HOA as % of Personnel Costs	Amount	Medical Ass. as % of Personnel Costs
	(R'000)		(R'000)		(R'000)		(R'000)	
Lower skilled (Levels 1-2)	1 186	67.3	49	2.8	156	8.9	218	12.4
Skilled (Levels 3-5)	47 563	67.5	6 301	8.9	3 709	5.3	6 621	9.4
Highly skilled production (Levels 6-8)	46 020	74.7	4 139	6.7	2 202	3.6	3 345	5.4
Highly skilled supervision (Levels 9-12)	29 874	84.9	871	2.5	231	0.7	685	1.9
Senior management (Levels 13-16)	16 915	85.0	0	0	78	0.4	111	0.6
Contract Skilled (Levels 3-5)	9 796	76.6	2 974	23.3	0	0.0	0	0.0
Contract Highly skilled production (Levels 6-8)	322	86.1	12	3.2	0	0.0	0	0.0
Contract Senior management (Levels 9-12)	616	92.1	0	0.0	0	0.0	0	0.0
Contract Senior management (Levels 13-16)	4 110	96.3	0	0.0	0	0.0	0	0.0
Graduates and Apprentices	1 741	97.6	29	1.6	0	0.0	0	0.0
Total	158 163	75.7	14 375	6.9	6 375	3.1	10 980	5.3

3. EMPLOYMENT AND VACANCIES

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts of the establishment, the number of employees, the vacancy rate and whether there are any staff that are additional to the establishment.

Table 3.1 – Employment and vacancies, 31 March 2018

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Government Printing Works	752	604	18.9	37
Total	752	604	18.9	37

Table 3.2 – Employment and vacancies by salary bands, 31 March 2018

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2)	12	10	16.7	0
Skilled (Levels 3-5)	385	321	16.4	35
Highly skilled production (Levels 6-8)	223	168	24.7	0
Highly skilled supervision (Levels 9-12)	77	58	24.6	0
Senior management (Levels 13-16)	28	20	28.6	2
Interns and Apprentices	27	27	0	0
Total	752	604	19.7	37

Table 3.3 – Employment and vacancies by critical occupation, 31 March 2017

Critical Occupation	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Compositors & related printing workers	10	5	50.0	0
Printing management and supervisory personnel	46	34	26.1	0
Lithographic and related workers	18	12	33.3	0
Binding and related workers	37	25	32.4	0
Total	111	76	31.5	0

Table 3.4 - Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.4.1 SMS post information as on 31 March 2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Senior Management Service Band A	16	10	62.5	6	37.5
Senior Management Service Band B	6	6	100	0	0.0
Senior Management Service Band C	5	4	80.0	1	20.0
Senior Management Service Band D	1	0	0.0	1	100
Total	28	20	71.4	8	28.6

Table 3.4.2 SMS post information as on 30 September 2017

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Senior Management Service Band A	16	9	56.3	7	43.75
Senior Management Service Band B	6	6	100	0	0.0
Senior Management Service Band C	4	3	75.0	1	25.0
Senior Management Service Band D	1	0	0.0	1	100
Total	27	18	66.7	9	33.3

Table 3.4.3 Advertising and filling of SMS posts for the period 1 April 2017 and 31 March 2018

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Senior Management Service Band A	5	0	3
Senior Management Service Band B	0	0	1
Senior Management Service Band C	1	0	0
Senior Management Service Band D	1	0	0
Total	7	0	3

Table 3.4.4 Reasons for not having complied with the filling of funded vacant SMS posts - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2017 and 31 March 2018

Reasons for vacancies not advertised within six months
Identified vacancies have been advertised during the financial year.
Reasons for vacancies not filled within twelve months
Changes in ministry and posts identified to be filled in the 2018 / 2019 financial year.

4. JOB EVALUATION

The following table (Table 4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides the statistics on the number of posts that were upgraded or downgraded.

Table 4.1 – Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	12	0	0	0	0	0	0
Skilled (Levels 3-5)	385	13	3.40	13	3.4	0	0
Highly skilled production (Levels 6-8)	223	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	77	0	0	0	0	0	0
Senior Management Service Band A	16	0	0	0	0	0	0
Senior Management Service Band B	6	0	0	0	0	0	0
Senior Management Service Band C	5	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	725	13	1.7	13	1.7	0	0

Table 4.2 – Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Beneficiaries	7	2	0	4	13

Note: Beneficiaries refer to the implementation of 2016 / 2017 job evaluation results.

Table 4.3 – Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Total number of Employees whose salaries exceeded the upgrades determined by job evaluation in 2017/2018	0
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Table 4.4 -- Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0

5. EMPLOYMENT CHANGES

This section provides information on changes in employment over the financial year. Table 5.1 summarises appointments, promotions and service terminations by race, gender and disability. In addition, the table provides an indication of the impact of these changes on the employment of the Government Printing Works.

Table 5.1 – Annual turnover rates by salary band

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2)	14	0	0	0.0
Skilled (Levels 3-5)	316	27	12	3.8
Highly skilled production (Levels 6-8)	145	4	10	6.9
Highly skilled supervision (Levels 9-12)	38	10	1	2.6
Senior Management Service Band A	8	3	1	12.5
Senior Management Service Band B	5	1	0	0.0
Senior Management Service Band C	2	1	1	50.0
Senior Management Service Band D	0	0	0	0.0
Contract (Levels 6-8)	3	0	3	100
Contract (Levels 9-12)	2	1	2	100
Contract Senior Management Service Band A	1	0	1	100
Contract Senior Management Service Band C	1	1	0	0.0
Interns and Apprentices	23	23	10	43.5
Total	558	71	41	7.4

SEASONAL CONTACT EMPLOYMENT

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover rate
Contract Skilled (Levels 3-5)	34	203	194	570.6
Total	34	203	194	570.6

Note 1: A total of 203 contract employees (levels 3 – 5) were appointed for periods of 3 months or shorter during the financial year to assist with special projects. These appointments and service terminations are not reflected in the above-mentioned information (Table 5.1), however is indicated separately.

Table 5.2 – Annual turnover rates by critical occupation

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
Compositors & related printing workers	5	0	0	0.0
Printing management and supervisory personnel	33	2	0	0.0
Lithographic and related workers	12	1	1	1.3
Bookbinding and related machine operators	27	0	0	0.0
Total	77	3	1	1.3

Table 5.3 – Reasons why staff are leaving Government Printing Works

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment
Death	2	4.9	0.4
Resignation	16	39.0	2.8
Expiry of contract	12	29.3	2.2
Discharged due to ill health	0	0.0	0.0
Dismissal-misconduct	0	0.0	0.0
Retirement	11	26.8	2.0
Transfer to another institution	0	0	0.0
Total	41	100	7.4

Resignations as % of Permanent Employment

7.4%

TABLE 5.4 - Granting of Employee Initiated Severance Packages

No Employee Initiated Severance Package applications were received or granted during the financial year.

Table 5.5 - Promotions by critical occupation

Occupation	Employment at Beginning of Period	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Compositors typesetters & related printing workers	5	0	0.0	2	40.0
Printing management and supervisory personnel	33	1	3.00	16	66.7
Lithographic and related workers	12	0	0.0	8	66.7
Binding and related workers	27	0	0.0	19	70.4
Total	77	1	3.9	45	58.4

Table 5.6 - Promotions by salary band

Salary Band	Employment at Beginning of Period	Promotions to another salary level	Salary Level Promotions as a % of employment	Progressions to another notch within Salary Level	Notch progressions as a % of employment
Lower Skilled (Levels 1-2)	14	0	0.0	0	0.0
Skilled (Levels 3-5)	316	2	0.6	241	76.3
Highly Skilled Production (Levels 6-8)	145	5	3.4	125	86.2
Highly Skilled Supervision (Levels 9-12)	38	7	18.4	31	81.6
Senior Management (Levels 13-16)	15	3	20.0	5	33.3
Contract Skilled (Levels 3-5)	34	0	0.0	0	0.0
Contract Highly Skilled Production (Levels 6-8)	3	0	0.0	0	0.0
Contract Senior Management (Levels 13-16)	4	0	0.0	0	0.0
Interns and Apprentices	23	0	0.0	0	0.0
TOTAL	592	17	2.9	402	67.9

6. EMPLOYMENT EQUITY

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 6.1 – Total number of employees (including employees with disabilities) per occupational category (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers	7	0	2	9	1	6	1	0	7	1	18
Professionals	10	1	0	11	4	10	0	1	11	2	28
Technicians and associate professionals	47	3	1	51	10	46	2	3	51	11	123
Clerks	29	1	1	31	1	50	4	1	55	12	99
Service and sales workers	16	1	0	17	1	4	0	0	4	0	22
Craft and related trades workers	43	5	2	50	20	18	0	0	18	6	94
Plant and machine operators and assemblers	64	3	0	67	25	73	5	0	78	22	192
Elementary occupations	14	0	0	14	4	9	0	0	9	1	28
Total	230	14	6	250	66	216	12	5	233	55	604

Category	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female White	Total
Employees with disabilities	3	0	0	3	3	1	0	0	1	3	10

Table 6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Band

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	0	0	0	0	0	1	1	0	2	2	2
Senior Management	7	0	1	8	1	5	0	0	5	1	15
Professionally qualified and experienced specialists and mid-management	23	2	3	28	9	16	0	3	19	2	58

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Skilled technical and academically qualified workers, junior management, supervisors	61	5	1	67	17	60	2	1	63	21	168
Semi-skilled and discretionary decision making	112	7	0	119	38	89	8	1	98	31	286
Unskilled and defined decision making	2	0	0	2	0	8	0	0	8	0	10
Contract (Top Management)	0	0	0	0	1	1	0	0	1	0	2
Contract (Senior Management)	0	0	1	1	0	0	0	0	0	0	1
Contract (Semi-skilled)	15	0	0	15	0	19	1	0	20	0	35
Interns and Apprentices	10	0	0	10	0	17	0	0	17	0	27
Total	230	14	6	250	66	216	12	5	233	55	604

Table 6.3 – Recruitment

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	0	0	0	0	0	0	1	0	1	0	1
Senior Management	4	0	0	4	0	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	5	2	0	7	3	0	0	0	0	0	10
Skilled technical and academically qualified workers, junior management, supervisors.	2	0	0	2	0	2	0	0	2	0	4
Semi-skilled and discretionary decision making	15	0	0	15	0	11	1	0	12	0	27
Contract Top Management	0	0	0	0	1	0	0	0	0	0	1
Contract (Professionally qualified and experienced specialists and mid-management)	0	0	0	0	0	0	0	0	0	1	1
Interns and Apprentices	10	0	0	10	0	13	0	0	13	0	23
Total	36	2	0	38	4	26	2	0	28	1	71

SPECIAL PROJECT APPOINTMENTS, SHORT TERM APPOINTMENTS LESS THAN SIX MONTHS

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Contract (Semi-skilled)	73	0	0	73	0	122	5	0	127	2	203
Total	73	0	0	73	0	122	5	0	127	2	203

Table 6.4 – Promotions

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialist	1	0	0	1	0	1	0	0	1	0	2
Skilled technical and academically qualified worker	1	0	0	1	0	2	0	1	3	0	4
Semi-skilled and discretionary decision making	1	0	0	1	0	3	0	0	3	0	4
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
Total	3	0	0	3	0	6	0	1	7	0	10

Table 6.5 – Terminations

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	0	0	0	0	1	0	0	0	0	0	1
Senior Managers	1	0	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	1	0	0	1	0	1
Skilled technical and academically qualified workers, junior management, supervisors	5	0	0	5	1	1	0	0	1	3	10
Semi-skilled and discretionary decision making	4	0	0	4	1	1	2	0	3	4	12
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Contract Senior Managers	1	0	0	1	0	0	0	0	0	0	1
Contract Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	0	0	0	1	2
Contract Skilled technical and academically qualified workers, junior management, supervisors	2	0	0	2	1	0	0	0	0	0	3
Intern and Apprentices	6	0	0	6	0	4	0	0	4	0	10
Total	19	0	0	19	5	7	2	0	9	8	41

SPECIAL PROJECT CONTRACT EXPIRY, SHORT TERM LESS THAN SIX MONTHS

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Contract (Semi-skilled)	69	0	0	69	0	118	4	0	122	3	194
Total	69	0	0	69	0	118	4	0	122	3	194

Table 6.6 - Disciplinary action

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Total	11	2	1	14	2	3	1	0	41	1	21

Table 6.7 - Skills development

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior officials and managers	4	0	2	6	1	6	0	0	6	0	13
Professionals	9	0	0	9	0	7	0	1	8	1	18
Technicians and associate professionals	31	2	0	33	8	31	2	2	35	7	83
Clerks	32	0	0	32	0	55	2	0	57	8	97
Service and sales workers	8	1	0	9	1	3	0	0	3	0	13

Occupational Band	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Craft and machine operators and assemblers & other	41	2	2	45	16	16	0	0	16	6	83
Plant and machine operators and assemblers	49	2	0	51	18	51	4	0	55	19	143
Elementary occupations	6	0	0	6	0	10	0	0	10	0	16
Total	180	7	4	191	44	179	8	3	190	41	466

7. Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 7.1 - Signing of Performance Agreements by SMS members as on 31 May 2017

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Senior Management Service Band A	16	9	9	100
Senior Management Service Band B	6	5	5	100
Senior Management Service Band C	4	4	4	100
Senior Management Service Band D	1	0	0	0.0
Total	27	18	18	100

Table 7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2017

Reasons
Full compliance

8. PERFORMANCE

To encourage good performance, the department has granted the following performance rewards during the year review. The information is presented in terms of race, gender and disability (Table 7.1), critical occupations (Table 7.3) and salary bands for SMS (Table 7.4).

Table 8.1 - Performance rewards by race, gender and disability

Description	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost	Average Cost per Beneficiary
				(R'000)	(R)
African, Female	80	216	37.0	837	10 473
African, Male	90	229	39.3	1 161	12 910
Asian, Female	3	5	60.0	68	22 820
Asian, Male	1	6	16.7	108	108 460
Coloured, Female	7	12	58.3	62	8 871
Coloured, Male	5	14	35.7	47	9 489
Total Blacks, Female	90	233	38.6	968	10 760
Total Blacks, Male	95	248	38.6	1 317	13 727
White, Female	35	55	63.6	467	13 353
White, Male	34	66	51.5	484	14 241
Employees with a disability	1	10	10.0	5	5 536
Total	255	604	42.2	3 237	12 697

Table 8.2 - Performance rewards by salary band for personnel below senior management service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
				(R'000)	(R)
Lower skilled (Levels 1-2)	2	10	20.0	22	10 932
Skilled (Levels 3-5)	130	286	45.5	936	7 257
Highly skilled production (Levels 6-8)	96	168	57.1	1 2670	13 196
Highly skilled supervision (Levels 9-12)	24	58	42.2	766	31 282
Contract Skilled (Levels 3-5)	0	35	0.0	0	0

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
				(R'000)	(R)
Interns and Apprentices	0	27	0.0	0	0
Total	252	584	43.2	3 042	12 048

Table 8.3 - Performance rewards by critical occupation

Critical Occupation	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
				(R'000)	(R)
Compositors typesetters & related printing workers	1	5	20.0	11	11 755
Printing management and supervisory personnel	20	34	58.8	404	20 216
Lithographic and related workers	4	12	33.3	62	15 462
Binding and related workers	11	25	44.0	136	12 339
Total	36	76	47.4	613	17 0588

Table 8.4 - Performance related rewards (Cash Bonus) by salary band for senior management service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary	% of SMS Wage Bill	Personnel Cost SMS
				(R'000)	(R)		(R'000)
Senior Management Service Band A	1	10	10.0	33	67 497	0.3	10 587
Senior Management Service Band B	2	6	33.3	161	80 944	2.2	7 340
Senior Management Service Band C	0	4	0.0	0	0	0.0	6 238
Senior Management Service Band D	0	0	0.0	0	0	0.0	0
TOTAL	3	20	12.5	195	78 254	0.8	24 166

9. FOREIGN WORKERS

The tables below summarised the employment of foreign nationals in the Government Printing Works in terms of salary bands and major occupations. The table also summarised changes in the total number of foreign workers in each salary band and by each major occupation.

Table 9.1 - Foreign workers by salary band

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total
Highly skilled production (Levels 6-8)	2	66.7	0	0.0	2	66.7
Senior Management Salary Band A	1	33.3	1	100	0	33.3
Total	3	100	1	100	2	100

Table 9.2 - Foreign workers by major occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total
Skilled technical and academically qualified worker	2	66.7	0	0.0	2	66.7
Senior Management Salary Band A	1	33.3	1	100	0	33.3
Total	3	100	1	100	2	100

10. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2017 TO 31 DECEMBER 2018

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 10.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

Table 10.1 - Sick leave 1 January 2017 till 31 December 2017

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost	Total number of days with medical certificates
						(R'000)	
Lower skilled (Levels 1-2)	76	71.4	9	1.6	8	41	54
Skilled (Levels 3-5)	2 616	82.1	259	45.5	10	1 988	2 147
Highly skilled production (Levels 6-8)	1 277	73.2	154	27.1	8	1 597	935

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost	Total number of days with medical certificates
						(R'000)	
Highly skilled supervision (Levels 9-12)	312	73.4	50	8.8	6	800	229
Senior management (Levels 13-16)	34	70.6	9	1.6	4	139	24
Contract Skilled (Levels 3-5)	181	51.4	66	11.6	3	121	93
Contract Highly skilled production (Levels 6-8)	2	0.0	1	0.2	2	3	0
Contract Senior management (Levels 13-16)	7	71.4	1	0.2	7	29	5
Interns and Apprentices	62	37.1	20	3.5	3	22	23
Total	4 567	76.9	569	100	8.0	4 740	3 510

Table 10.2 - Disability leave (Temporary and Permanent) 1 January 2017 till 31 December 2017

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost	Total number of days with medical certification	Total number of Employees using Disability Leave
						(R'000)		
Skilled (Levels 3-5)	431	100	13	65.0	33	319	431	20
Highly skilled production (Levels 6-8)	65	100	5	25.0	11	88	65	20
Highly skilled supervision (Levels 9-12)	98	100	2	10.0	49	284	98	20
Total	594	100	20	100	30.0	691	594	20

Table 10.3 - Annual leave 1 January 2017 till 31 December 2017

Salary Band	Total Days Taken	Average per Employee	Employment
Lower skilled (Levels 1-2)	325	27	12
Skilled (Levels 3-5)	7 646	25	310
Highly skilled production (Levels 6-8)	4 272	24	181
Highly skilled supervision (Levels 9-12)	1 190	21	56
Senior management (Levels 13-16)	219	12	18
Contract Skilled (Levels 3-5)	401	4	99

Salary Band	Total Days Taken	Average per Employee	Employment
Contract Highly skilled production (Levels 6-8)	15	5	3
Contract Highly skilled supervision (Levels 9-12)	12	6	2
Contract Senior management (Levels 13-16)	61	12.2	5
Interns and Apprentices	243	8	29
Total	14 349	20	713

Table 10.4 - Capped Leave, 1 January 2017 till 31 December 2017

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at end of period	Number of Employees who took Capped leave	Total number of capped leave available at end of period
Lower skilled (Levels 1-2)	0	0	5	0	14.4
Skilled (Levels 3-5)	64	5	19	12	2 221
Highly skilled production (Levels 6-8)	4	1	29	3	2 143
Highly skilled supervision (Levels 9-12)	0	0	42	2	543
Senior management (Levels 13-16)	0	0	51	0	152
Total	68	5	25	15	5 076

Table 10.5 - Leave Pay-outs for the period 1 April 2017 to 31 March 2018

Reason	Total Amount	Number of Employees	Average Payment per Employee
	(R'000)		(R)
Leave payout for 2017/18 due to non-utilisation of leave for the previous cycle	45	5	9 000
Capped leave payouts on termination of service for 2017/18	1 648	30	54 933
Current leave payout on termination of service for 2017/18	69	6	11 500
Total	1 762	41	42 976

11. HIV/AIDS & HEALTH PROMOTION PROGRAMS

Table 11.1 - Steps taken to reduce the risk of occupational exposure

Government Printing Works participated in several initiatives for health promotion.

Table 11.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if yes
Has the Government Printing Works designated a member of the SMS to implement the provisions contained in the Public Service Regulations, 2016	✓		General Manager Human Resources
Does the Government Printing Works have a dedicated unit or have you designated specific staff members to promote health and wellbeing of your employees?	✓		Specific staff members have been delegated.
Has the Government Printing Works established committees as contemplated in the Public Service Regulations, 2016	✓		Health & Safety Committee

12. LABOUR RELATIONS

Table 12.1 - Collective agreements, 1 April 2017 to 31 March 2018

None

Table 12.2 – Misconduct and Disciplinary Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total
Corrective counseling	3	17.6
Verbal warning	1	5.9
Written warning	8	47.1
Final written warning	2	11.8
Suspended without pay	1	5.9
Dismissal	2	11.8
Total	17	100

Table 12.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	% of total
Poor and improper conduct	5	23.8
Negligence	6	28.6
Misrepresentation	2	9.5
Unauthorised absenteeism and late coming	5	23.8
Illegal possession of state property	2	9.5

Type of misconduct	Number	% of total
Fraud	1	4.8
Total	21	100

Table 12.4 - Grievances Lodged

Number of grievances addressed	Number	% of total
Resolved	27	93.1
Not resolved	2	6.9
Total	29	100

Table 12.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Upheld	2	66.7
Dismissed	1	33.3
Settlement	0	0.0
Total	3	100

Table 12.6 - Strike Actions

Strike Actions	(R'000)
Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

Table 12.7 - Precautionary Suspensions

Precautionary Suspensions	Total
Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	328
Cost (R'000) of suspensions	492

13. SKILLS DEVELOPMENT

Table 13.1 - Training needs identified 1 April 2017 to 31 March 2018

Occupational categories	Number of employees as at 1 April 2016		Training needs identified at start of reporting period					
			Learnership & Internships		Skills Programmes and Other Short Courses		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Legislators, Senior officials and managers			0	0	4	5	4	5
Professionals			0	0	5	7	5	7
Technicians and associate professionals			14	14	23	33	37	47
Clerks			0	0	17	38	17	38
Service and sales workers			0	0	5	2	5	2
Craft and machine operators and assemblers & other	3	2	3	2	38	20	41	22
Plant and machine operators and assemblers			0	0	22	23	22	33
Elementary occupations			0	0	5	5	5	5
Total			17	16	119	133	136	149

Table 13.2 - Training Provided 1 April 2017 to 31 March 2018

Occupational categories	Number of employees as at 1 April 2016		Training provided					
			Learnership & Internships		Skills Programmes and Other Short Courses		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Legislators, Senior officials and managers			0	0	7	6	7	6
Professionals			0	0	9	9	9	9
Technicians and associate professionals			14	18	41	42	55	60
Clerks					32	65	32	65
Service and sales workers					10	3	10	3
Craft and machine operators and assemblers & other			3	2	61	22	64	24
Plant and machine operators and assemblers					69	74	69	74
Elementary occupations					6	10	6	10
Total			17	20	235	231	252	251

Table 13.3 – Internship & Apprentice Programme 1 April 2017 to 31 March 2018

Government Printing Works Internship and Learner programme details are as follows:-

Unit	No of interns		
	Male	Female	Total
Learner Programmes	0	0	0
Internship Programmes	11	16	27
Total	11	16	27

Table 13.4 – Study Bursaries Granted 1 April 2017 to 31 March 2018

Occupational category	Male	Female	Total
Legislators, Senior officials and managers	1	2	3
Professionals	6	4	10
Technicians and associate professionals	3	6	9
Clerks	3	14	17
Service and sales workers	2	6	8
Craft and machine operators and assemblers & other	3	3	6
Plant and machine operators and assemblers	2		2
Elementary occupations	5	3	8
Total	25	38	63

14. INJURY ON DUTY

The following table provides basic information on injury on duty.

Table 14.1 - Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	61	79.2
Temporary Total Disablement	16	20.8
Permanent Disablement	0	0.0
Fatal	0	0.0
Total	77	100

15. UTILISATION OF CONSULTANTS

Table 15.1 - Report on consultant appointments

Project title Total	Total number of consultants that worked on project	Duration	Amount
			(R'000)
Intervate Solutions	12	365 days	19 404
DAC Systems	7	365 days	19 563
Rebone Marapo (Pty) Ltd	3	6 months	79
Muelbauer Germany	3	365 days	8 634
Gijima	2	When required	83
NT Mchunu Attorneys	2	When required	79
Masondo Attorneys	4	When required	991
Total	33		48 833



Financials



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Report of the Audit Committee for the financial year ended 31 March 2018

In line with its strategic commitment to be a well-governed Government Component, the GPW strives for effective oversight and monitoring of its governance regime. Vital to the achievement of this aim, is a competent and independent Audit Committee.

The Audit Committee confirms that it has complied with its responsibilities arising from section 38(1) (a) of the Public Finance Management Act, No. 1 of 1999, as amended and Treasury Regulations 3.1. The Audit Committee also reports that it has an appropriate Audit Committee Charter (including terms of reference) which is reviewed annually. It regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The Committee is pleased to present its report for the financial year ended 31 March 2018.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE:

The Committee's terms of reference requires that four (4) independent members, who have sufficient qualifications and experience render the services associated with the Audit Committee Function. During the year under review, four (4) Audit Committee meetings were held, with no new appointments and no resignations.

Name	Meetings attended	Tenure Period 1	Tenure Period 2
Mr. SAH Kajee	4/4	Jan 2013 – Dec 2015	Jan 2016 – Dec 2018
Mr. A Amod	4/4	Jan 2013 – Dec 2015	Jan 2016 – Dec 2018
Ms. APC Mangoma	4/4	Feb 2016 – Jan 2019	n/a
Mr. D Fredericks	4/4	Feb 2016 – Jan 2019	n/a

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee is pleased to report that it has complied with its responsibility arising from its terms of reference, including relevant legislative requirements.

For the financial year ended 31 March 2018, the Audit Committee reviewed:

- Quarterly Financial Statements;
- Unaudited Annual Financial Statements before submission to the AGSA;
- The appropriateness of accounting policies and procedure;
- The effectiveness of the system of Risk Management,
- Compliance with relevant laws and regulations;
- The system of ICT Governance;
- The Annual Report and predetermined objectives prior to submission to the AGSA and final publication; and

- The plans, work and reports of Internal Audit and the Auditor General.
- The Internal Audit and Audit Committee Charters.

REVIEW AND EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee had the opportunity to review the draft annual financial statements and the report of progress made against pre-determined objectives before the AGSA review and discussed them with management. The Committee has the following comments:

- The accounting policies and practices applied are appropriate.
- We satisfied that, based on accounting conventions; the financial statements reflect a well-run organisation.
- Management takes the comments by IA and AGSA seriously and is committed about taking corrective actions on findings raised.

THE AUDIT COMMITTEE FURTHER HAVE:

- Reviewed the Auditor-General South Africa's management report and management's response thereto.
- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General South Africa's and the Accounting Officer's reports.

The Audit Committee concurs and accepts the Auditor-Generals conclusions on the annual financial statements and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General.

THE EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The systems of internal control are designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. The Audit Committee has considered the work performed by IA on a quarterly basis and IA tracking of outstanding audit findings on a quarterly basis.

In line with the PFMA and using King IV Report as a guideline, internal audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

Our review of the findings of the Internal Audit work, which was based on the risk based audit plan approved by the Audit Committee, identified certain weaknesses in some audited areas. Management action plans have been put in place to address those control weaknesses.

INTERNAL AUDIT

We are satisfied that the internal audit function has operated effectively, that it has addressed the risks pertinent to the GPW in its audits and has assisted the GPW with value adding services to ensure that both financial and operational objectives are achieved. Internal Audit forms part of the third line of defence and engages with the first and second lines of defence to facilitate the escalation of key control breakdowns.

The Internal Audit unit has a functional reporting line to the Audit Committee and an administrative reporting line to the Acting Chief Executive Officer. The Audit Committee, with respect to its evaluation of the adequacy and effectiveness of internal controls, receives reports from Internal Audit on a quarterly basis, assesses the effectiveness of the Internal Audit function, and reviews and approves the Internal Audit Annual Operational and Three Year-Rolling Plans. The Audit Committee is responsible for ensuring that the GPW's Internal Audit function is independent and has the necessary resources, standing and authority within the GPW to enable it to discharge its duties. The Internal Audit function's Operational and Three Year Rolling Plans were approved by the Audit Committee.

The Audit Committee has overseen a process by which IA has performed audits according to a risk-based audit plan where the effectiveness of the risk management and internal controls were evaluated. These evaluations were the main input considered by the Audit Committee in reporting on the effectiveness of internal controls. The Audit Committee is satisfied with the independence and effectiveness of the IA function

PERFORMANCE INFORMATION

The performance information fairly reflects the operations and actual output against planned targets for performance indicators as per the Annual Performance Plan of the

GPW for the financial year ended 31 March 2018.

The performance information has been reported on in accordance with the requirements of the guidelines on annual reports as issued by the National Treasury. A system of internal control has been designed to provide reasonable assurance as to the "Integrity and Reliability" of performance information. This includes the quarterly auditing of performance information by the Internal Audit unit of all APP Targets.

IN-YEAR MANAGEMENT AND QUARTERLY REPORTING

The Audit Committee is satisfied with the content and quality of quarterly in-year management and performance reports issued during the year under review by the Accounting Officer of the Government Printing Works in terms of the National Treasury Regulations.

AGSA'S REPORT

We have reviewed the Government Printing Work's implementation plan for audit issues raised in the prior year. The Audit Committee has met with the AGSA to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings raised by the AGSA will continue to be monitored by the Audit Committee on a quarterly basis.

The Audit Committee concurs and accepts the AGSA's opinion regarding the Annual Financial Statements, and proposes that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor-General of South Africa.

APPRECIATION

The Audit Committee wishes to acknowledge and congratulate the Management Team of the GPW and the Accounting Officer, on their continued commitment to the improvement of the internal control environment of GPW.

The Audit Committee expresses its appreciation to the Accounting Officer, Management team, Internal Audit and the Auditor-General for their contribution in fulfilling its obligations.



MR. SAH KAJEE

CHAIRPERSON OF THE AUDIT COMMITTEE

DATE: 27 JULY 2018



Accounting Officer's Responsibilities and Approval

The Accounting Officer is required in terms of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) (as amended by Act No. 29 of 1999) to maintain adequate accounting records and is responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is her responsibility to ensure that the Annual Financial Statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

The Annual Financial Statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice except where it is directed by National Treasury (NT) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Officer acknowledges that she is ultimately responsible for the system of internal control established by the entity and places considerable importance on maintaining a strong control environment. The Accounting Officer 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 entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in

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

The Accounting Officer is 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 control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Accounting Officer has reviewed the entity's cash flow forecast for the year to March 31, 2019 and, in the light of this review and the current financial position, she is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Annual Financial Statements set out on pages 85 to 111, which have been prepared on the going concern basis, were approved by the Accounting Officer on May 31, 2018.



MS. N MOYO
PRETORIA
THURSDAY, MAY 31, 2018

Report of the Auditor-General to Parliament on Government Printing Works

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of Government Printing Works set out on pages 85 to 111, which comprise the statement of financial position as at 31 March 2018, the statement of profit or loss and other comprehensive income, statement of changes in net assets and the statement of cash flows for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of Government Printing Works as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the government component in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTER

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

FINANCIAL REPORTING FRAMEWORK

7. As disclosed in the accounting policy note 1, presentation of financial statements, the government component obtained a departure in terms of section 79 of the PFMA from preparing the annual financial statements in accordance with the Modified Cash Standard prescribed by National Treasury.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA statements of GAAP and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the Government Printing Work's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the government component or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

10. My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected branches presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the government component. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected branches presented in the annual performance report of the government component for the year ended 31 March 2018:

Branches	Pages in the annual performance report
Branch – Operations and Production	37 - 38
Branch – Strategic Management	39 – 41
Branch – Financial Services	42
Branch – Human Resources	43

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following branches:
- Branch: Operations and Production
 - Branch: Strategic Management
 - Branch: Financial Services
 - Branch: Human Resources

OTHER MATTERS

17. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

18. Refer to the annual performance report on pages 32 to 43 for information on the achievement of planned targets for the year and explanations provided for the under / over achievement of a number of targets.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Operations and Production, Strategic Management, Financial Services and Human Resources. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the government component with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
21. The material findings on compliance with specific matters in key legislations are as follows:

EXPENDITURE MANAGEMENT

22. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R61 687 000 as disclosed in note 26 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.

REVENUE MANAGEMENT

23. Interest was not charged on debts, as required by treasury regulation 11.5.1.

OTHER INFORMATION

24. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected branches presented in the annual performance report that have been specifically reported in this auditor's report.
25. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
26. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected branches presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

FINANCIAL AND PERFORMANCE MANAGEMENT

COMPLIANCE MONITORING

29. Despite having a delegated official with the responsibility of ensuring that the government component complies with all the relevant laws and regulations, the government component could not prevent non-compliance with key legislation.

Auditor-General

PRETORIA
31 JULY 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected branches and on the government component’s compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I 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 my 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 government component’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Government Printing Work’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a government component to cease continuing 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

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Statement of Profit or Loss and Other Comprehensive Income

		2018	2017
	Note(s)	R '000	R '000
Revenue	2	1,405,476	1,432,037
Cost of sales		(711,834)	(713,445)
Gross profit		693,642	718,592
Other income	3	71,442	81,846
Operating expenses	4	(241,675)	(208,481)
Operating profit		523,409	591,957
Interest received		1,865	-
Surplus for the year		525,274	591,957
Total comprehensive income for the year		525,274	591,957

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Statement of Financial Position as at 31 March 2018

		2018	2017
	Note(s)	R '000	R '000
Assets			
Non-Current Assets			
Property, plant and equipment	6	813,514	794,034
Intangible assets	7	28,988	35,914
		842,502	829,948
Current Assets			
Inventories	8	203,982	192,724
Trade and other receivables	9	298,057	278,900
Cash and cash equivalents	10	2,151,806	1,875,569
		2,653,845	2,347,193
Total Assets		3,496,347	3,177,141
Net Assets and Liabilities			
Net Assets			
Capital fund	11	2,314,645	1,822,688
Surplus distributable to National Treasury		525,274	591,957
		2,839,919	2,414,645
Liabilities			
Non-Current Liabilities			
Deferred income	12	492,364	561,755
Current Liabilities			
Trade and other payables	13	159,125	196,153
Provisions	14	4,939	4,588
		164,064	200,741
Total Liabilities		656,428	762,496
Total Net assets and Liabilities		3,496,347	3,177,141

Statement of Changes in Net Assets

	Capital fund	Surplus distributable to National Treasury	Net assets
	R '000	R '000	R '000
Balance at April 01, 2016	1,439,554	383,134	1,822,688
Profit for the year	-	591,957	591,957
Transfer of National Treasury approved surplus to capital fund	383,134	(383,134)	-
Total Changes	383,134	208,823	591,957
Balance at April 01, 2017	1,822,688	591,957	2,414,645
Profit for the year	-	525,274	525,274
Transfer of treasury approved surplus to capital fund	491,957	(491,957)	-
Total Changes	491,957	33,317	525,274
Transfer of surplus to National Treasury	-	(100,000)	(100,000)
Total transfers to National Treasury	-	(100,000)	(100,000)
Balance at 31 March, 2018	2,314,645	525,274	2,839,919

Statement of Cash Flows

		2018	2017
	Note(s)	R '000	R '000
Cash flows from operating activities			
Cash receipts from contributors and other sources		1,584,894	1,668,080
Cash paid to suppliers and employees		(1,106,890)	(992,857)
Cash generated from operations	15	478,004	675,223
Interest income		1,865	-
Net cash from operating activities		479,869	675,223
Cash flows from investing activities			
Acquisition of property, plant and equipment	6	(101,175)	(197,783)
Acquisition of intangible assets	7	(2,457)	(12,877)
Net cash from investing activities		(103,632)	(210,660)
Cash flows from financing activities			
Transfer of surplus funds to National Treasury		(100,000)	-
Total cash movement for the year		276,237	464,563
Cash at the beginning of the year		1,875,569	1,411,006
Total cash at end of the year	10	2,151,806	1,875,569

Accounting Policies

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with South African Statements of General Accepted Accounting Practice, and the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) (as amended by Act No. 29 of 1999).

The Government Printing Works (GPW) is established as a Government Component in terms of the Public Services Act and as such is required to prepare the annual financial statements in accordance with Modified Cash Basis. GPW has obtained a departure from the Accountant-General from Modified Cash and hence the financial statements have been prepared as stated above. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

The Government Printing Works (GPW) concluded that the annual financial statements present fairly the entity's statement of financial position, statement of profit or loss and other comprehensive income and statement of cash flow.

These accounting policies are consistent with the previous year, except where specified otherwise.

1.1 PROPERTY, PLANT AND EQUIPMENT

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

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 de-recognised.

1.1.1 Cost or revaluation

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

1.1.2 Depreciation

Depreciation is calculated so as to write off the cost of property, plant and equipment on a straight-line basis, over the estimated useful life. Depreciation of an asset commences when the asset is ready for its intended purpose.

1.1.2 Depreciation (continued)

Profits and losses arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the actual proceeds and the carrying amount of the assets, are recognised in the statement of profit or loss and other comprehensive income in the period in which they occur.

The annual depreciation rates are based on the following estimated asset lives:

Item	Years
Land	Indefinite
Buildings	20 years
Leasehold improvements	20 years
Plant and equipment	1-10 years
Office furniture	1- 8 years
Motor vehicles	5 years
Computer equipment	3- 5 years

The residual value and the useful life of each asset are reviewed at each financial period-end.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

1.1.3 De-recognition

The entity derecognises an item of property, plant and equipment only when the contractual rights to the cash flows from the property, plant and equipment expires, or when it transfers the property, plant and equipment and substantially all the risks and rewards of the ownership thereof to another entity.

1.2 INTANGIBLE ASSETS

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost and comprise of software.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;

- there is an ability to use or sell it;
- it will generate probable future economic benefits;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Intangible assets are amortised on a straight-line basis over its anticipated useful life. Amortisation of an intangible asset commences when the asset is ready for its intended purpose.

Computer software is capitalised to computer equipment where it forms an integral part of computer equipment.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a definite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Item	Useful life
Computer software	3- 5 years

1.3 FINANCIAL ASSETS AND LIABILITIES

1.3.1 Initial recognition

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments.

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments comprise of trade and other receivables, trade and other payables, cash and cash equivalents.

Financial instruments classified as loans and receivables are recognised as assets when the entity becomes a

1.3.1 Initial recognition (continued)

party to the contract and as a consequence has a legal right to receive cash.

1.3.2 Profit and losses and fair value adjustments

Profits, losses and fair value adjustments on financial instruments through surplus or deficit, both realised and unrealised are included in the statement of profit or loss and other comprehensive income.

1.3.3 De-recognition

A financial asset is de-recognised when the entity loses control over the contractual rights that compromises the asset and consequently the substantive risk and benefits associated with the asset are transferred. This occurs when the rights are realised, expired or are surrendered.

The financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the statement of profit or loss and other comprehensive income.

1.3.4 Interest

Interest income is recognised in the statement of profit or loss and other comprehensive income as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date. Interest income includes amortisation of any discount or premium or any other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

1.3.5 Trade and other receivables

Trade receivables are recognised initially at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when management believes that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance within operating expenses. The amount of the allowance is calculated in accordance with the doubtful debt policy of GPW. When a trade receivable is irrecoverable, it is

written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of profit or loss and other comprehensive income.

Trade and other receivables are classified as loans and receivables.

1.3.6 Trade and other payables

Trade payables are initially and subsequently measured at fair value.

1.3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held and owed by Paymaster General. These are initially and subsequently recorded at fair value.

1.4 OPERATING LEASES

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease, except where it is immaterial in relation to the total lease payments and where variable escalation forms part of the payments.

Operating leases are those leases that do fall within the scope of the above definition. Operating lease rentals are expensed as they become due.

1.5 INVENTORIES

Inventories are measured at the lower of cost and net realisable value, determined on standard cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any

1.5 INVENTORIES (CONTINUED)

write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.6 IMPAIRMENT OF ASSETS

The entity assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

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

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation is recognised immediately in profit or loss.

The increased carrying amount of assets attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation is recognised immediately in profit or loss.

1.7 RETIREMENT BENEFITS

1.7.1 Pension funds

GPW contributes to the Government Employees Pension Fund in respect of employer's contribution to the Fund, as prescribed by law and therefore recognised as an expense in the accounting period. No provision is made for pension retirement benefits in the financial statements of GPW as the pension scheme is administrated by National Treasury (NT). Once the employee leaves GPW, he/she becomes a pension member under the auspices of the NT and has no relationship with GPW.

1.7.2 Medical benefits

GPW provides medical benefits for its employees in accordance with Public Service conditions of service benefits. These benefits are funded by employer and employee contributions. Employer contributions to the fund are

expensed when money is paid to the fund. No provision is therefore made for medical benefits in the financial statements of GPW. GPW does not bear any responsibility for medical benefits for employees who have retired.

1.7.3 Termination benefits

Termination benefits are recognised and expensed only when payment is made and the actual costs are reflected. These benefits are pro rata leave and pro rata service bonus when an employee resigns or when an employee retires.

1.8 PROVISIONS, COMMITMENTS AND CONTINGENCIES

1.8.1 Provisions

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions shall not be recognised for future operating losses. If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

1.8.2 Commitments

A commitment is an agreement between two or more parties that is binding on those parties to the degree that to renege on the agreement will be costly.

Commitments represent orders issued to suppliers that have been approved, but where no delivery has taken place as at year-end, and contractual commitments.

GPW discloses the amount of contractual commitments for the acquisition of property, plant and equipment, and intangible assets.

1.8 PROVISIONS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

1.8.3 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are beyond the control of GPW.

Alternatively, a contingent liability is a present obligation that arises from past events, but which is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but are included in the disclosure notes.

1.8.4 Contingent assets

Contingent assets arise from unplanned or other unexpected events that are not wholly within the control of GPW and give rise to the possibility of an inflow of economic benefits or service potential to the entity. Contingent assets are not recognised.

1.9 CONDITIONAL GRANTS AND RECEIPTS

Government grants are recognised when there is reasonable assurance that:

- the entity will comply with the conditions attached to them; and
- the grants will be received.

The deferred income relating to grants is recognised on the following basis:

Capital contributions on plant and equipment: The deferred income will be credited to the statement of profit or loss and other comprehensive income over the useful life of the asset starting when the asset is brought to use.

1.10 REVENUE RECOGNITION

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

1.11 INTEREST INCOME

Interest is recognised on a time-proportion basis using the effective interest method.

1.12 IRREGULAR EXPENDITURE

Irregular expenditure, as defined in section 1 of the PFMA, is expenditure other than unauthorised expenditure, incurred in contravention of, or that is not in accordance with, a requirement of any applicable legislation, including any one the following:

- the Public Finance Management Act (Act No. 01 of 1999),
- the Treasury Regulations issued in terms of the Act.

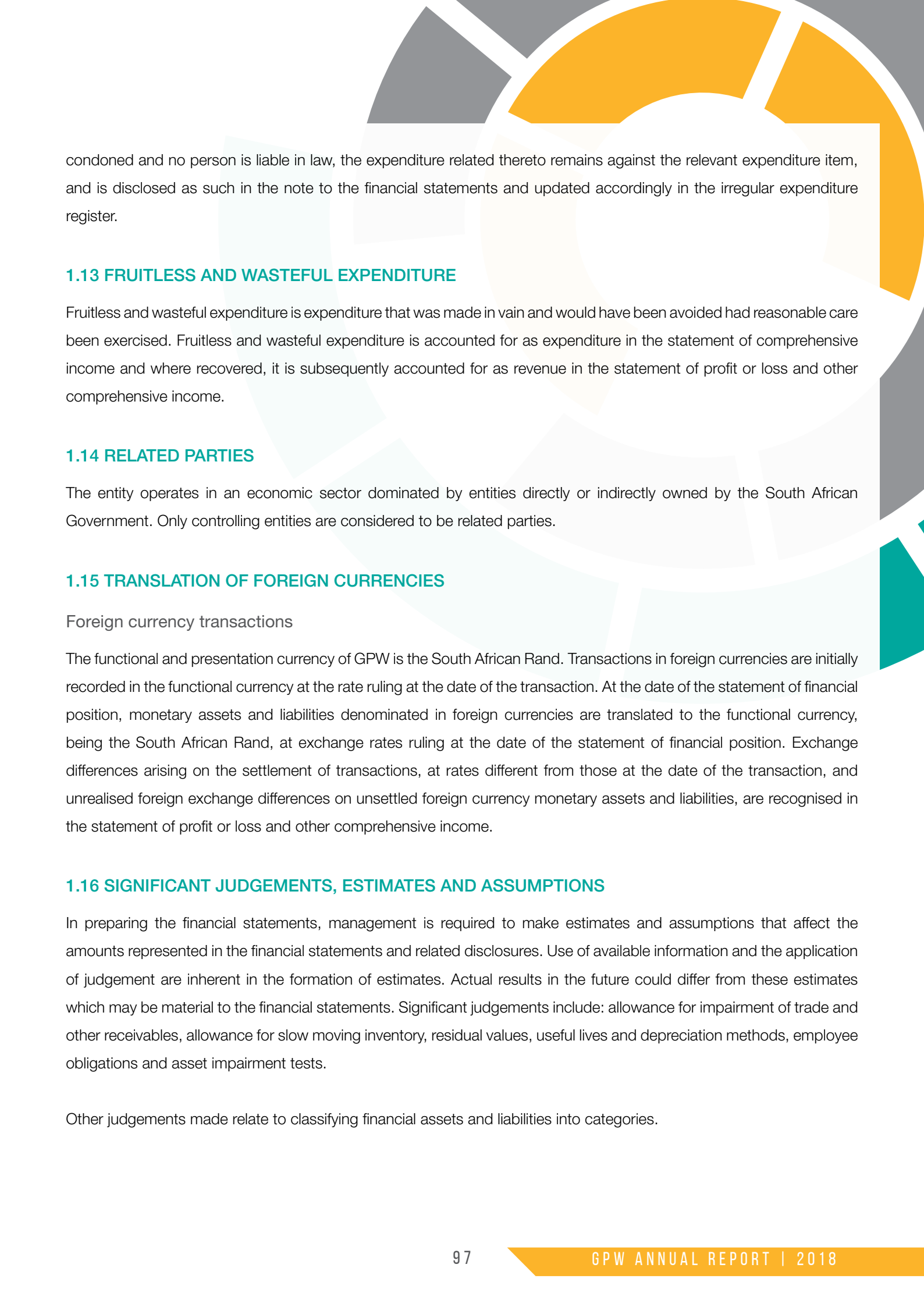
National Treasury Practice Note No 4 of 2008/09, which was issued in terms of sections 76(1) to 76(4) of the PFMA, requires that from 1 April 2008, irregular expenditure that was incurred and identified during the current financial year and that was condoned before year end and/or before finalisation of the financial statements is recorded appropriately in the irregular expenditure register. In such an instance, no further action is taken except that the note to the financial statements is updated.

All irregular expenditure is recognised in the annual financial statements in the period in which it is incurred and disclosed separately.

Irregular expenditure is accounted for as expenditure in the statement of profit or loss and other comprehensive income and where recovered, it is subsequently accounted for as revenue in the statement of profit or loss and other comprehensive income.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements is updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by National Treasury or the relevant authority is recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account is created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the Accounting Officer may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been



condoned and no person is liable in law, the expenditure related thereto remains against the relevant expenditure item, and is disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.13 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the statement of comprehensive income and where recovered, it is subsequently accounted for as revenue in the statement of profit or loss and other comprehensive income.

1.14 RELATED PARTIES

The entity operates in an economic sector dominated by entities directly or indirectly owned by the South African Government. Only controlling entities are considered to be related parties.

1.15 TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions

The functional and presentation currency of GPW is the South African Rand. Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction. At the date of the statement of financial position, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency, being the South African Rand, at exchange rates ruling at the date of the statement of financial position. Exchange differences arising on the settlement of transactions, at rates different from those at the date of the transaction, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognised in the statement of profit or loss and other comprehensive income.

1.16 SIGNIFICANT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include: allowance for impairment of trade and other receivables, allowance for slow moving inventory, residual values, useful lives and depreciation methods, employee obligations and asset impairment tests.

Other judgements made relate to classifying financial assets and liabilities into categories.

Notes to the Financial Statements

		2018	2017
		R '000	R '000
2. REVENUE			
Revenue		1,405,476	1,432,037
The Government Printing Works' revenue consists of the sale of security printing, standard documents, rubberstamps and other publications, including the Government Gazettes.			
3. OTHER INCOME			
Bad debts recovered		248	2,490
Discount received		1,447	2,832
Deferred income		69,391	71,886
Gain on exchange differences		-	4,612
Other recoveries		356	2
Profit on disposal of assets		-	24
		71,442	81,846
4. OPERATING EXPENDITURE			
Administration and management fees		36,713	27,755
Auditors remuneration		6,551	4,330
Bad debts written off		111	145
Depreciation and amortisation		7,545	6,670
Employee costs		97,726	101,350
Loss on exchange differences		16,479	-
Other operating expenditure		78,274	68,573
Provision for impairment of trade and other receivables		(1,724)	(342)
		241,675	208,481
5. SURPLUS FOR THE YEAR			
The following items have been charged in arriving at surplus for the year			
Depreciation		81,695	86,290
Amortisation		9,383	10,121
Auditors' remuneration		6,551	4,330
		97,629	100,741

Notes to the Financial Statements

						2018	2017
						R '000	R '000

6. PROPERTY, PLANT AND EQUIPMENT

		2018			2017		
		Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	Land	23,829	-	23,829	20,129	-	20,129
	Buildings	29,239	(4,369)	24,870	29,239	(2,913)	26,326
	Plant and equipment	1,007,984	(619,421)	388,563	983,860	(557,115)	426,745
	Office furniture	21,928	(18,319)	3,609	20,976	(16,854)	4,122
	Motor vehicles	880	(880)	-	880	(880)	-
	Computer equipment	106,180	(91,754)	14,426	100,701	(80,595)	20,106
	Leasehold improvements	110,837	(29,787)	81,050	107,193	(24,478)	82,715
	Capital - Work in progress	277,167	-	277,167	213,891	-	213,891
	Total	1,578,044	(764,530)	813,514	1,476,869	(682,835)	794,034

Reconciliation of property, plant and equipment - 2018

		Opening balance	Additions	Transfers	Depreciation	Total
	Land	20,129	3,700	-	-	23,829
	Buildings	26,326	-	-	(1,456)	24,870
	Plant and equipment	426,745	24,123	-	(62,305)	388,563
	Office furniture	4,122	953	-	(1,466)	3,609
	Computer equipment	20,106	5,479	-	(11,159)	14,426
	Leasehold improvements	82,715	-	3,644	(5,309)	81,050
	Capital - Work in progress	213,891	66,920	(3,644)	-	277,167
		794,034	101,175	-	(81,695)	813,514

Reconciliation of property, plant and equipment - 2017

		Opening balance	Additions	Depreciation	Total
	Land	20,129	-	-	20,129
	Buildings	27,673	110	(1,457)	26,326
	Plant and equipment	454,634	39,553	(67,442)	426,745
	Office furniture	3,475	1,867	(1,220)	4,122
	Computer equipment	18,285	12,683	(10,862)	20,106
	Leasehold improvements	88,024	-	(5,309)	82,715
	Capital - Work in progress	70,321	143,570	-	213,891
		682,541	197,783	(86,290)	794,034

Notes to the Financial Statements

						2018	2017
						R '000	R '000

6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**Capital commitments**

GPW is committed to incur capital expenditure of R 35 875 972 (2017: R 87 502 287) with regard to leasehold improvements and R 90 208 661 (2017: R 91 186 513) with regard to plant and equipment.

7. INTANGIBLE ASSETS

			2018			2017	
		Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software, internally generated	67,631	(38,643)	28,988	57,366	(29,260)	28,106	
Intangible assets under development	-	-	-	7,808	-	7,808	
Total	67,631	(38,643)	28,988	65,174	(29,260)	35,914	

Reconciliation of intangible assets - 2018

		Opening balance	Additions	Transfers	Amortisation	Total
Computer software, internally generated		28,106	-	10,265	(9,383)	28,988
Intangible assets under development		7,808	2,457	(10,265)	-	-
		35,914	2,457	-	(9,383)	28,988

Reconciliation of intangible assets - 2017

		Opening balance	Additions	Transfers	Amortisation	Total
Computer software, internally generated		25,335	-	12,892	(10,121)	28,106
Intangible assets under development		7,823	12,877	(12,892)	-	7,808
		33,158	12,877	-	(10,121)	35,914

Notes to the Financial Statements

	2018	2017
	R '000	R '000
8. INVENTORIES		
Raw materials, components	146,939	150,470
Work in progress	2,168	2,819
Finished goods	50,939	39,278
Consumables	5,771	5,649
Subtotal	205,817	198,216
Inventories (write-downs)	(1,835)	(5,492)
	203,982	192,724
Inventories are valued consistent to previous years as stated in note 1.5. During the year under review an decrease in the provision for slow moving and obsolete stock amounting to R 3 656 605 (2017: increase of R 3 764 497) was passed. Slow moving and obsolete stock amounting to R 66 452 (2017: R 557 012) were written off during the current financial year.		
9. TRADE AND OTHER RECEIVABLES		
Trade receivables	256,825	271,447
Other receivables	41,232	7,453
	298,057	278,900
Included in other receivables are the following: Incapacity leave of R 397 687 (2017: R 188 926).		
GPW considers that the carrying amount of trade and other receivables approximates to their fair value. Concentrations of credit risk with respect to trade receivables are limited due to the majority of receivables being owed by Government departments. Management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the group's trade receivables.		
Trade and other receivables impaired		
As at 31 March 2018 trade and other receivables in the amount of R 20 054 360 was considered to be impaired.		
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	21,778	22,120
Provision adjustment	(1,724)	(342)
	20,054	21,778
The creation and release of provision for impaired receivables have been included in operating expenditure in the statement of comprehensive income (note 4). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.		

Notes to the Financial Statements

		2018	2017
		R '000	R '000
10. CASH AND CASH EQUIVALENTS			
Cash and cash equivalents consist of:			
Cash on hand		74	71
Bank balances		128,979	36,698
Paymaster General		2,022,753	1,838,800
		2,151,806	1,875,569
11. CAPITAL FUND			
Balance at the beginning of the year		1,822,688	1,439,554
Transfer of the National Treasury approved surplus		491,957	383,134
		2,314,645	1,822,688
The capital fund originated through the transfer of net surplus in previous years after the approval of the National Treasury was obtained for the necessary transfers. The purpose of the fund is the financing of the operations and capital expenditure of GPW.			
12. DEFERRED INCOME			
For the financial year under review, GPW did not receive any contribution from National Treasury. The deferred income relating to previous years' contributions towards the transformation of GPW, including the procurement of new production equipment, will be credited to the Statement of Comprehensive Income over the useful life of the asset starting when the asset is brought to use.			
Opening balance		561,755	633,641
Deferred income realised through depreciation and appropriation		(69,391)	(71,886)
Closing balance		492,364	561,755
13. TRADE AND OTHER PAYABLES			
Trade payables		66,422	141,798
Other payables		87,776	48,788
Accrued expense - Leave pay		4,927	5,567
		159,125	196,153
Included in other payables are the following: Unallocated deposits of R 11 066 139 (2017: R 4 198 250), VAT of R 16 580 559 (2017: 12 239 655) and Debtors with credit balances of R 1 008 532 (2017: R 1 250 562).			
Management consider that the carrying amount of trade and other payables approximates their fair value.			
The entity changed its leave policy in 2002 due to the new dispensation. The entity capped all employees' unused leave from the previous years prior to June 2000, limiting employees to take such leave during their working life at the entity under specific conditions. Capped leave is payable, based on the salary notch at the date of termination, which is only applicable if the termination of service is as a result of retirement, ill-health, death and specific leave conditions.			

Notes to the Financial Statements

		2018	2017
		R '000	R '000
13. TRADE AND OTHER PAYABLES (CONTINUED)			
Accrued capped leave pay			
Opening balance		5,567	5,377
Movement		(641)	190
		4,926	5,567
14. PROVISIONS			
Reconciliation of provisions - 2018			
	Opening balance	Movement	Total
Service Bonus	4,588	351	4,939
Reconciliation of provisions - 2017			
	Opening balance	Movement	Total
Service Bonus	4,371	217	4,588
The service bonus payable is based on an employee's monthly salary on date when the bonus is due. Bonus payable to employees is only applicable if an employee is still in the service of the entity or else on a pro rata basis in instances of retirement, ill-health and death.			
15. CASH GENERATED FROM OPERATIONS			
Surplus for the year		525,274	591,957
Adjustments for:			
Depreciation and amortisation		91,077	96,411
Interest		(1,865)	-
Movements in provisions		351	217
Changes in working capital:			
Inventories		(11,257)	35,048
Trade and other receivables		(19,157)	30,225
Trade and other payables		(37,028)	(6,749)
Deferred income		(69,391)	(71,886)
		478,004	675,223
16. OPERATING LEASES			
GPW leases offices under lease agreements. The leases have varying terms, escalation clauses and renewal rights.			
The future aggregate minimum lease payments under operating leases are as follow:			

R'000	R'000	R'000
Up to 1 year	1 to 5 Years	More than 5 years
R 589	R 3,006	R -

Notes to the Financial Statements

		2018	2017
		R '000	R '000
17. DEPRECIATION - OPERATING EXPENDITURE			
Plant and equipment		54	87
Office furniture		559	549
Computer equipment		4,146	1,632
		4,759	2,268
Amortisation - Operating expenditure			
Computer software, other		2,786	4,402
Total depreciation - Operating expenditure		4,759	2,268
Amortisation - Operating expenditure		2,786	4,402
		7,545	6,670
18. EMPLOYEE BENEFITS			
Salaries and wages		178,892	169,935
Employer contributions:			
Pension		16,028	14,850
Housing		6,460	6,280
Medical		10,993	10,303
Public Service Co-ordinate Bargaining Council		9	8
General Public Service Bargaining Council		40	35
		212,422	201,411
Employee benefits included in operational expenditure		97,726	101,350
Employee benefits included in cost of sales		114,696	100,061
		212,422	201,411
19. EMOLUMENTS			
Chief Executive Officer			
Basic		-	166
Flexible portion of package		-	140
Compensation allowance		-	675
		-	981
The previous Chief Executive Officer left the service of GPW on the 30th of April 2016. An Acting Chief Executive Officer joined the services of GPW on the 1st of May 2016.			

Notes to the Financial Statements

	2018	2017
	R '000	R '000
19. EMOLUMENTS (CONTINUED)		
Acting Chief Executive Officer		
Basic	960	834
Flexible portion of package	656	475
Leave discounting	-	53
Acting allowance	201	342
	1,817	1,704
General Manager: Operations and Production		
Basic	554	971
Flexible portion of package	245	416
Long service award	-	25
Leave discounting	574	62
	1,373	1,474
The General Manager: Operations and Production retired on the 30th of September 2017. The Chief Director: Production and the Chief Director: Operations alternated in acting in the absence of a General Manager.		
General Manager: Financial Services		
Basic	823	488
Flexible portion of package	600	342
Leave discounting	-	44
Settlement payment	-	758
	1,423	1,632
The General Manager: Financial Services left the service of GPW on the 31st of October 2016. The Chief Director: Financial Management acted in the absence of a General Manager. A General Manager: Financial Services joined the services of GPW on the 1st of April 2017.		
General Manager: Strategic Management		
Basic	823	130
Flexible portion of package	586	141
Leave discounting	-	2
	1,409	273
The General Manager: Strategic Management was appointed on the 16th of January 2017.		

Notes to the Financial Statements

		2018	2017
		R '000	R '000
19. EMOLUMENTS (CONTINUED)			
General Manager: Human Resources			
Basic		916	873
Flexible portion of package		430	395
		1,346	1,268
Chief Director: Production			
Basic		813	762
Flexible portion of package		385	407
Acting allowance		77	-
Performance bonus		108	75
		1,383	1,244
Chief Director: Operations			
Basic		789	753
Flexible portion of package		417	337
Acting allowance		45	-
Performance bonus		53	-
		1,304	1,090
Chief Director: Financial Management			
Basic		930	873
Flexible portion of package		435	390
Acting allowance		-	73
Performance bonus		-	25
		1,365	1,361
Chief Director: Marketing and Stakeholder Relations			
Basic		813	764
Flexible portion of package		385	342
		1,198	1,106
Chief Information Officer			
Basic		597	387
Flexible portion of package		282	174
Leave discounting		-	81
		879	642

Notes to the Financial Statements

		2018	2017
		R '000	R '000
19. EMOLUMENTS (CONTINUED)			
Chief Information Officer (continued)			
The Chief Information Officer left the service of GPW on the 4th of October 2016. The Director: Information and Communication Technology acted in the absence of a Chief Director.			
A Chief Information Officer joined the services of GPW on the 1st of July 2017.			
Director: Internal Audit			
Basic		613	594
Flexible portion of package		436	409
		1,049	1,003
Director: Operations			
Basic		684	645
Flexible portion of package		321	293
		1,005	938
Director: Operations Planning			
Basic		664	635
Flexible portion of package		312	284
		976	919
The Director: Operations Planning was appointed on the 1st of May 2016.			
Director: Supply Chain Management			
Basic		782	748
Flexible portion of package		360	334
		1,142	1,082
Director: Cost Accounting			
Basic		332	-
Flexible portion of package		136	-
		468	-
The Director: Cost Accounting was appointed on the 1st of October 2017.			
Director: Organisational Development and Talent Management			
Basic		664	262
Flexible portion of package		312	143
		976	405
The Director: Organisational Development and Talent Management was appointed on the 1st of November 2016.			

Notes to the Financial Statements

	2018	2017
	R '000	R '000
19. EMOLUMENTS (CONTINUED)		
Director: Policy and Planning		
Basic	694	654
Flexible portion of package	324	304
Performance bonus	-	72
	1,018	1,030
Director: Information and Communication Technology		
Basic	420	521
Flexible portion of package	234	167
Performance bonus	-	34
Acting allowance - Director ICT (1 June 2016 - 30 September 2016)	-	15
Acting allowance - CIO (10 October 2016 - 30 June 2017)	54	81
Leave discounting	39	-
	747	818
The Deputy Director: Information and Communication Technology acted in this position from the 1st of June until the 30th of September 2016. He was appointed as Director: Information and Communication Technology on the 10th of October 2016.		
The Director: Information and Communication Technology left the service of GPW on the 18th of November 2017.		
Director: Security		
Basic	664	420
Flexible portion of package	311	176
	975	596
The Director: Security was appointed on the 1st of August 2016.		
Director: Marketing		
Basic	365	-
Flexible portion of package	161	-
	526	-
The Director: Marketing was appointed on the 13th of September 2017.		
Director: Strategic Support		
Basic	278	-
Flexible portion of package	137	-
	415	-
The Director: Strategic Support was appointed on the 16th of October 2017.		

Notes to the Financial Statements

		2018	2017
		R '000	R '000
19. EMOLUMENTS (CONTINUED)			
Production Technical Advisor			
Basic		437	-
Flexible portion of package		187	-
		624	-
The Production Technical Advisor was appointed on the 1st of November 2017.			
20. REMUNERATION OF COMMITTEE MEMBERS			
Audit committee members		409	374
Risk committee members		126	160
Ministerial advisory committee		23	177
		558	711
21. CONTINGENCIES			
In terms of the PFMA, all surplus funds as at year end may be forfeited to National Treasury should an application for retention of surplus funds be denied. GPW will submit an application to National Treasury for the retention of the surplus funds for the year 31 March 2018.			
GPW is currently in the process of negotiating with SKG Properties regarding new premises for the East London branch. Once agreement is reached regarding the lease period the contract will be finalised.			
22. RELATED PARTIES			
Related party balances			
Amounts included in Trade receivable regarding related parties			
The DHA		50,689	176,921
Related party transactions			
The following transactions pertaining to the major related parties to GPW are disclosed:			
The DHA			
Sales		843,796	788,786
23. EVENTS AFTER THE REPORTING PERIOD			
Events that occurred after the reporting date, but before the financial statements were authorised for issue, were considered. There were no events that indicated evidence of any adverse or favourable conditions that existed on reporting date that should be adjusted for.			
24. RENTAL OF BUILDINGS			
Certain buildings occupied by GPW are owned and provided by the Department of Public Works (DPW), however all cost for maintenance and capital expenses are financed by GPW.			

Notes to the Financial Statements

	2018	2017
	R '000	R '000
25. UNAUTHORISED EXPENDITURE		
There was no unauthorised expenditure during the period.		
26. IRREGULAR EXPENDITURE		
Opening balance	181,067	32,329
Add: Irregular Expenditure - current year	61,687	148,738
Less: Amounts condoned	-	-
	242,754	181,067
Less than three quotations obtained and reason for deviation not justifiable	30	394
Less than three quotations obtained and no reason for deviation	-	127
Goods not procured through competitive bidding	-	12,717
Request for quotation did not include a specific condition indicating the minimum threshold for local production and content	-	338
Contract amended or extended without approval from National Treasury	3,158	-
B-BBEE points awarded without verification of supporting documentation	54,703	135,162
Overtime more than 30%	3,796	-
Irregular expenditure - current year	61,687	148,738
The investigations on the irregular expenditure was concluded in the 2017/18 financial year. Consequence management steps was taken against the affected employees. A request for condonation was submitted to the National Treasury and GPW is awaiting feedback on the request.		
27. FRUITLESS AND WASTEFUL EXPENDITURE		
There was no fruitless and wasteful expenditure during the period.		
28. GIFTS AND DONATIONS		
No gifts and donations were made during the period.		
29. EX-GRATIA PAYMENTS		
Payments made during the period.	16	16

Notes to the Financial Statements

		2018	2017
		R '000	R '000
30	FINANCIAL INSTRUMENTS		
	General		
	GPW's activities expose it to a variety of risk. This section summarises these risks and the manner in which GPW manages them.		
	Categories of financial instruments		
	Financial Assets		
	Cash and bank balances	2,151,806	1,875,569
	Trade receivables	256,825	271,447
	Financial liabilities		
	Trade payables	78,497	141,798
	Operational risk		
	Operational risk is the risk of loss arising from system failure, human error or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. GPW can't expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risk, GPW is able to manage the risk. Controls include effective segregation of duties, access control, authorisation and reconciliation procedures, staff education and assessment processes and financial processes.		
	Price risk		
	As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.		
	Fair value		
	At 31 March 2018, the carrying amounts of cash, accounts receivable, accounts payable and accrued expenses approximated their fair values due to the short term maturities of these assets and liabilities.		
	Credit risk		
	GPW sells to Government departments, state organs and the general public. It does not apply the credit management policies in a normal trading environment due to the fact that credit sales are only to Government departments. Sales to the general public are either on a pre-paid or cash basis		
	Currency risk		
	The entity operates in the Republic of South Africa and is exposed to foreign exchange risk. At year end GPW had an exposure to the EURO, Yen and Swiss Franc, due to agreements for the maintenance and supply of machinery, which contracts were concluded in EURO.		
	The entity did not hedge for foreign exchange fluctuations on these contracts, due to the utilisation of the Paymaster General account.		
	Liquidity risk		
	The entity's exposure to liquidity risk is minimal since GPW resorts under the auspices of the DHA which is the ultimate responsible party of GPW		



NOTES



NOTES

General Information

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

The Government Printing Works is tasked with the rendering of printing and related services to Government Departments, Provincial Institutions and Local Authorities.

LEGAL FORM OF ENTITY

In accordance with the Public Service Act (No. 103 of 1994) as amended, The Government Printing Works (GPW) is established as a Government Component.

REGISTERED OFFICE

149 Bosman Street, Pretoria, 0001

BUSINESS ADDRESS

149 Bosman Street, Pretoria, 0001

POSTAL ADDRESS

Private Bag X 85, Pretoria, 0001

AUDITORS

The Auditor-General of South Africa

BANKERS

ABSA

Reserve Bank

ACCOUNTING OFFICER

Ms N Moyo

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Government
Printing
Works

Printing
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