

SOUTH AFRICAN LIBRARY FOR THE BLIND



**SOUTH AFRICAN
LIBRARY FOR THE BLIND**

An agency of the
Department of Arts and Culture



2018



ANNUAL REPORT

1 APRIL 2017 TO 31 MARCH 2018

SOUTH AFRICAN
LIBRARY FOR THE BLIND

2018



The Board of the South African Library for the Blind is proud to present:

THE SOUTH AFRICAN LIBRARY FOR THE BLIND ANNUAL REPORT

for the period 1 April 2017 to 31 March 2018

The Board and Management of the South African Library for the Blind, as the entity's Accounting Authority, submits its Annual Report to the Minister of Arts and Culture, the entity's Executive Authority - for tabling in Parliament in terms of the provisions of the Public Finance Management Act of 1999 (Act 1 of 1999) and the South African Library for the Blind Act of 1998 (Act 91 of 1998)

RP287/2018

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PART A: **GENERAL INFORMATION**



1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	South African Library for the Blind
REGISTRATION NUMBER	Not applicable
PHYSICAL ADDRESS:	112B High Street Grahamstown 6139
POSTAL ADDRESS:	PO Box 115 Grahamstown 6140
TELEPHONE NUMBER:	+27 (0)46 622 7226
FAX NUMBER:	+27 (0)46 622 4645
EMAIL ADDRESS:	director@salb.org.za
WEBSITE ADDRESS:	www.salb.org.za
EXTERNAL AUDITORS:	Auditor General South Africa
BANKERS:	Standard Bank; ABSA
COMPANY/BOARD SECRETARY	Not applicable

2. LIST OF ABBREVIATIONS/ ACRONYMS

AGSA	Auditor General of South Africa
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DAC	Department of Arts & Culture
DAISY	Digital Accessible Information System
IFLA	International Federation of Library Associations
PFMA	Public Finance Management Act
MTEF	Medium Term Expenditure Framework
NDPW	National Department of Public Works
SABA	South African Braille Authority
SALB	South African Library for the Blind
TIGAR	Trusted Intermediary Global Accessible Resources
WIPO	World Intellectual Property Organisation

3. CHAIRPERSON'S REPORT: 2017/2018



The Shareholder's Compact consisting of the Library's Strategic Plan, Annual Performance Plan and various other governance documents was signed by the honourable Minister of Arts & Culture, Nathi Mthethwa and the Chairman of the Board on the 19th of May 2017. The Compact commits the Board and Management to its fiduciary responsibilities

and the achievement of set performance objectives for the ensuing year. The Board of the South African Library for the Blind monitored the implementation and progress of the Library's financial and performance related responsibilities during four meetings that took place during July, November and September 2017 as well as in February 2018. The Board noted with appreciation the excellent progress the Management and Staff of the Library made during this period to successfully achieve 20 of the 21 set objectives for the year. The 95% achievement rate is commendable in view of limited resources and adhering to restrictive compliance requirements.

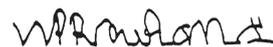
The Board and Management deliberated and decided on two crucial financial matters that will have a long-term impact on the library. The first matter that was successfully concluded was the Post-Retirement Medical Aid Liability. The financial obligation and the unsustainability of the growing effect of the obligation on the budget of the library made it necessary to address this matter. Management explored options provided by Alexander Forbes Actuaries. The most viable option decided upon was the buy-out option which was also supported by the Department of Arts and Culture. The Board approved a request from Management to approach current staff and pensioners of the library on the buy-out option. It was agreed that the majority decision would apply before making any changes to the benefit. Management informed the pensioners and current staff via various information sessions with supporting documents. The four pensioners currently using the benefit opted against the option and the benefit will therefore continue as is for them. 92% of the current staff supported the buy-out option and the Board therefore approved the request from Management to proceed with the option. The Library used surplus funding to the amount of R3,877,992 as part of the total payout.

The second major matter addressed by the board was the approval of the Library's three-year salary determination for the period 2018/19 to 2020/21. The Board noted that Management had engaged staff and the representative Union on this matter and was pleased that an agreement was reached in a constructive and understanding manner. It was determined that salaries would increase with 6% for years 2018/19 and 2019/20 and 5.5% for 2020/21. This is in line with the Consumer Price Index forecasted by Treasury as well as with the subsidy increase the Library receives from the Department of Arts & Culture. It was agreed with staff that the agreed adjustments would be revisited if there are any changes in the subsidy allocation received from the Department of Arts & Culture in the next three years.

Revenue for 2017/2018 increased by 21% from the previous year to R33 588 000. Expenditure increased by 29% as well to R32 835 000. The Subsidy from the Department of Arts & Culture - 64.7% of total expenditure - has increased year-on-year by 9.8% compared to the previous financial year. The rest of the revenue - 35% - was raised by the Library through various other means.

The Board noted with appreciation the adjustments made by National Treasury and the Department of Arts & Culture to the budget allocation of the library for the next Medium-Term Expenditure Framework from 2018/19 to 2020/21. The amounts specifically identified in the allocation over the three-year period for the procurement of playback devices and for Municipal charges are encouraging. This positive response follows after many years of lobbying by the Board and Management. It will assist the Library to honour its commitments to the local authority and to plan the procurement of playback devices in such a way that service delivery to library members is not compromised in any way. It must be stated however that the Library still had to make certain budget cuts and that a budget deficit is forecast for the library until 2020/21 when it is anticipated that matters will normalise. Treasury will be informed accordingly. Until then the deficit will require the Library to use its own surplus funding to supplement the budget. Part of this funding comes from our members and it seems to us morally wrong to utilise these funds to subsidise the operations of the Library. Being the only library for the Blind of its kind on the African continent the Board will therefore continue to urge Treasury and the Department of Arts & Culture to recognise the South African Library for the Blind as a scarce resource serving a marginalised section of the South African population in need of expanded services and support.

A good working relationship exists between the Board and the Management of the Library. The Board also notes with appreciation the healthy working relationship between Management and the staff of the library. The outcome of this is the positive performance results achieved by the Library in the past financial year. The Board is committed to ensuring that this productive working environment is strengthened and to guide Management to sustain the positive working relationships to benefit the visually impaired members of the library.



Dr W Rowland

Chairperson of the Board of the South African Library for the Blind

4. DIRECTOR'S REPORT: 2017/2018



The South African Library for the Blind's (SALB) performance during the 2017/2018 financial year was commendable. The achievement of 95% of the annual objectives was the best performance in a five-year period. The one objective of the 21 objectives not achieved was the maintenance of the playback devices received from

our members. 780 playback devices were serviced and returned to members with no backlog. This objective will be reclassified in the future as a qualitative objective instead of a quantitative objective since the Library has no control over the number of playback devices our members return to the library for maintenance purposes.

The accessible reading material produced, and the services rendered by the library is vibrant and well. This is supported by the fact that 818 new members joined the library during the past year. This contributed to the library exceeding for the first time the 7 000 target for membership. The library now has 7 047 members. More members require more services and reading material. We are proud that we could expand our mini-library establishment with 30 additional services points in all nine provinces. Although Provincial Library Authorities are funding the establishment of mini-libraries the SALB partnered with the National Library of South Africa and received additional funding through their Mzansi Libraries On-Line Project. This initiative brings accessible library services to blind and visually impaired people closer to where they live and is a great example of cooperation between National, Provincial and Local Government.

The Audio and Braille Production Departments of the Library pulled out all the stops during the year and made it possible to add 590 new audio titles and 465 braille titles to the catalogue of the Library. The Library is still acutely aware that these additions are not sufficient to address the book famine that exist for blind and visually impaired people. The Library therefore used its position as National Library for the Blind and its membership of various National Organisations such as the National Council for Library and Information Services to encourage the Ministers of Arts and Culture as well as Trade and Industry to ratify the Marrakesh Treaty. Once the South African Government ratifies the Treaty it will make it possible for the Library to access international titles across borders in greater numbers and to shorten the time to produce national titles. It is anticipated that ratification will happen during the next financial year.

Being a National Library the SALB has a responsibility to serve our registered members with reading material in all 11 official languages. This poses a challenge in terms of access to people with braille and narration skills in all these languages. In line with the SALB's strategy to address this challenge it trained 13 female inmates at the Durban-Westville prison in braille. As a National Institution the SALB developed and launched the SiSwati Braille Manual as a reference source for braille book producers to ensure standardised application of braille rules when creating SiSwati braille reading material. The development of these

manuals in all other languages will continue in the next few years. The launch of the Manual was highlighted during Morning Live on eTV.

Good progress was made with the preparation to implement the new library management system called Symphony. The preparation of records, training of staff and development of specific functionalities required by the library all took place this year. It is planned that the system will become operational during the new financial year for a pilot period before it is fully implemented.

The Director attended the annual conference of the International Federation of Library Associations (IFLA) in Poland. The conference was attended by more than 3 000 delegates from 122 countries. The Library is a member of the Section for Libraries Serving People with Print Disabilities. The section hosted two meetings during the Conference. The Director and a representative from Croatia was appointed to a task team to determine whether other International Libraries for the Blind recognise the braille and audio books as assets in their Financial Statements and how libraries determine the value of these books. Although the response rate to the short questionnaire was small the finding was that only South Africa is doing it due to Audit Compliance requirements. One other country is also doing it but not because of any audit requirement.

The Management of the SALB understands that without competent (suitably skilled and qualified) and healthy (physically and mentally strong) staff, the fulfilment of its mandate and strategic objectives is not attainable. A healthy balance between work commitments, training and development and physical and mental wellbeing of our staff (to mention a few) is paramount. During the year under review, staff engaged in staff wellness activities to encourage interaction on a less formal platform. Staff from different sections were grouped together and asked to arrange and host a staff wellness event. Events such as 8-ball pool tournament and darts, indoor games, a formal dress-up, a lunch and talent show, financial planning and management talk and other interesting events were covered. Heritage month was also remembered through the hosting of a small acting group whom illustrated the challenges faced in a humoristic manner.

In terms of training and development, 5 staff members were engaged in formal qualification studies through the skills development funds of the SA Library for the Blind and 4 more through self-funded studies. Training was also arranged on MS Word and MS Excel for interested staff. 28 Staff members received training on either a basic, intermediate or advanced level of MS Excel and 29 on MS Word on one of the three levels. A number of staff attended conferences arranged by the Library and Information Association of South Africa in Johannesburg, the African Library and Information Associations and Institutions Conference in Ghana, the annual general assembly of the South African Braille Authority and training on the new Library Management System.

In terms of its objective to afford four blind or partially sighted learners an opportunity to experience the working environment, the SALB received two scholars from Re-Tlamaleng School for the Blind in Kimberley and two scholars from Khanyisa School for the Blind in Port Elizabeth

at the SALB for a period of one week. During their respective week of participation in the Apprenticeship Programme, they were engaged in activities in all of the respective sections within the SALB. They were very appreciative of the opportunity and SALB also learned a lot from them as individuals. The Library also created awareness about the challenges of people who are blind through participating on the Breakfast Show hosted by DJ Fresh on Metro FM.

Although the Library is a registered Non-Profit Organisation it understands its role in the community and to do more than required by its legislated mandate. Staff of the Library volunteered during the annual Mandela Month celebrations for a town clean-up initiative and filled up almost 60 black bags with litter. The bags were collected by the Municipality.

SALB Management and staff started with the planning of the various Centenary events to take place during 2019.

Celebrating 100 years of service delivery to the blind and visually impaired community of South Africa is a great honour. The celebrations will be rolled-out throughout South Africa and various platforms will be used to highlight this commendable achievement. The successful completion of the 2017/2018 financial year serves as a great departure point for 2019 which will be a historic year for the library.



Mr F Hendrikz
Director

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the Auditing standards applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2018.

Chief Executive Officer



F Hendrikz
July 2018

Chairperson of the Board



Dr W Rowland
July 2018

6. STRATEGIC OVERVIEW

6.1. VISION

The South African Library for the Blind is the leading Library in Africa providing equal access to information in accessible formats that improves the quality of life of blind and visually impaired people.

6.2. MISSION

The South African Library for the Blind renders a Library and information service to blind and visually impaired people through the production of accessible South African reading material in development of a comprehensive Library collection and rendering of advisory services to promote access to information.

6.3. VALUES

The focus of the South African Library for the Blind is to make a difference and add value to the lives of print disabled people. To make this possible, all our activities are guided by the following values:

a. Trust

We base our working relationship on honesty and integrity.

b. Respect

We respect people, time and property equally.

c. Teamwork

We work together as a dedicated and loyal team.

d. Positive attitude

We approach everything in an enthusiastic and constructive manner.

e. Communication

We communicate in a responsive, clear and appropriate manner.

f. Development

We actively support staff and infrastructure development to promote individual and organisational growth.

7. LEGISLATIVE & OTHER MANDATES

The South African Library for the Blind is recognised in Schedule 3A of The Public Finance Management Act (Act 1 Of 1999) as a national public entity.

7.1 CONSTITUTIONAL MANDATE

The South African Library for the Blind's mandate is subject to and in accordance with the South African Constitution and the South Africa Library for the Blind Act 91 of 1998. It is legally committed to the values upon which the democratic South African state is founded and in particular to those of equality, human dignity, the advancement of human rights and freedoms, non-racialism, non-sexism, accountability and democracy. In addition, it strives to make a contribution to Africa by being an available resource of advice and expertise.

In support of the above, the South African Library for Blind Act 91 of 1998 mandates the Library to:

- produce documents in special mediums such as Braille and audio formats for use by its readers;
- develop standards for the production of such documents;
- research production methods and technology in the appropriate fields; and
- acquire and disseminate the technology required by people with print disabilities to read.

This mandate commits the Library to:

- maintain the quality of its Library and book production services through appropriate resources;
- expand its products and services to the print-handicapped;
- expand its collection of reading material and provide access to it;
- sustain sensitivity for the reading needs of its constituency;
- research applicable technology and Braille codes for potential application;
- develop and preserve its human resource skills base;
- maintain and develop good relations with its readers, suppliers, funders, the State and publishers; and
- expand its marketing and fundraising programme.

The Library serves a very particular constituency and in this regard:

- it is socially committed to strive, by its own efforts and in co-operation with others, for the removal, as far as possible, of access barriers to information; and
- to provide a quality service to meet, as fully as practicable, the information needs of all South Africans who are blind or print-handicapped.

7.2 LEGISLATIVE MANDATES

The South African Library for the Blind derives its mandate from the South African Library for the Blind Act No. 91 of 1998.

The mandate is further strengthened by complying with the following legislation:

- Public Finance Management Act

The first and most important is full compliance with the provisions of the Public Finance Management Act and Treasury regulations. In addition, the Library's financial policies are reviewed in order to ensure continued alignment with the provisions of the Public Finance Management Act and the Treasury Regulations. The Library has a fully-operational internal audit structure.

- Employment Equity Act

After carefully considering the definition of an Organ of State, as defined in the Constitution of South Africa, we believe that the SA Library for the Blind falls under this category and is therefore required to conform to the requirements of the Employment Equity Act. Because the Library employs fewer than 150 employees, we are regarded as a small organization in terms of the Employment Equity Act.

- Skills Development Act

Skills Development is a very important aspect in any organisation. The Skills Development Act also requires of designated employers to submit formal plans on an annual basis to the relevant SETA. The SA Library for the Blind complies to this requirement.

- Promotion of Access to Information Act

The Library submitted their Section 51 Manual in terms of the Promotion of Access to Information Act to the SA Human Rights Commission during 2011. The Manual was done in English.

During 2012, the manuals were also translated into Afrikaans and Xhosa for ease of reference.

- Occupational Health & Safety Act

The Library has a Health & Safety Committee in place. The Committee functions are in line with the Act and they meet as prescribed.

7.3 POLICY MANDATES

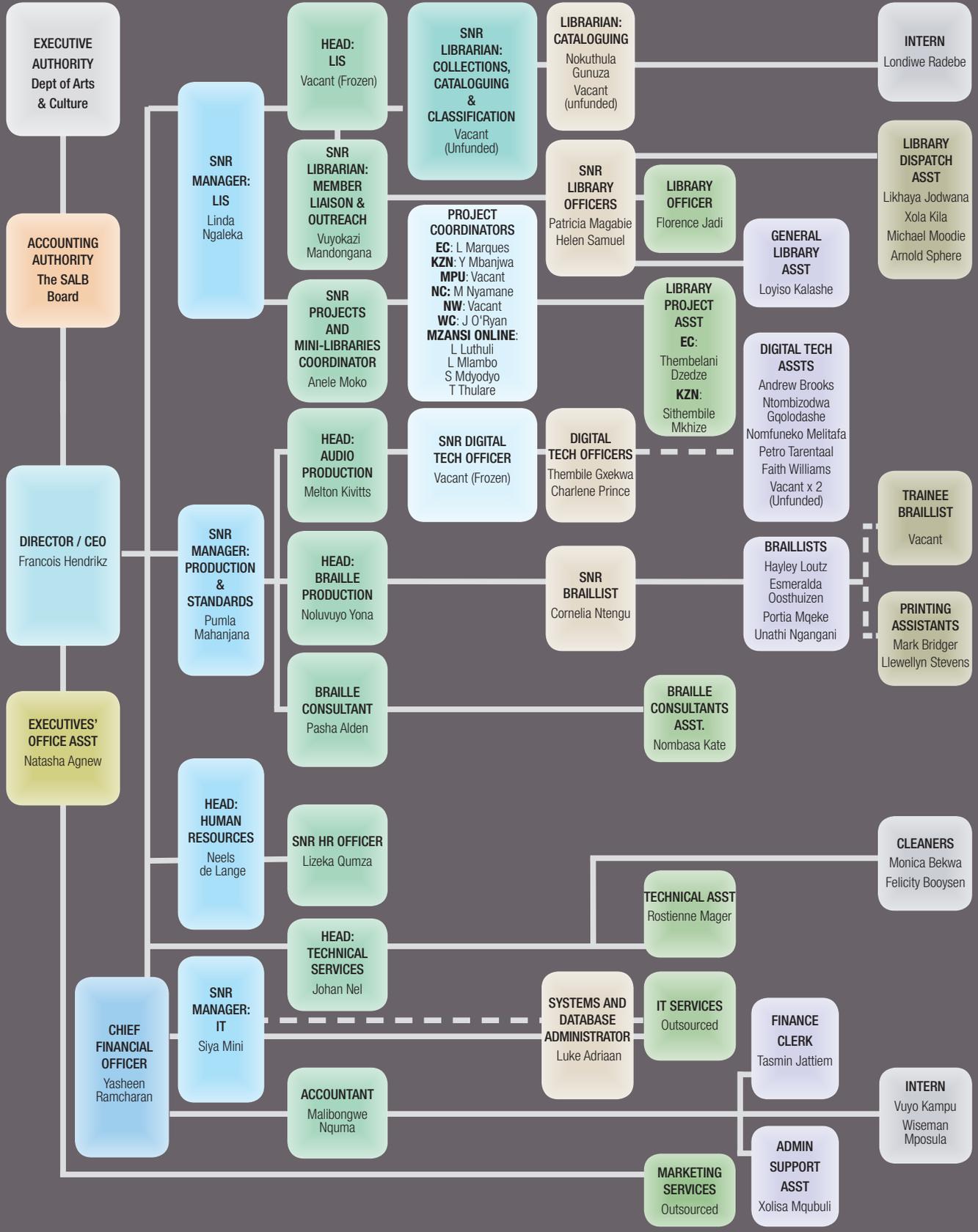
The Strategic Plan has been developed within the framework of the United Nations Millennium Goals, the National Priorities of the South African Government and the United Nations Convention on the Rights of Persons with Disabilities which has been signed and ratified by the SA Government.

In addition, the work of the Library is in direct support of the Vision and Mission of the Department of Arts & Culture.

Through the production and distribution of accessible media to blind and visually impaired people in South Africa this target group becomes part of social cohesion, nation-building, sharing in the art and culture of South Africa as well as its languages.

8. ORGANOGRAM

31 MARCH 2018





9. SALB STAFF MARCH 2018

Back Row: Malibongwe Nquma, Anele Moko, Thembile Gxekwa, Mark Bridger, Andrew Brooks, Loyiso Kalashe, Johan Nel, Michael Moodie, Melton Kivitts, Rostienne Mager, Siya Mini, Likhaya Jodwana

Third Row: Llewellyn Stevens, Arnold Sphere, Luke Adriaan, Xola Kila, Cornelia Ntengu, Londiwe Radebe, Neels de Lange, Nomfuneko Melitafa, Nombasa Kate, Ntombizodwa Gqolodashe, Natasha Agnew, Tasmin Jattiem, Xolisa Mqubuli

Seated: Helen Samuel, Noluvuyo Yona, Vuyokazi Mandongana, Lizeka Qumza, Francois Hendrikz, Yasheen Ramcharan, Linda Ngaleka, Nokuthula Gunuza, Monica Bekwa, Felicity Booyesen, Patricia Magabie

Front Row: Charlene Prince, Faith Williams, Wiseman Mposula, Vuyolwethu Kampu, Unathi Ngangani, Esmeralda Oosthuizen

Absent: Pasha Alden, Hayley Loutz, Pumla Mahanjana, Portia Mqeke, Florence Jadi, Petro Taai.

PART B: **PERFORMANCE INFORMATION**



1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to Management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to the Report of the external Auditor on page 40 of the Annual Report under Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

The SALB operates under Programme 6 of the activities of the Department of Arts & Culture, i.e. to facilitate full and open access to archival and information resources of South Africa.

In the SALB's case these activities are focused on the blind and visually impaired citizens of South Africa. The objectives of the Library therefore are in support of the Department of Arts & Culture's objective to guide, sustain and develop Library and information resources of South Africa so that good governance is supported, socio-economic development is sustained and citizens are empowered through full and open access to these resources. There are, however, a number of challenges facing blind and visually impaired people when it comes to access to information resources. These challenges influence the SALB in executing its core mandate and the role it plays on a broader social level. As part of strategic resource planning the Library is faced by the following challenges:

- Scarce skills
- Organisational structure

- Building constraints
- Connectivity
- National funding priority
- Expensive and imported technology
- Target market expansion
- Legal compliance funding needs

• Copyright and International access to reading material
In terms of opportunities the Library is the only one of its kind not only in South Africa but also on the African Continent. Although there are scarce skills in audio and Braille production the Library has well trained staff to produce accessible reading material for blind and visually impaired people. The Library's content is digitised which makes it easy to distribute material nationally and internationally. The Library plays an important role in collaboration with International organisations such as the World Intellectual Property Organisation to address the lack of sharing digital book files across international borders. The Library is also a member of the International Federation of Library Associations where we share and exchange knowledge about Library service delivery to our unique market. The Library has added a third reading format to its production line, i.e. tactile books for children. This contributes to literacy and the love for reading with children. Collaboration with Provincial Library Authorities contributed to the establishment of Digital Library Service Points in various public libraries. Expanding the membership base of the Library through this Mini-Library Project is crucial to reach as many members as possible.

The Mzansi Golden Economy of DAC provides additional opportunities for the SALB specifically in skills development and employment. The SALB will initiate an annual programme whereby blind and visually impaired learners in Grade 11/12 will have the opportunity to learn all aspects of the operations performed by the Library. Apart from receiving a stipend during the period at the Library it will expose the learners to various career options they may consider after completion of their school studies.

2.2. Organisational Environment

The Library is a National Institution with very unique functions as the only Library for the Blind in the country and on the African Continent. The Library is therefore fully dependent on itself in terms of working out its organisational challenges in terms of audio and braille book production, training of staff in these disciplines and obtaining and making available the necessary resources to render services and products.

The Board members are Dr William Rowland as the Chair of the Board, Mr Michael Watermeyer, Ms Sebenzile Matsebula and Ms Vangile Nyamathe. Five new members were appointed, i.e. Dr Shirlene Neerpath, Ms Zamaswati Phakathi, Ms Elizabeth Ramaoka, Mr Niesh Ravgee and Mr Xolisa Yekani.

The new term of the Board started in October 2016 and the new Members were introduced to the Library and briefed on their role and function during a two-day induction meeting. The Annual Performance Plan of the SALB for the 2018/2019 Financial Year was approved by the Board during September 2017. The Library places a high value on the implementation of a comprehensive training and development plan to expand and improve the skills of Library staff and the volunteers of the Library. This is necessary because of the unique skills required by the Library.

To create jobs and to address the scarce skills challenge the Library is pursuing the implementation of an apprenticeship programme for blind and visually impaired learners in Grade 11/12. This includes partnerships with other organisations for the Blind and Visually Impaired people to develop the required skills set.

A project has been registered with the Department of Public Works to redesign the Library building to accommodate its medium and long-term space needs.

The Library's functions are in support of the Vision and Mission of the Department of Arts & Culture. Through the production and distribution of accessible media to blind and visually impaired people in South Africa this target group becomes part of social cohesion, nation-building, sharing in the art and culture of South Africa as well as its languages.

The organisational environment is limited due to the small but important market served but the challenges faced by the market are huge in terms of accessibility to reading material.

Nationally

The core performance environment of the Library is guided but not limited to the broad goals and objectives of the Department of Arts & Culture with specific reference to:

- Job creation through the planned Apprenticeship Programme for blind and visually impaired matriculants;
- Access to information through continued production of accessible reading material and to participate with International Organisations to allow the free exchange of book files between countries;
- Revitalising the public libraries of South Africa through the establishment of Digital Mini-Library service points in public libraries of all the provinces in South Africa
- Promotion of Linguistic Diversity through the production of accessible reading material in all the official languages of South Africa as well as tools in applying international rules and standards in developing training material in those languages.

In addition, the Library will consider various options to provide Internet access for our members to allow access to electronic accessible services. The Library will increase its print and electronic marketing efforts to raise its visibility and collaborate with various organisations to attract more members.

The continuously growing financial and other resource demands of the annual audits will be raised and discussed with the Board and the Office of the Auditor-General in an effort to find a solution to the challenge.

Africa

The Library will identify opportunities to promote the work done by the Library in Africa. We will pursue opportunities to form partnerships with organisations in Countries with established infrastructure to render Library Services or general services to blind and Visually Impaired people. This will be done with the assistance of strategic partners, nationally and internationally.

Internationally

The Library will participate as a member of a Steering committee in the three-year Trusted Intermediary and Global Accessible Resources (TIGAR) project. The purpose is to determine an internationally accepted arrangement to addresses the International exchange of material between Trusted Intermediaries of in-copyright material that is acceptable for rights holders and organisations serving the information and reading needs of blind and visually impaired people. The South African Government is a signatory to the United Nations Convention on the Rights of Persons with Disabilities. One of the key responsibilities to be addressed is focussed on Access to information. The Library is assisting the National Government of South Africa to address this matter for blind and visually impaired people of this country.

2.3. Key Policy Developments and Legislative changes

No Legislative or Policy changes were instituted during the reporting period that affected the work of the Library.

2.4. Strategic Outcome Oriented Goals

The Strategic goal of the Library is to render a National Library service to blind and visually impaired people. This has been achieved during this reporting period as indicated in the following section where the performance of the various Sections of the Library is explained. The Library achieved 95% out of the total of 21 objectives set for the year. The rest of the objectives were partially achieved.

3. PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVES

1. Programme 1: Administration Sub-programme Human Resource & Support Services

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives	Indicators as per APP	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement 2017/2018	Comment on deviations
To expand the Library's Human Resource base with the appointment of 10 new staff members as full time employees by 31 March 2020	Appointment of new staff members	2	1	1	-	-
To engage and develop the skills of 20 blind and/or visually impaired learners through an Apprenticeship Programme by 31 March 2020	Apprenticeship Programme for Visually impaired learners	4	4	4	-	-
To reach out to 5 African countries to develop capacity to render Library and Information Services to blind and visually impaired people by March 2020	African country outreach	2 (Chad and Nigeria)	1	1 (Malawi)	-	-

2. Programme 2: Business Development

Sub-programme 2.1: Library & Information Service

The purpose of this Programme is to develop a balanced collection of audio and Braille material in line with Copyright Legislation and to issue and receive reading material and reading devices to the members of the Library. The Programme consists of Circulation (Audio and Braille) and Cataloguing.

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives	Indicators as per APP	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
To catalogue 2,800 audio book titles to the Library's collection by March 2020	SALB produced audio book titles catalogued	524 new audio titles added to the catalogue	570	590 new audio titles added to the catalogue	+20	Within 5% of target deviation approved by the Board
To catalogue 2,180 Braille book titles to the Library's collection by March 2020	SALB produced Braille book titles catalogued	380 new Braille titles added to the catalogue	440	465 new Braille titles added to the catalogue	25	Backlog catalogue records from prior year captured
To register 3,265 new library members by March 2020	Library membership registration	748 members registered	650	818 members registered	+168	Positive interest shown during Outreach Programmes initiated to encourage membership
To establish 149 new Mini-libraries by March 2020	Mini-library establishment	29 Mini-libraries established	30	30 Mini-libraries established	-	-
To circulate 639,030 reading material items by March 2020	Circulation of reading material	122,524 items circulated	128,406	128,816 items circulated	+410	Within 5% of target deviation approved by the Board
To download 440 TIGAR files by March 2020	Trusted Intermediary Global Accessible Resources (TIGAR) files downloaded	178 TIGAR files downloaded	100	151 TIGAR files downloaded	+51	Staff gained competency in using the system and the process is more streamlined; thus, more titles were downloaded free of charge and copyright cleared.

Sub-programme 2.2: Braille Production

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives	Indicators as per APP	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Produce 1,200 SALB Braille titles by March 2020	SALB Braille titles produced	242 Braille titles were produced	240	242 Braille titles were produced	+2	Within 5% of target deviation approved by the Board
Produce 980 supplier Braille titles by March 2020	Supplier Braille titles produced	157 supplier titles were produced	200	204 supplier titles were produced	+4	Within 5% of target deviation approved by the Board
Produce 145 Indigenous Braille titles by March 2020*	Production of Indigenous Braille titles	26 new indigenous language Braille titles were produced	30	37 new indigenous language Braille titles were produced	+7	More content became available during the year to produce additional titles

Sub-programme 2.3: Audio Production

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives	Indicators as per APP	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Produce 1,290 SALB digital audio titles by March 2020	Production of SALB audio titles	Produced 254 newly narrated digital audio book titles	260	Produced 270 newly narrated digital audio book titles	+10	Within 5% of target deviation approved by the Board
Process 1,510 supplier audio titles by March 2020	Processing of supplier audio titles	Processed 280 supplier audio digital titles	310	Processed 320 supplier audio digital titles	+10	Within 5% of target deviation approved by the Board

Sub-programme 2.4: National Braille Consultancy

Strategic objectives, performance indicators planned targets and actual achievements

Strategic Objectives	Indicators as per APP	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement for 2017/2018	Comment on Deviations
To produce 142 pre-school tactile picture books by March 2020	Tactile book titles produced	70 tactile books produced	18	18 tactile books produced	-	-
To provide training in Braille standards and facilitate the reading of tactile picture books at 20 special schools by March 2020	Braille and Tactile standards training	4 schools received training in UBC	4	4	-	-
To update a Braille SiSwati Training Manual by March 2018	SiSwati Training Manual	4 progress reports complete	1 Manual	1 Manual	-	-
Plan and administer 8 Braille Transcriber Examinations by 2020	Braille Transcribers Examinations	2 Braille examinations were administered	2	2 Braille examinations were administered	-	-

Sub-programme 2.5: Technical Services

Strategic objectives, performance indicators planned targets and actual achievements

Strategic Objectives	Indicators as per APP	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement for 2017/2018	Comment on Deviations
Service 6,270 digital playback devices by March 2020	Digital playback devices serviced	992 Players were serviced	1 260	780 Players were serviced	-480	All Players received for servicing were repaired. A lower number of players received from members for maintenance is a positive indicator of quality machines and good care and maintenance.
Prepare 3,240 new digital playback devices for distribution through Library Services by March 2020	Preparation of digital playback devices	908 Digital players were distributed to new Library members	650	1070 Digital players were distributed to new Library members	+420	More digital players were distributed due to the increase in membership, i.e. individual and Mini-libraries, which is a positive indicator.

3. Programme 3: Public Engagement

Sub-programme - Marketing

Strategic objectives, performance indicators planned targets and actual achievements

Strategic Objectives	Indicators as per APP	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement for 2017/2018	Comment on Deviations
Outsource the research, writing and publishing of a publication about the 100 year history of the Library by March 2018	SALB Centenary publication	2 Progress reports complete	1 Publication	1	-	-
Draft a Centenary Celebration Event Plan by March 2017 and host event by March 2019	SALB Centenary celebration plan & celebrations	1 Event Plan drafted	Plan Event	1 Event Plan in place	-	-



Y Ramcharan
CFO

31 May 2018



F Hendrikz
Director

31 May 2018



PART C: GOVERNANCE

1. INTRODUCTION

The South African Library for the Blind governance processes comply with existing corporate governance processes and systems. All activities of the Library are directed, controlled and can be accounted for. In addition to the requirements of the South African Library for the Blind Act 91 of 1998 corporate governance is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance where applicable. The Library reports to Parliament once a year and meets with the Portfolio Committee when required.

2. PORTFOLIO COMMITTEE

One Portfolio Committee meeting was scheduled during 2017/2018.

3. EXECUTIVE AUTHORITY

The Management of the Library submitted four quarterly reports to the Department of Arts & Culture as required.

4. THE ACCOUNTING AUTHORITY/BOARD INTRODUCTION

The SALB Board is appointed in accordance with the South African Library for the Blind Act 91 of 1998. The Board is responsible and accountable for the Library's performance and strategic direction.

The role of the Board is as follows:

- (a) to formulate the policies of the Library for the Blind;
- (b) to approve the budget of the Library for the Blind;
- (c) to approve the financial statements of the Library for the Blind;
- (d) to advise the Minister with regard to matters with which the Library for the Blind is concerned; and
- (e) to furnish the Minister with such information as the Minister may require.

Board Charter

The Board Charter was approved by the Board during August 2008. The Board aligns its legal responsibilities with the Charter and complies with all requirements.

Composition of the Board

Name	Designation	Date appointed	Qualifications	Area of Expertise	Board Directorships
Dr (Mr) WP Rowland	Chairperson	2013	MA - 1977 PhD - 1985	<ul style="list-style-type: none"> Human Resources Braille Production Research Designer of Braille Writing Slate SA Organisational Management <ul style="list-style-type: none"> Library Services for Blind People 	<ul style="list-style-type: none"> National Library of SA Council of Higher Education Council of Univ of Johannesburg Taqanta Financial Group Council of National English Literary Museum Honorary Life Member - World Blind Union
Mr N Ravgee	Board Member	2016	Bsc (Info Proc) H.Dip.Accounts CA (SA)	<ul style="list-style-type: none"> Financial Management 	<ul style="list-style-type: none"> IRBA SAICA IRMSA IOD
Ms Joy Sebenzile Matsebula	Board Member	2013	BSc - 1981 MS - 1984 Phd (incomplete) - 1995	<ul style="list-style-type: none"> Bio Statistics Research & Development Disability: Mainstreaming Disability <ul style="list-style-type: none"> Governance Business Science 	<ul style="list-style-type: none"> IOD Honorary Life Membership to Rotary Club Order of Distinguished Service: HE. King Mswati III, Kingdom of Swaziland
Dr S Neerupth	Board Member	2016	BA B Bibl Honours B Bibl Masters PhD(Library & Information Science)	<ul style="list-style-type: none"> Library Management & Leadership 	<ul style="list-style-type: none"> CHELSEA Liasa SABINET National Library for the Society for the Blind
Ms Vangile Gladys Nyamathe	Board Member	2013	BAdmin - Industrial Psychology 1991 MBA - General (WIP)	<ul style="list-style-type: none"> Human Resources <ul style="list-style-type: none"> Financial ICT Training 	<ul style="list-style-type: none"> HIV and Aids See No Disability Soweto Workshop for the Blind JSB Training Academy
Ms Z Phakathi	Board Member	2016	BAdmin - B.Comm (HR & Business Management)	<ul style="list-style-type: none"> Human Resources Business Management 	<ul style="list-style-type: none"> Commonwealth Business Women Durban Chamber of Commerce <ul style="list-style-type: none"> KUMISA Mnambithi TVET
Ms E Ramaoka	Board Member	2016	MA (Information Studies)	<ul style="list-style-type: none"> Research Monitoring and evaluation Information Management Strategy development and analysis Policy development and analysis 	
Mr Michael Sean Watermeyer	Board Member	2013	BA - 1992 LLB - 1995 Cobol Computer Programming Diploma -1996	<ul style="list-style-type: none"> Management Personnel, Human Resources <ul style="list-style-type: none"> Fundraising, Literature Governance Transformation 	<ul style="list-style-type: none"> Life Honorary - NEADS Canada Higher Education Committees
Mr X Yekani	Board Member	2016	BA Honours (Journalism) BA Media Studies	<ul style="list-style-type: none"> Research Strategic Management 	<ul style="list-style-type: none"> Nkosinathi Foundation for the Blind and Partially Sighted Persons SABC National Disability Committee Deputy Chair Provincial EE Committee SANCB

Remuneration of board members

Board members are remunerated according to National Treasury Guidelines. Board members employed by Government are excluded from remuneration. The SALB Act makes provision for reasonable travel and accommodation costs to be paid by the Library for Board members when executing official duties.

Board Member	Fees
Dr W Rowland	24 119,41
M Watermeyer	2 258,00
Ms JS Matsebula	7 721,73
Ms E Ramoaka	802,50
N Ravgee	7 054,92
Dr S Neerupth	6 631,68
Ms Z Phakathi	4 398,00
TOTAL	52 986,24

5. RISK MANAGEMENT

A Risk Management Policy is in place as confirmed by the Library's Internal Auditors. The strategy is based on the policy. Regular risk assessments are performed as required and verified by the Internal Auditors and the Library's Audit Committee. The Management team of the Library serves as a Risk Management Committee which is lead by the Chief Financial Officer. The CFO and the CEO are responsible for addressing and mitigating identified risks. All risks identified on an annual basis are addressed in collaboration with the Audit Committee.

6. INTERNAL CONTROL UNIT

The Management Team of the SALB functions as the Internal Control Unit. Monthly meetings are conducted. Issues are raised with the Board where applicable during their quarterly meetings.

7. INTERNAL AUDIT AND AUDIT COMMITTEE

The key activities and objectives of the internal audit are as follows:

- Performing an assessment of the adequacy and effectiveness of the risk management processes;
- Analysing and evaluating defined business processes and associated controls;
- Evaluating the effectiveness of controls over the reliability and integrity of certain defined information for management purposes, with particular emphasis on financial information;
- Ascertaining the level of compliance with policies, plans, procedures, laws and regulations applicable to the work undertaken;
- Assessing the adequacy of controls to safeguard assets, including intangible assets applicable to the work undertaken;
- Assessing whether significant IT and capital projects, strategic programmes and plans are appropriately documented, approved and implemented;
- Drawing attention to any failure by Management to take remedial action with respect to control weaknesses identified and reported; and
- Assist the Audit Committee in achieving its objectives by evaluating processes.

The key activities and objectives of the audit committee are:

- To oversee the internal audit;
- Be responsible for recommending the appointment of the external auditor and to oversee the external audit process;
- Oversee integrated reporting and should have regard to all factors and risks that may impact on the integrity of the integrated report;
- Perform Risk Management;
- Provide oversight on Information Technology Governance;
- Provide general oversight and reporting of sustainability by reviewing the integrated report to ensure that the information contained in it is reliable and that it does not contradict the financial aspects of the report;
- Oversee the provision of assurance over sustainability issues; and
- Ethics, Compliance, and Whistleblowing - be responsible for monitoring the ethical conduct of the Library, its executives and senior officials, by Reporting and Accountability - an independent role with accountability to the board.

A summary of the internal audit work done is provided in the report of the Audit Committee Chair. Specify summary of audit work done.

The table below discloses relevant information on the audit committee members.

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	No. of meetings attended
Ms Chané Grobler	Chartered Accountant & Registered Auditor	External		Thursday, 01 October 2015		4
Mr Leon Coopasamy	Chartered Accountant	External		Wednesday, 01 June 2016		4
Mr Hugh Harnett	B. Accounting & Chartered Accountant	External		Thursday, 01 October 2015		2
Ms Anita Wagenaar	B.Com & B. Tax Honours	External		Thursday, 01 October 2015		3

8. COMPLIANCE WITH LAWS AND REGULATIONS

The Library complies with all applicable Laws and Regulations and is audited internally and externally for compliance.

9. FRAUD AND CORRUPTION

A Fraud Risk Management Policy is in place as well as an Anti-Fraud and Anti-Corruption Policy and Plan. The Library's affairs are conducted according to these documents and tested by Internal and External Audits. No fraudulent activities were raised during the financial year. The plan makes provision for various mechanisms to report fraud or corruption by anyone.

10. MINIMISING CONFLICT OF INTEREST

The Board and Management of the Library are aware of the potential conflict of interest that may arise in the supply chain management process. This is due to the small staff component of the Library in senior positions. Within this confinement delegations are carefully assigned in an effort to minimise conflict of interest. This matter was not raised during the recent Internal or External Audits.

11. CODE OF CONDUCT

The Library's conduct is guided by its Legislation, Conditions of Service, Disciplinary Code, shared value statement and values. Breach of any of the above is addressed through approved internal disciplinary practices.

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Compliance:

The South African Library for the Blind complies with the Occupational Health and Safety Act, 85 of 1993, in the following manner:

Health and Safety Representatives: Compliance according to the Health & Safety act: Every Institution/business/entity, which employs 20 or more people, in a shop/office type environment must comply by having ONE representative for every 100 workers, or part thereof. The SALB has four Health and Safety Representatives for just over 40 employees.

First Aid: Compliance according to the Health & Safety act: One First Aider must be available during a shift. The SALB has a minimum of three qualified First Aiders per shift.

Health & Safety Committee: The Representatives must have regular meetings to discuss Occupational Safety and Health issues. This has been changed in the new Act to a Health & Safety Committee meeting once every quarter, and that the minutes of these meetings must now be signed by the CEO of the organisation. The SALB conducted these meetings regularly when there were contractors on site. These will now take place once a quarter and the minutes signed by the CEO. The minutes of these meetings will be kept for a minimum of three years, on file.

Evacuation plans: Evacuation procedures must be in place and personnel must be made aware of procedures. The SALB does have a comprehensive evacuation plan, and

emergency evacuation drills are held at least twice a year. The Library has purchased an Evac-Chair to assist people down a staircase. Training on how to use this chair to evacuate an injured staff member from the building in the event of an injury which prevents them from doing so themselves, will be given to the First Aiders. The fire extinguishers in the Library are serviced and checked annually by A&L Fire in Port Elizabeth under contract by the National Department of Public Works (NDPW). Proof of the visits can be seen on the service card of each fire extinguisher. The elevator in the Library is checked once a month, by Schindler, also under contract by NDPW. Records of these monthly inspections and the repairs that were required, if necessary, are noted on these inspection documents, and are kept on file.

13. COMPANY/ BOARD SECRETARY

Not applicable.

14. SOCIAL RESPONSIBILITY

The core function of the Library, i.e. to render a library and information service to blind and print handicapped people is a social responsibility service. Services are rendered to any blind person free of charge. The Library expanded the production of its pre-school tactile picture books to include two Non-Governmental Organisations as a job creation and skills development programme. The Library also provides volunteer work to more than 50 narrators, proof readers, copy typists and braillists across South Africa who assist the Library to produce audio and braille reading material.

15. AUDIT COMMITTEE REPORT

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2018.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the public entity revealed certain weaknesses, which were then raised with the public entity. Ratings ranging from High to Low were assigned to each finding based on the impact of the weakness in internal control and the threat of financial loss to the organization.

The following internal audit work was completed during the year under review:

- *Performance of internal audit assignments*
 - Financial Control Review (Fixed Assets)
 - Financial Control Review (Bank and Cash)
 - Supply Chain Management Review
 - Human Resources and Payroll Review
 - I.T. General Controls
- *Review of performance indicators (financial and non-financial data)*
- *No significant items (rated as high on both 'impact' and 'threat') were identified during the above internal audit assignments.*
- *Assistance with Technical Advice on GRAP 17 and 31 Interpretations*

In-Year Management and Monthly/Quarterly Report

The public entity has reported monthly and quarterly to the Treasury as is required by the PFMA.

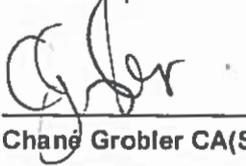
Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the public entity.

Auditor's Report

We have reviewed the entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

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



Chand Grobler CA(SA)
Chairperson of the Audit Committee
South African Library for the Blind

23 July 2018



PART D:
HUMAN RESOURCES
MANAGEMENT

1. INTRODUCTION

OVERVIEW OF HR MATTERS

During the period under review, 7 employees were appointed, and three terminations of employment occurred. One permanent employee, a librarian in the Cataloguing Section, resigned during April 2017 and was replaced during June 2017 by an employee who previously served as an intern librarian at SALB. One contract employee resigned from employment during February 2018 and was not replaced by the 31st of March 2018. Another employee whose employment was terminated during October 2017 in the Braille Production section had also not been replaced by 31 March 2018, as the SALB is reviewing the structure within the braille section.

One employee was appointed as a Librarian Intern on 1 April 2017, replacing an intern who resigned in the previous financial year. A Project Coordinator for the Western Cape region was appointed on contract during June 2017 in place of an employee whose contract terminated at the end of March 2017 (the close of the previous financial year) with funding provided by the Provincial Department of Sports, Recreation, Arts and Culture in the Western Cape.

Four staff members were appointed on contract for 12 months as Project Coordinators covering all 9 Provinces in South Africa with funding provided by the National Library of South Africa through Mzansi Online project funds. One employee serves as Project Coordinator for the Eastern Cape and Western Cape combined, one employee as the Project Coordinator for the Western and Northern Cape, one employee as Project Coordinator of the Free State and North West, and the other as Project Coordinator for Gauteng, Mpumalanga and Limpopo.

From an employment equity perspective, all three employees who left the employ of SALB during the year under review were African Females and of the 7 appointed employees, one was an African Male and six were African Females.

The SALB expended no less than R174 000 on training and development of their staff and a further R93 000 on conferences and seminars which is to the mutual benefit of staff and the Library. Five employees received funding for formal qualification studies, 29 employees received training on Ms Word and 28 on MS Excel of different skills levels.

Two blind and two partially sighted pupils participated in the annual Apprenticeship Programme at SALB during the past financial year. This programme engages the pupils on work related activities for one week.

HR PRIORITIES FOR THE YEAR UNDER REVIEW AND THE IMPACT OF THESE PRIORITIES

Financial constraints continue to present a challenge in terms of appointing suitably qualified employees on the permanent establishment of the SALB. The APP target of appointing one staff member new to the establishment was made possible by the appointment of an African Male employee on contract.

The growing participation of and provision of funding by

Provincial Departments of Sports, Recreation, Arts and Culture, and the generous funding from the National Library of South Africa from Mzansi Online project funds is also affording opportunities for SALB to appoint contract staff to attend to the establishment of dedicated service points at public libraries for blind and visually impaired members to access reading material in a format accessible to them.

The Apprenticeship Programme at SALB continues to afford blind and visually impaired scholars an opportunity to be actively engaged in work related activities at the SALB in order for them to make career decisions in the future.

The Internship Programme at SALB also afforded an opportunity for a blind employee to be engaged in work related activities as a means of development whilst actively contributing to the services rendered by the SA Library for the Blind.

WORKFORCE PLANNING FRAMEWORK AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE

The pressure on the national fiscus impacts in turn on the availability of funding for Public Entities and therefore hampers the ability to appoint more staff and/or to replace staff who leave the employ of the SALB with permanent staff members. Cost saving strategies are applied such as the appointment of interns as opposed to permanent staff members, where such appointment is possible. Internship appointments also contributes to the National Strategy of increasing youth employment and development opportunities.

7 Employees were appointed during the past 12 months. One employee was appointed to the permanent establishment of SALB; one as an Intern; and five on contract positions (from conditional grant funding). It remains challenging to attract suitably qualified African Male candidates for positions at the SALB. Of the 7 employees appointed, one was an African Male and five were African Female and one was a Coloured Female. The Library is nonetheless making great strides in growing the number of employees from the designated groups, but particularly from the African population group, which is where the Library is under-represented.

The SALB often re-advertise vacant positions to try and increase the pool of candidates from designated groups. The services of recruitment agencies are also utilised at times to assist in this regard.

EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

Through the dedication and hard work of the staff members at the SALB, 95% of the Annual Performance Targets were met during the year under review. Circumstances outside the control of the Library restricted our ability to achieve a 100% success rate. The 95% achievement is nonetheless noteworthy.

Financial constraints drastically limit the ability to optimally reward high performing staff at SALB. 28 Staff members were however acknowledged with a once-off bonus amount in appreciation of performance above the standard required of them during the prior financial period.

EMPLOYEE WELLNESS PROGRAMME

The SALB runs a Staff Wellness Programme to encourage and foster teamwork in the workplace and improve the SALB corporate culture.

During the year under review, different sections of the Library were grouped together and tasked with arranging a staff wellness event of one hour in a month. The programme was very successful, and the participation of all staff much appreciated.

Staff members with severe illnesses or injuries of a non-permanent basis were also accommodated through the staff Wellness Programme with special leave or rest/recovery time.

ACHIEVEMENTS

Two blind, and two partially sighted scholars participated in the Apprenticeship Programme during the 2017/2018 financial period. They were pupils from Re-Tlamaleng School for the Blind in Kimberley and Khanyisa School for the Blind in Port Elizabeth. The pupils spent approximately one working week at the Library during which they were exposed to the various functions performed in the different sections of the Library.

Through the Skills Development Fund of the Library more than R170 000 was expended on staff development and training. At least 62 delegates received training or funding for formal qualification studies. Some staff members benefited from more than one course. The emphasis was on MS Word and MS Excel skills training during the year.

HR CHALLENGES FACED BY THE SA LIBRARY FOR THE BLIND

Challenges faced within the Human Resources environment continue to relate to financial constraints, which is experienced by all due to the poor economic climate.

SALB would like to dedicate more funding towards skills development and training of their workforce and to appoint permanent staff as opposed to interns but cannot do this due to funding limitations.

A further challenge experienced by the SALB is to attract more persons versed in African Languages not native to the Eastern Cape for its Volunteer Programme of narration of audio books and transcribing and proofreading of braille books. This is to increase its catalogue of books in all official languages of South Africa for the reading pleasure of its members.

The SALB also experience challenges with attracting sufficient numbers of suitably qualified African Male candidates during recruitment drives.

FUTURE HR PLANS/GOALS

The main objective in the Human Resources Section is to continue to grow and expand the workforce of the Library - despite financial constraints - in order to serve the blind and visually impaired community optimally, whilst expanding, as far as reasonably possible, the number of employment opportunities for blind and/or partially sighted persons.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel Cost by Programme/Activity/Objective

Programme/Activity/Objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Full Time Staff (Excl. projects, Temp. staff costs & gratuities)	32 835	19 705	60	49	402
Snr Projects Coordinator	463	463	100	1	463
EC Library Project	1 489	585	39	2	293
KZN Library Project	1 230	577	47	2	288
Mpumalanga Library Project	338	0	0	1	0
Northern Cape Library Project	1 087	341	31	1	341
North-West Library Project	1 379	327	24	1	327
Western Cape Library Project	922	279	30	1	279
Mzantsi Library Project	3 423	853	25	4	213

Personnel Cost by Salary Band (excluding Project Staff, Narrators and Proofreaders)

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management				
Senior Management (P2-3)	1 545	8%	1	1 545
Professional Qualified (P4-7)	3 764	19%	5	753
Skilled (8-11)	8 691	44%	19	457
Semi-skilled & others (P12-15)	5 021	25%	19	264
Unskilled (P16-19)	684	4%	5	137
TOTAL	19 705	100%	49	402

NOTE: The Levels in the above table is aligned to the EEA 9 table issued by the Department of Labour

Performance Rewards

Programme/Activity/Objective	Performance Rewards	Personnel Expenditure (R'000)	% of Performance Rewards to total personnel cost (R'000)
Top Management			
Senior Management	13	1 545	0.84
Professional Qualified	29	3 764	0.77
Skilled	35	8 691	0.40
Semi-skilled & other	16	5 021	0.32
Unskilled	0	684	0
TOTAL	93	19 705	0.47

NOTE: The performance reward totals are not actual expenses, but provisions based on estimates as per approved policy.

Training Costs

Programme/Activity/Objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of employees trained	Avg training cost per employee
Study Grants	19 705	94	0.48	5	18.8
Skills Development & Training	19 705	81	0.41	57	1.42
Conferences & Seminars	19 705	26	0.13	6	4.33

NOTE: There are employees who have attended more than one training intervention under the Skills Development and Training category above and is therefore counted per training intervention.

Employment and Vacancies

Programme/Activity/Objective	2016/2017 No. of Employees	2017/2018 Approved Posts	2017/2018 No. of Employees	2017/2018 Vacancies	% of Vacancies
Full Time Staff (Excl. Projects & Temp. staff, but incl. Interns)	48	54	47	7	87.5
Snr Projects Coordinator	1	1	1	0	0
EC Library Project	2	2	2	0	0
KZN Library Project	2	2	2	0	0
Mpumalanga Library Project	1	1	0	1	12.5
Northern Cape Library Project	1	1	1	0	0
North West Library Project	1	1	1	0	0
Western Cape Library Project	1	1	1	0	0
Mzantsi Library Project	0	4	4	0	0

NOTE: The table above reflects staff totals as at 31 March 2017 and 31 March 2018. Some vacancies are unfunded and/or frozen due to financial constraints. The difference in the employee totals in this table (47) and earlier tables (49) is due to the fact that personnel expenditures were incurred for two staff members during the year under review, but who were no longer in employment by 31 March 2018, nor were they replaced by then.

Programme/Activity/ Objective	2016/2017 No. of Employees	2017/2018 Approved Posts	2017/2018 No. of Employees	2017/2018	% of Vacancies
Top Management					
Senior Management	1	1	1	0	0
Professional qualified	5	5	5	0	0
Skilled	18	22	18	4	57.14
Semi-skilled	19	21	19	2	28.57
Unskilled	5	5	4	1	14.29
TOTAL PERMANENT STAFF	48	54	47	7	100
Project Staff	9	13	11	2	100

Note: This table reflects totals as at 31 March 2017 and 31 March 2018.

Employment Changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management				
Senior Management	1	0	0	1
Professional Qualified	5	0	0	5
Skilled	18	1	1	18
Semi-skilled	19	0	1	18
Unskilled	5	0	0	5
Total	48	4	4	47
Project staff	7	5	1	11

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death		
Resignation	2	66.67
Dismissal	1	33.33
Retirement		
Ill health		
Expiry of contract	0	0
Other		
Total	3	100

Note: The totals in the reasons for staff leaving includes terminations on the Project roles as well.

Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number
Performance Counselling	1
Verbal/ 1st Warning	
Written Warning	1
Final Written Warning	1
Dismissal	

Equity Target and Employment Equity Status (Including project, contract and intern staff)

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management								
Senior Management							1	1
Professional Qualified	1	1			1	1	1	1
Skilled	5	10	3	4			1	1
Semi-skilled	3	5	5	5				
Unskilled	2	2						
TOTAL	11	18	8	9	1	1	3	3

Persons with disabilities are also included in the tables above

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management								
Senior Management								
Professional Qualified	2	2						
Skilled	13	13	4	3	0		3	3
Semi-skilled	5	7	5	5				
Unskilled	2	2	1	1				
TOTAL	22	24	10	9			3	3

Persons with disabilities are also included in the tables above

Persons With Disabilities Only

Levels	PERSONS WITH DISABILITIES			
	MALE		FEMALE	
	Current	Target	Current	Target
Top Management				
Senior Management				
Professional Qualified				
Skilled	0	1	1	1
Semi-skilled				
Unskilled	1	0		
TOTAL	1	1	1	1



PART E:
**ANNUAL FINANCIAL
STATEMENTS**

for the year ended 31 March 2018

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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements which appear on pages 44 to 68 have been approved and authorised for issue on date of signature by the Board and are signed by the CEO :



Dr WP Rowland
Chairperson

Date: 23 July 2018



F Hendrikz
Director (CEO)

Date: 23 July 2018

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the South African Library for the Blind set out on pages 47 to 72, which comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts 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 the South African Library for the Blind as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) 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 library 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.

RESTATEMENT OF CORRESPONDING FIGURES

7. As disclosed in notes 24 and 25 to the financial statements, the corresponding figures for 31 March 2017 were restated as a result of errors in the financial statements of the library at, and for the year ended, 31 March 2018.

Responsibilities of the accounting authority for the financial statements

8. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority 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 authority is responsible for assessing the library'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 authority either intends to liquidate the library 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 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 programmes 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 library. 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 programme 2: Business development presented in the annual performance report of the library for the year ended 31 March 2018:
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 programme 2: Business development.

Other matters

17. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

18. Refer to the annual performance report on pages 16 to 22 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement 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 programme 2: Business development. 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 library with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

21. The material finding on compliance with specific matters in key legislation is as follows:

ANNUAL FINANCIAL STATEMENTS

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA. Material misstatements of liabilities and disclosures of financial instruments and cash flows identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

OTHER INFORMATION

23. The accounting authority 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 the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.

24. 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.

25. 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 programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

26. I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

27. 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.

28. Leadership did not disclose liabilities and disclosures of cash flows and financial instruments in line with the accounting framework requirements in the financial statements, due to management not performing adequate reviews of the financial statements. This resulted in the material adjustments to the financial statements.

Auditor-General

East London

30 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 programmes and on the library’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 library’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting authority
 - conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors, which constitutes the accounting authority, 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 library’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 the library 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 authority 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 authority 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.

The Director presents his report of the Library for the year ended 31 March 2018.

1 DIRECTOR AND CHAIRPERSON OF THE BOARD

The Director is Mr Francois Hendrikz and his business and postal addresses are as follows:

The Director
South African Library for the Blind
112B High Street / PO Box 115
Grahamstown
6139 / 6140

The Chairperson of the Board is Dr William Rowland and his postal address is as follows

Unit 23, Upper Waterkloof
173 Regulus Avenue
Waterkloof Ridge
0181

2 PRINCIPAL ACTIVITIES OF THE LIBRARY

The South African Library for the Blind is a National Library for Blind and Visually Impaired readers, which renders a free service to its members.

3 OPERATING RESULTS

Surplus of R753 000 for the year is recorded and is predominantly due to the nature of classifying production costs as capital expenditure .

There were variations as compared to approved budget; and these will be explained in the notes to the financials.

4 REVIEW OF OPERATIONS

GROSS INCOME AND EXPENDITURE

Gross income for the year totalled R 33 588 000 which represents an increase of 21% over the previous year.
Gross Expenditure for the year totalled R 32 835 000 which represents an increase of 29% over the previous year.

5 EVENTS SUBSEQUENT TO BALANCE SHEET DATE

No other events to disclose.



FRANCOIS HENDRIKZ
DIRECTOR (CEO)

Date: 31 May 2018

SOUTH AFRICAN LIBRARY FOR THE BLIND
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2018

ASSETS	Notes	2018 R 000's	2017 R 000's
Non-current assets			
Property, plant and equipment	2	5 870	7 106
Intangible assets	3	63 686	57 803
Current Assets			
Trade and other receivables from exchange transactions	4,1	89	-
Other current financial assets	4,2	8	5
Prepayments	4,3	322	268
Cash and cash equivalents	5,1	11 424	7 928
Current investments	5,2	12 718	20 494
TOTAL ASSETS		94 117	93 604
LIABILITIES			
Non Current Liabilities			
Provision for Post Retirement Benefits	6,1	2 127	3 830
Current Liabilities			
Trade and other payables from exchange transactions	7	2 405	1 698
Provisions	8	171	167
Government grants	9	7 173	6 166
Unspent conditional receipts	10	350	605
TOTAL LIABILITIES		12 226	12 466
Net Assets			
Capital and Reserves			
Accumulated surplus		81 891	81 138
Total Net Assets		81 891	81 138
TOTAL NET ASSETS AND LIABILITIES		94 117	93 604

SOUTH AFRICAN LIBRARY FOR THE BLIND
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 R 000's Actual	2017 R 000's Actual
Revenue	11		
Revenue from non-exchange transactions		31 831	26 408
Transfers and subsidies	11,1	20 596	18 564
Gifts, sponsorships and donations	11,2	1 167	2 426
Transfers and Sponsorships	11,3	10 068	5 418
Revenue from exchange transactions		510	284
Other income	11,4	30	8
Interest received/earned	12	480	276
Total Revenue		32 341	26 692
Expenditure			
Administrative expenses	14	(1 183)	(1 261)
Staff costs	15	(13 930)	(11 973)
Depreciation and amortisation expense	2&3	(2 025)	(1 958)
Marketing costs	16	(292)	(306)
Audit fees	17	(741)	(597)
Other operating expenses	18	(14 664)	(9 419)
Total Expenditure		(32 835)	(25 514)
Other Gains			
Gain on fair value of financial instruments	5,2	1 224	1 080
Gain / (Loss) on sale of assets	2	23	(7)
Total Other		1 247	1 073
Surplus for the year		753	2 251

SOUTH AFRICAN LIBRARY FOR THE BLIND
 STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Accumulated Surplus R'000
Balance at 1 April 2016 (as previously stated)		18 607
Prior Year adjustments		
Property Plant and Equipment	24/25	6 263
Intangible Assets	24/25	53 618
Audit Fee Provision	24/25	399
Restated Balance as at 1 April 2016		78 887
Surplus for the year		2 251
Restated Balance as at 31 March 2017		81 138
Surplus for the year		753
Balance as at 31 March 2018		81 891

SOUTH AFRICAN LIBRARY FOR THE BLIND
 CASH FLOW STATEMENT
 FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 R 000's	2017 R 000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		32 019	26 521
Transfers and subsidies		20 596	18 564
Gifts, sponsorships and donations		930	2 255
Transfers and sponsorships		9 983	5 418
Other receipts		30	8
Interest		480	276
Payments		(31 863)	(23 260)
Staff costs		(15 520)	(11 637)
Goods & services		(16 343)	(11 623)
Net cash flows from operating activities	20,1	156	3 261
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(754)	(412)
Acquisition of intangible assets		(5 711)	(3 947)
Proceeds on sale of property, plant and equipment		53	-
Gain on fair value of financial instruments		1 224	1 080
Transfers from current investments		7 776	890
Net cash flows from investing activities		2 588	(2 389)
CASH FLOWS FROM FINANCING ACTIVITIES			
Project funding		752	1 706
Net cash flows from financing activities		752	1 706
Net increase in cash and cash equivalents		3 496	2 578
Cash and cash equivalents at the beginning of the year		7 928	5 350
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5,1	11 424	7 928

SOUTH AFRICAN LIBRARY FOR THE BLIND
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 MARCH 2018

	Actual 2016/17 R 000'S	2017/2018				Difference R 000'S
		Original budget R 000'S	Adjust ments R 000'S	Final budget R 000'S	Actual amounts R 000'S	
Revenue						
Government subsidies	23 983	19 221	11 760	30 981	30 664	317
Department of Arts and Culture subsidy	18 297	19 221	1 036	20 257	20 257	-
<i>Department of Arts and Culture Other</i>	267	-	339	339	339	-
Government grants - projects	5 419	-	10 385	10 385	10 068	317
Capital Works brought forward	-	-	-	-	-	-
Other Income	-	-	-	-	53	(53)
Gifts, Sponsorships and Donations	2 426	200	605	805	1 167	(362)
Interest received incl fair value gain	1 356	1 150	-	1 150	1 704	(554)
Transfer from reserves	-	1 850	(1 464)	386	-	386
Total revenue	27 765	22 421	10 901	33 322	33 588	(266)

	Actual 2016/17 R 000'S	Original budget R 000'S	Adjust ments R 000'S	Final budget R 000'S	Actual amounts R 000'S	Difference R 000'S
Compensation of employees	11 973	16 825	(2 855)	13 970	13 930	40
Salaries and wages	9 437	13 322	(2 972)	10 350	10 337	13
Social contributions	2 536	3 503	117	3 620	3 593	27
Use of goods and services	13 541	5 166	14 186	19 352	18 905	447
Audit fees - external	399	400	58	458	457	1
Bad debts	-	1	-	1	-	1
Bank charges	45	50	53	103	54	49
Board costs	127	160	(20)	140	136	4
Book production services: Audio; Braille & NBC	217	486	(419)	67	65	2
Communication	269	303	(8)	295	280	15
Consultants, contractors and special services	420	367	78	445	435	10
Corporate Governance	42	70	(17)	53	46	7
Courier and delivery	26	20	-	20	15	5
Entertainment	-	1	-	1	-	1
General Administrative Expenses	265	298	(167)	131	115	16
General Fees for Services	63	101	2	103	100	3
Legal fees	26	30	40	70	69	1
Insurance	216	215	(35)	180	167	13
Josie Wood	1 539	-	605	605	605	-
Library and information services	198	311	(157)	154	152	2
Loss on foreign exchange	190	25	320	345	344	1
Marketing costs	306	231	69	300	292	8
Operating lease expenses: equipment	89	86	10	96	93	3
Project expenses	5 419	-	10 385	10 385	9 868	517
Repairs and maintenance	392	450	125	575	560	15
Research and development	17	50	(50)	-	-	-
Stationery and printing	74	70	30	100	97	3
Stores/consumables	-	-	-	-	-	-
Training and staff development	229	262	(82)	180	174	6
Travel and subsistence	599	570	(70)	500	454	46
Depreciation	1 958	600	1 500	2 100	2 025	75
<i>Water & Electricity Allocation DPW/DAC</i>	267	9	-	9	377	(368)
Daisy Players / other capex recognised	149	-	1 936	1 936	1 925	11
Total Expenditure	25 514	21 991	11 331	33 322	32 835	487

	Actual 2016/17 R	Original budget R	Adjust ments R	Final budget R	Actual amounts R	Difference R
Capital Expenditure						
Fixed Assets	-	-	-	-	-	-
Vehicles	-	-	240	240	240	-
Computer and office equipment	209	150	340	490	486	4
Furniture and fittings	3	-	5	5	5	-
Braille Books PPE	6 464	-	25	25	23	2
Intangible Assets	-	280	5 675	5 955	5 947	8
Total Capital Expenditure	6 676	430	6 285	6 715	6 701	14
Total Expenditure	32 190	22 421	17 616	40 037	39 536	501

**SOUTH AFRICAN LIBRARY FOR THE BLIND
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2018**

1 Accounting Policies

1,1 Legislation

The South African Library for the Blind is governed by a board appointed by the Minister of Arts and Culture, in terms of the South African Library for the Blind Act (Act 91 of 1998). As a partly state-funded institution, its financial affairs are subject to the controls and oversight measures implemented in respect of the public sector and public entities by the provisions of the the Public Finance Management Act (PFMA) (Act 1 of 1999) and Treasury Regulations, and is classified as a Schedule 3A Public Entity.

1,2 Taxation

As from 1 April 2005, the S A Library for the Blind was deregistered as a value added tax (VAT) vendor due to changes in the VAT Act.

1,3 Basis of Preparation

The annual financial statements are prepared in accordance with Generally Recognised Accounting Practice (GRAP). The financial statements are prepared on a historical cost basis and accounting policies have been applied consistently with those in the previous year, except as otherwise indicated. All figures have been rounded to the nearest Thousand Rand.

1,4 Presentation Currency

These annual financial statements are presented in South African Rands.

1,5 Going Concern

These annual financial statements have been prepared on a going concern basis.

1,6 GRAP standards approved not yet effective

The following GRAP standards summarized below, have been approved but not yet effective as at 31 March 2018, and have not been early adopted by the library:

GRAP 20 – Related Party Disclosures
GRAP 32 – Service Concession Arrangements: Grantor
GRAP 34 - Separate Financial Statements
GRAP 35 - Consolidated Financial Statements
GRAP 36 - Investments in Associates and Joint Ventures
GRAP 37 - Joint Arrangements
GRAP 38 - Disclosure of Interests in Other Entities
GRAP 108 – Statutory receivables
GRAP 109 – Accounting by Principals and Agents
GRAP 110- Living and Non-Living Resources

We do not expect the impact of these standards to have a material effect on the financial statements.

1,7 Comparative Information

Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified and restated.

The nature and reasons for the reclassification and restatement are disclosed in the notes to the annual financial statements.

1,8 Conditional Grants and Receipts

Income received from conditional grants, donations and subsidies are recognised to the extent that the library has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised and funds invested until it is utilised. Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor.

SOUTH AFRICAN LIBRARY FOR THE BLIND
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2018

1,8 Conditional Grants and Receipts (Cont.)

Grants and receipts of a revenue nature

Income is transferred to the statement of financial performance as revenue to the extent that the criteria, conditions or obligations have been met.

In determining whether a stipulation is a condition or a restriction, the library considers whether a requirement to return the asset is enforceable and would be enforced by the transferor. If the transferor could not enforce a requirement to return the asset, or if past experience with the transferor indicates that the transferor never enforces the requirement to return the transferred asset, then the library concludes that the stipulation has the form but not the substance of a condition and is therefore a restriction. Where the library has no experience with the transferor, or has not previously breached stipulations that would prompt the transferor to decide whether to enforce a return of the asset, it would assume that the transferor would enforce the stipulation.

1,9 Provisions

Provisions are recognised when the library has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the statement of financial position reporting date and adjusted to reflect the current best estimate.

1,10 Property, plant and equipment

Initial measurement

Property, plant and equipment is initially recognised when future benefits are probable and the cost or fair value can be determined reliably.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing the asset to working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Examples of directly attributable costs are: site preparation, delivery and handling costs and professional fees. The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent measurement

The library applies the cost model to property, plant and equipment.

Property, plant and equipment, is stated at cost, less accumulated depreciation and accumulated impairment.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the assets are enhanced in excess of the original assessed standard of performance. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance, and is expensed.

SOUTH AFRICAN LIBRARY FOR THE BLIND
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2018

1,10 Property, plant and equipment (Cont.)

Impairment

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

Derecognition

Property, plant and equipment is derecognised when there is a disposal or no future economic benefits or service potential are to be derived.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the statement of financial performance. Depreciation is charged to the statement of financial performance.

Depreciation

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. Depreciation only commences when the asset is available for use.

The annual depreciation/ amortisation rates are based on the following estimated asset useful lives:-

Computer equipment	33,33% (36 months)	Office equipment	20,00% (60 months)
Vehicles	20,00% (60 months)	Furniture and fittings	16,67% (72 months)
Equipment	20,00% (60 months)	Buildings	2,00% (600 months)
Braille Books PPE	20,00% (60 months)		

Review of residual values

The residual values of property, plant and equipment are reviewed on an annual basis.

Review of useful lives

The useful lives of property, plant and equipment are reviewed on an annual basis.

Review of depreciation method

The depreciation method is reviewed on an annual basis.

Impairment of cash and non-cash generating assets

Property, plant and equipment will be assessed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the statement of financial performance represents the excess of the carrying value over the recoverable amount of the asset.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the statement of financial performance.

1,11 Financial instruments

Financial instruments are recognised when the library becomes a party to the contractual provisions of the instrument, and are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the library has transferred substantially all risks and rewards of ownership, or when the library loses control of contractual rights that comprise the assets. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or when it expires.

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1,11 Financial instruments (Cont.)

1.11.1 Financial assets

The library classifies its financial assets according to the following categories:

1. Held to maturity
2. Loans and receivables

The classification depends on the purpose for which the financial asset is acquired, and is as follows:

1. Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity, where the library has the positive intent and ability to hold the investment to maturity. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the statement of financial performance in the period in which it arises.
2. Loans and receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the statement of financial performance in the period in which it arises.

An assessment is performed at each statement of financial position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, in the value of individual investments. This reduction in carrying value is recognised in the statement of financial performance. Financial assets consist of:

1.11.1.1 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks / financial institutions.

1.11.1.2 Current investments

Investments disclosed as financial instruments are held with registered banking/financial institutions and are available on call within short-notice (5 days and less). These investments are disclosed at fair value and the risk profile of the investment portfolio is determined by management as being low-to-medium. Net fair value gains or losses will be appropriately disclosed in the statement of financial performance and cash flow statement respectively.

1.11.1.3 Trade and other receivables

Trade and other receivables are initially recognised at fair value. Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. A provision for impairment of other receivables is established when there is objective evidence that the library will not be able to collect all amounts due according to the original terms of receivables. An estimate is made for doubtful debts based on past default experience of all outstanding amounts at year-end.

1.11.2 Financial liabilities

The library measures all financial liabilities, including trade and other payables, at amortised costs, using the effective interest rate method (excluding provisions). Amounts payable within 12 months from the reporting date are classified as current. Financial liabilities consist of:

1.11.2.1 Trade and other payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

1,12 Revenue recognition

1.12.1 Revenue from exchange transactions

Revenue is recognised when it is probable that future economic benefits will flow to the enterprise and these benefits can be measured reliably. The Library does not as a rule charge fees to its readers.

Where work is done for institutions, a fee is calculated on the cost of producing the required material and is dependant on a variety of cost factors.

Interest income is accrued on a time proportion basis, taking into account the principle outstanding.

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1,12 Revenue recognition (Cont.)

1.12.2 Revenue from non-exchange transactions

Government grants are recorded as a liability when they become receivable/allocated and are then recognised as income on a systematic basis over the periods necessary to match the grants with the related/deemed costs, which they are intended to compensate.

Gifts, sponsorships and donations are recognised on a cash basis.

1,13 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the library. Assets subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the term of the relevant lease.

1,14 Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the rate of exchange ruling on the date of the transaction. Exchange differences arising on the settlement of creditors or on reporting of creditors at rates different from those at which they were initially recorded are recognised in surplus or deficit in the period.

1,15 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the PFMA (Act 1 of 1999) or is in contravention of the library's supply chain management policies. Irregular expenditure is accounted for as expenditure in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1,16 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 financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

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1,17 Events after the reporting date

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the annual financial statements are authorised for issue. Two types of events can be identified:

1. those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
2. those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The library will adjust the amounts recognised in the annual financial statements to reflect adjusting events after the reporting date once the event occurred. The library will disclose the nature of the event and an estimate of its financial effect, or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the annual financial statements.

1,18 Related parties

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel are defined as the Director, Chief Financial Officer and all other personnel reporting directly to the Director or as designated by the Director.

1,19 Employee benefits

1.19.1 Defined contribution plans

A defined contribution plan is a plan under which the organisation pays fixed contributions into a separate entity. The organisation has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The organisation's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the statement of financial performance in the period in which the service is rendered by the relevant employees. The organisation has no further payment obligations once the contributions have been paid.

1.19.2 Defined benefit plans

A defined benefit plan is a post-retirement benefit plan other than a defined contribution plan.

1.19.2.1 Post-retirement health care benefits:

The library has an obligation to provide post-retirement health care benefits only to its current retirees. According to the rules of the Medical Aid Fund, with which the library is associated, an active retired member (who was on the conditions of service when it was applicable), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the library is liable for a two thirds portion of the medical aid membership fee (this applies only to the main member, and excludes dependents).

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out every two to three years by independent qualified actuaries.

Actuarial gains or losses are accounted for in the statement of financial performance in full in the year in which it occurs.

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1,19 Employee benefits (Cont.)

1.19.3 Short-term employee benefits

The cost of all short-term employee benefits, such as leave pay, is recognised during the period in which the employee renders the related service (such as paid vacation leave and sick leave, bonuses and non monetary benefits such as medical care).

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1,20 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost.

The library applies the cost model to intangible assets, and fair value where an asset is acquired at no nominal cost.

Intangible assets are stated at cost, less accumulated amortisation and accumulated impairment where applicable. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. For the purpose of impairment testing, the condition of the asset is evaluated to ascertain its value in use. Where the asset is damaged beyond repair, the fair value of the asset is its scrap value.

Derecognition

Intangible Assets are derecognised when there is a disposal or no future economic benefits or service potential are to be derived.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting period date if there are indicators present that there is a change from the previous estimate.

Amortisation is provided to write down the intangible assets, on a straight line basis, as follows:

Software and licences	33.33% - (36 months)
Masterfile electronic book records	indefinite useful life

1,21 Segment Reporting

The objective of segment reporting is to provide information about the specific operational objectives and major activities of an entity as well as the resources devoted to and costs of these objectives and activities. Management has identified the following services to be reported on as segments: Library Information Services; Audio Production and Braille Production (incorporating Braille Consultancy). These three services are the core sections of SALB and meet the criteria set out to be disclosed as a reportable segment. The other services are more administrative in nature and will thus form part of the unallocated/central total. Furthermore only expenditure and specific sectional production assets is reported separately and reviewed for each of these segments, whilst revenue and liabilities are all central/unallocated.

1,22 Significant judgements and sources of estimation uncertainty

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 is 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:

Useful lives of property, plant and equipment and intangible assets

The library's management determines the estimated useful lives and related depreciation charges for property, plant and equipment including intangible assets. This estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed.

Provision for impairment

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

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2 Property, plant and equipment

	Buildings R 000's	Motor Vehicles R 000's	Computer & Office Equipment R 000's	Furniture & Fittings R 000's	Braille Books R 000's	Equipment R 000's	Total R 000's
Year ended 31/3/2017							
Net book value 1 April 2016 (as previously stated)	63	17	773	149	-	1 313	2 315
Cost or valuation	72	180	2 238	264	-	1 628	4 382
Accumulated depreciation	(9)	(163)	(1 465)	(115)	-	(315)	(2 067)
Prior Year Adjustments (refer note 24/25)	-	-	-	-	6 264	-	6 264
Restated Net book value 1 April 2016							
Cost or valuation	72	180	2 238	264	6 264	1 628	10 646
Accumulated depreciation	(9)	(163)	(1 465)	(115)	-	(315)	(2 067)
Additions	-	-	209	3	200	-	412
Disposals	-	-	(5)	(2)	-	-	(7)
Depreciation charge	(2)	(7)	(361)	(41)	(1 167)	(300)	(1 878)
Net carrying amount at 31 March 2017							
Cost or valuation	61	10	616	109	5 297	1 013	7 106
Accumulated depreciation	(11)	(170)	(1 401)	(155)	(1 167)	(615)	(3 519)
Year ended 31/3/2018							
Net book value 1 April 2017	61	10	616	109	5 297	1 013	7 106
Cost or valuation	72	180	2 017	264	6 464	1 628	10 625
Accumulated depreciation	(11)	(170)	(1 401)	(155)	(1 167)	(615)	(3 519)
Additions	-	240	342	5	23	144	754
Disposals	-	(4)	(8)	-	-	(18)	(30)
Depreciation charge	(2)	(14)	(311)	(35)	(1 295)	(303)	(1 960)
Net carrying amount at 31 March 2018							
Cost or valuation	59	232	639	79	4 025	836	5 870
Accumulated depreciation	(13)	(8)	(1 524)	(145)	(2 462)	(880)	(5 032)

During the 2017/18 Financial year, a change in estimate was done on certain assets that are still in use and this has been reflected on the asset register accordingly - if no change of estimate was done, the depreciation charge on these assets would have been R57 000, however with the change applied the effect for 2017/18 is R10 000 and the effect over future years will be R47 000. The useful lives of each asset is assessed annually. Furthermore, the PPE note above has been adjusted to accommodate the treatment of Braille books as PPE going forward via an accounting policy change, this has been retrospectively adjusted during the 2016/17 reporting period by adjusting the opening balance at net fair value - refer note 24 & 25. During the year assets costing R 476 000 with accumulated depreciation of R446 000 was disposed (2017 R 434 000 and R 427 000 respectively) - this has been taken into effect in the respective carrying amounts.

Also during the 2017/18 Financial year, a sale of R53 000 was recorded for the sale of a vehicle, this offset the net disposal loss of R30 000 shown above and the R23 000 net gain for the period is recorded under the statement of financial performance accordingly (2017 - R7 000 net loss)

3 Intangible assets

Intangible assets consist of software; licences and masterfile electronic records

	Audio Production Supplier Masterfile	Audio Production In- House Masterfile	Braille Production Supplier Masterfile	Braille Production In- House Masterfile	Software / Licences	Total
Year ended 31/3/2017						
Net book value 1 April 2016 (as previously stated)	-	-	-	-	147	147
Cost or valuation	-	-	-	-	239	239
Accumulated amortisation	-	-	-	-	(92)	(92)
Prior Year Adjustments (refer note 24/25)	5 036	28 169	1 440	18 973	-	53 618
Restated Net book value 1 April 2016						
Cost or valuation	5 036	28 169	1 440	18 973	147	53 765
Accumulated amortisation	-	-	-	-	(92)	(92)
Additions	344	1 707	183	1 884	-	4 118
Disposals	-	-	-	-	-	-
Amortisation charge	-	-	-	-	(80)	(80)
Closing net book value 31 March 2017						
Cost or valuation	5 380	29 876	1 623	20 857	67	57 803
Accumulated amortisation	-	-	-	-	(172)	(172)
Year ended 31/3/2018						
Opening net book value 1 April 2017	5 380	29 876	1 623	20 857	67	57 803
Cost or valuation	5 380	29 876	1 623	20 857	239	57 975
Accumulated amortisation	-	-	-	-	(172)	(172)
Additions	659	2 136	256	2 595	302	5 948
Disposals	-	-	-	-	-	-
Amortisation charge	-	-	-	-	(65)	(65)
Closing net book value 31 March 2018						
Cost or valuation	6 039	32 012	1 879	23 452	318	63 700
Accumulated amortisation	-	-	-	-	(14)	(14)

The Intangible note above has been adjusted to accommodate the treatment of Masterfile Electronic Book Records as Intangible Assets going forward via an accounting policy change, this has been retrospectively adjusted during the 2016/17 reporting period by adjusting the opening balance at net fair value - refer note 24 & 25. Furthermore, included in the additions for the year is a fair value adjustment for titles obtained for free from being a TIGAR beneficiary R 237 000 (2017 - R 171 000), the corresponding revenue is reflected under note 2.2. During the year assets costing R 223 000 with accumulated depreciation of R223 000 was disposed (2017 R nil) - this has been taken into effect in the respective carrying amounts.

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		<u>2018</u>	<u>2017</u>
		R 000's	R 000's
4	Current Assets		
4.1	Trade receivables from exchange transactions	89	-
	Less: Impairment recognised	-	-
		<u>89</u>	<u>-</u>
	Current		
	Trade receivables from exchange transactions	<u>88</u>	<u>-</u>
		<u>88</u>	<u>-</u>
	30 Days		
	Trade receivables from exchange transactions	<u>1</u>	<u>-</u>
		<u>1</u>	<u>-</u>
	The fair value of the trade and other receivables approximates their carrying value. The credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to external credit ratings or historical information about default rates.		
4.2	Other current financial assets (accrued interest receivable)	8	5
4.3	Prepayments	322	268
5	Cash and cash equivalents including current investments		
	The South African Library for the Blind operates a current account with no overdraft facility; a call account and a money market fund with Standard Bank of South Africa. The details are as follows:		
	BANK: Standard Bank of South Africa		
	ACCOUNT NUMBER: 082 004 196 (Current Account)		
	ACCOUNT NUMBER: 088817644 (Call Account)		
	BANK: STANLIB (Standard Bank Group)		
	ACCOUNT NUMBER: 053998402 (Money Market Fund Account)		
	BRANCH: Grahamstown (Johannesburg - Head Office)		
	BRANCH CODE: 05 09 17		
	The South African Library for the Blind operates a savings account and a money market fund account with ABSA Bank. The details are as follows:		
	BANK: ABSA Bank		
	ACCOUNT NUMBER: 3804 372 1159 (Savings Account)		
	ACCOUNT NUMBER: 9069975980 (Money Market & ABIL Retention Fund Account)		
	BRANCH: Grahamstown		
	BRANCH CODE: 42 05 17		
	The South African Library for the Blind operates a 32-day Call Deposit account with GBS Mutual Bank. The details are as follows:		
	BANK: GBS Mutual Bank		
	ACCOUNT NUMBER: 00809600036		
	BRANCH: Grahamstown		
5.1	Cash book balance at bank at beginning of the year	7 910	5 335
	Cash book balance on hand at beginning of the year	18	15
		<u>7 928</u>	<u>5 350</u>
	Cash book balance at bank at end of the year	11 395	7 910
	Cash book balance on hand at end of the year	29	18
		<u>11 424</u>	<u>7 928</u>
	The total restricted cash at year end is R 7 523 240 (2017: R 6 770 518).		
	Total cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts:		
	Cash and cash equivalents at end of the year	11 424	7 928
	Cash and cash equivalents at beginning of the year	(7 928)	(5 350)
	Cash and cash equivalents movement	<u>3 496</u>	<u>2 578</u>

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2018	2017
R 000's	R 000's

5.2 Current Investments

The South African Library for the Blind operates an investment account and a money market account with Old Mutual. The details are as follows:

FINANCIAL INSTITUTION: Old Mutual
ACCOUNT NUMBER: 17250896 (Old Mutual Wealth Linked Investment account)
ACCOUNT NUMBER: 500148709 (Old Mutual Money Market Fund Account)
BRANCH: Grahamstown/Port Elizabeth

The investment accounts held at Old Mutual are fair valued at year-end to determine net gain or loss incurred due to the classification of the accounts as being regarded as financial instruments. These accounts are determined by Management as being overall low-medium risk investment money market accounts which are treated as equity funds by the Financial Institution. The credit risk profile of the financial institution is regarded as being good and Management meets regularly with the portfolio manager throughout the year. The market /liquidity risk associated with the accounts are as follows:

(a) account no. 17250896 (Old Mutual Wealth Linked Investment account) - this account has a medium-to-high risk profile which generates investment over the long term of 3-5% above inflation. Over the investment term of this account, the yield generated overall fair value gains each year, however upon subsequent review of market volatility associated with this account and generally in South African financial markets (during the 2016/17 Financial period), Management through the approval of the Board transferred the investment from April 2017 into the money market account with the same institution.

(b) account no. 500148709 (Old Mutual Money Market Fund Account) - this account has a low risk profile and is similar to other Banks and Financial Institutions that offer a money market account. The distributions or net fair gains over the period are stable although the financial institution discloses them as equity shares in their monthly statements submitted to the Entity and are therefore classified as a financial instrument.

Fair value at beginning of the year	20 494	21 384
Transfer to current account	(9 000)	(1 970)
Net Gain for the year	1 224	1 080
Fair value at end of the year	12 718	20 494

Total current investments included in the cash flow statement comprise the following statement of financial position amounts:

Cash and cash equivalents at end of the year	12 718	20 494
Cash and cash equivalents at beginning of the year	(20 494)	(21 384)
Current investments movement	(7 776)	(890)

The fair value of cash and cash equivalents approximates their carrying value.

6 Provisions (Non-Current Liabilities)

6.1 Provision for Post Retirement Benefits

Post-Retirement Health Care Benefit Liability	2 127	3 830
Total: Post-Retirement Medical Aid Benefit Liability	2 127	3 830

The Library provides post retirement medical benefits by funding the medical aid contributions of retired members of the Library. According to the rules of the medical aid fund with which the Library is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Library is liable for a certain portion of the medical aid membership fee.

During the 2017/18 Financial year, to curb the growing liability and sustainability of the Library Budget, SALB Management with the approval from the Department of Arts and Culture (DAC) and the Board approached Staff to consider a buy-out option. Various in-house discussions and proposals were led by Management to current beneficiaries and in-service members. The outcome from the discussions and proposals was that the current beneficiaries would continue with the post-retirement benefit and that status quo will remain for them of which they are four current members; the in-service staff elected for the buy-out option and thus ceased their future right to this benefit. The conditions of service relating to this has been amended and staff made fully aware of the impact. Full documentation and attestation to the process is with the Human Resources Section of the Library and a report submitted to the Board and DAC. The impact of this buy-out reflects the current year (2017/18) decrease in provision and note 15 also shows some impact of the expenditure incurred. This will have a positive impact going forward for the Library as the liability will be sustained.

The most recent actuarial valuation of the present value of the unfunded defined benefit obligation was carried out as at 31 March 2018 by QDI Consult, a member of the Actuarial Society of South Africa. The present value of the defined obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The Post-Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service members (employees)	-	29
Continuation members (retirees, widowers and orphans)	4	4
Total	4	33

The liability in respect of past service has been estimated to be as follows:

	R	R
In-service members	-	1 765
Continuation members	2 127	2 065
Total liability	2 127	3 830

The Library makes monthly contributions for health care arrangements to the following medical aid schemes:

Liberty/Bonitas Medical Scheme (1 April 2017 to 31 March 2018) - Pensioners
 Discovery Health Scheme (1 April 2017 to 31 March 2018)

The current service cost for the year ending 31 March 2018 is estimated to be R 195 000 (2017: R 177 000) whereas the interest cost for the ensuing year is estimated to be R 404 000 (2017: R 310 000).

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	2018 R 000's	2017 R 000's
6,1 Provision for Post Retirement Benefits cont.		
The principal assumptions used for the purposes of the actuarial valuations were as follows:		
i) Rate of interest		
Discount rate	8,78%	11,10%
Health care cost inflation rate	7,93%	10,50%
Expected retirement age - females	65	65
Expected retirement age - males	65	65
ii) Mortality rates		
Pre-retirement	SA 85 - 90 (Light) ultimate table	
Post-retirement	PA(90) ultimate table	
iii) Normal retirement age		
The normal retirement age for employees of the Library was assumed to be 65 years.		
The amounts recognised in the statement of financial position are as follows:		
Present value of funded obligations	2 127	3 830
Fair value of plan assets	-	-
	<u>2 127</u>	<u>3 830</u>
Present value of unfunded obligations		
Unrecognised past service cost	-	-
Unrecognised actuarial gains / (losses)	-	-
Present value of unfunded obligations	2 127	3 830
	<u>2 127</u>	<u>3 830</u>
Net Liability	<u>2 127</u>	<u>3 830</u>
The movement in the defined benefit obligation over the year is as follows:		
Balance at beginning of year (1 April)	3 830	3 587
Recognised past service cost	-	-
Current service cost	195	177
Interest cost	404	310
Benefits paid	(115)	(117)
Actuarial gain on the obligation	(301)	(127)
Net impact of settlement cost	(1 886)	-
	<u>2 127</u>	<u>3 830</u>
Balance at end of year (31 March)	<u>2 127</u>	<u>3 830</u>
The effect of a 1 % movement in the assumed rate of health care cost inflation is as follows:		
Increase		
Effect on the current cost and the interest cost	203	802
Effect on the defined benefit obligation	2 378	4 664
Decrease		
Effect on the current cost and the interest cost	162	500
Effect on the defined benefit obligation	1 914	3 194
7 Trade and other payables from exchange transactions		
Trade creditors	1 058	477
Leave gratuity accrual	885	782
Accrual for bonus	462	439
	<u>2 405</u>	<u>1 698</u>
8 Provisions (Current Liabilities)		
Provision for performance awards		
- Balance at beginning of year	167	151
- Provision utilised	(92)	(101)
- Contribution to provision	96	117
	<u>171</u>	<u>167</u>

Performance awards are paid based on the performance of the library, as well as individual performance. The provision is an estimate based on unaudited profits as well as historical performance awards paid.

Refer note 24 for correction of prior period adjustment.

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9 **Government grants**

Year ended 31/3/2017

	Balance unspent at the beginning of the period	Conditions met transferred to revenue	Current year receipts	Conditions still to be met at the end of the period
<u>Provincial Department of Arts and Culture</u>				
Kwazulu Natal Library project	1 046	(973)	1 042	1 115
Mpumalanga Library project	995	(995)	-	-
Eastern Cape Library project	1 639	(1 536)	1 580	1 683
Western Cape Library project	177	(765)	1 100	512
North West Library project	853	(956)	1 000	897
Northern Cape Library project	-	(77)	1 000	923
Free State Library project	-	-	-	-
Gauteng Library project	-	-	-	-
<u>Department of Arts and Culture</u>				
Additional Grant Allocation from Capital	-	-	1 036	1 036
Total	4 710	(5 302)	6 758	6 166

Year ended 31/3/2018

	Balance unspent at the beginning of the period	Conditions met transferred to revenue	Current year receipts	Conditions still to be met at the end of the period
<u>Provincial Department of Arts and Culture</u>				
Kwazulu Natal Library project	1 115	(1 231)	1 097	981
Mpumalanga Library project	-	(338)	1 573	1 235
Eastern Cape Library project	1 683	(1 489)	1 580	1 774
Western Cape Library project	512	(922)	550	140
North West Library project	897	(1 379)	1 000	518
Northern Cape Library project	923	(1 087)	1 000	836
Free State Library project	-	-	500	500
Gauteng Library project	-	(200)	1 389	1 189
<u>Department of Arts and Culture</u>				
Additional Grant Allocation	1 036	(1 036)	-	-
Totals	6 166	(7 682)	8 689	7 173

Government grants are recognised in accordance with grant conditions. During the 2017/18 year there was also funding received from the National Library of South Africa (NLSA) and this was fully recognised in the statement of financial performance - R3.4m

10 **Unspent conditional receipts**

Josie Wood Trust

	<u>2018</u> R 000's	<u>2017</u> R 000's
Balance unspent at the beginning of the period	605	238
Conditions met transferred to revenue	(605)	(1 738)
Current year receipts	350	2 105
Conditions still to be met at the end of the period	<u>350</u>	<u>605</u>

Unspent conditional receipts is monies received upfront in respect of planned future projects which has not yet been released to the statement of financial performance.

SOUTH AFRICAN LIBRARY FOR THE BLIND
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	2018 R 000's	2017 R 000's
11 Revenue		
An analysis of SALB's revenue is as follows:		
Non-exchange revenue	31 831	26 408
11.1 Transfers and subsidies received		
National Department of Arts and Culture (DAC)	19 221	18 297
Deemed Revenue recognised from DAC	339	267
Capex Income recognised	1 036	-
Sub-Total	20 596	18 564
11.2 Gifts, sponsorships and donations		
Donations and bequests	265	318
Audio production	40	108
Josie Wood Trust	605	1 739
TIGAR Beneficiary (non-cash)	237	171
Braille production	20	90
Sub-Total	1 167	2 426
11.3 Transfers and Sponsorships		
African language project	-	115
National Library of South Africa Library project	3 423	-
Kwazulu Natal Library project	1 230	974
Mpumalanga Library project	338	995
Eastern Cape Library project	1 489	1 536
Western Cape Library project	922	765
North West Library project	1 379	956
Northern Cape Library project	1 087	77
Gauteng Library project	200	-
Sub-Total	10 068	5 418
Exchange revenue	510	284
11.4 Other income		
Sundry income	30	8
Sub-Total	30	8
12 Interest received	480	276
13 Reconciliation of budget surplus/(deficit) with the surplus/(deficit) in the statement of financial performance		
Net surplus per the statement of financial performance	753	2 251
Adjusted for:		
- Interest received and fair value gain on investments in excess of budgeted amount	(675)	(255)
- Donations and bequests received and not budgeted for	(125)	(367)
- Sundry income and profit/loss on asset disposal received and not budgeted for	(53)	(7)
- Income received from outside projects not budgeted for	(237)	(171)
- Other expenditure regularised as per approved budget	1 090	800
	753	2 251
14 Administrative expenses		
General administrative expenses	113	257
Advertising	3	25
Insurance	167	216
<i>Deemed Water; Electricity expense DAC/DPW</i>	377	268
Fees for services:		
General	21	21
Board members	136	127
Corporate governance	47	50
Legal fees	69	26
Stationery and printing	97	74
Bank charges	54	45
Training and staff development	99	152
Total	1 183	1 261

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	2018 R 000's	2017 R 000's
15 Staff costs		
Wages and salaries	9 493	8 121
Basic salaries	7 018	6 781
Annual bonuses and awards	598	541
Housing allowance	517	450
Temporary staff	73	45
Leave gratuity	103	61
Post retirement medical benefits (Refer to note 6)	1 184	243
Senior Management (Refer to note 21)	2 459	1 961
Director/Chief Executive Officer	1 534	1 187
- Pensionable salary	788	735
- Non-pensionable salary	477	171
- Bonus	66	61
- Housing allowance	13	12
- Other employer contributions	190	208
Chief Financial Officer	925	774
- Pensionable salary	557	516
- Non-pensionable salary	169	70
- Bonus	46	43
- Housing allowance	13	12
- Other employer contributions	140	133
Defined contribution plan expenses	1 978	1 891
Social contributions (employer's contributions)		
Medical	716	706
UIF	70	64
Pension	1 156	1 084
Other salary related costs	36	37
Total	13 930	11 973
<p>During the 2017/18 year, a buy-out proposal for post-retirement medical aid for in-service staff was negotiated and paid, refer note 6. The buyout paid to senior Management (CEO and CFO) amounting to R307 000 and R 96 000 respectively is included under the non-pensionable salary portion. Furthermore, due to the change in reflecting salary production costs as part of the Intangible Assets costing relating to the Audio and Braille Section of the Library, the salary costs associated with this service has been retrospectively adjusted during the 2016/17 reporting period - refer note 2,3 and 24 reflecting the adjustments in this regard.</p>		
16 Marketing costs		
General marketing expenses	292	306
Total	292	306
17 Audit fees		
Audit fees	741	597
Total	741	597
<p>Refer note 24 for correction of prior period adjustment.</p>		
18 Other operating expenses		
Consultants, contractors and special services	329	381
Loss on foreign exchange	344	191
Daisy Player Project (DAC*)	1 925	149
African languages project	-	115
Tactile book project	4	2
Eastern Cape Library Project	1 489	1 536
Kwazulu Natal Library project	1 230	973
Mpumalanga Library project	338	995
Western Cape Library project	922	765
North West Library project	1 379	956
Northern Cape Library project	1 087	77
National Library of South Africa Library project	3 423	-
Library and information services	5	55
Josie Wood Trust	604	1 539
Book production services: audio and Braille (non capital cost)	56	214
Repairs and maintenance	604	422
Property and buildings	23	48
Motor Vehicles	36	25
Equipment	545	349
Research & Development	-	17
Travel and subsistence	453	600
Courier and delivery charges	99	74
Communication costs	280	269
Operating lease expense: equipment (Refer to note 18.1)	93	89
Total	14 664	9 419
<p>Refer note 24 for correction of prior period adjustment.</p>		

**SOUTH AFRICAN LIBRARY FOR THE BLIND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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		2018 R 000's	2017 R 000's
18	Other operating expenses cont.		
18,1	Operating leases: Equipment		
	Analysed as follows:		
	Minimum operating lease rentals	157	88
	Contingent operating lease rentals	-	-
		157	88
	SALB rents equipment under a non-cancellable operating lease for 60 months with option to renew.		
	Future commitments (including VAT) under non-cancellable operating leases are summarised as follows:		
		R 000's	R 000's
		Within 1 year	2 - 5 years
		Total	
2018	Minimum future lease payments	63	94
		157	
2017	Minimum future lease payments	47	41
		88	
	Escalation clause		
	There is no escalation clause.		
19	Fruitless and wasteful expenditure		
	Reconciliation of fruitless and wasteful expenditure:		
	Opening balance	-	-
	Fruitless and wasteful expenditure	2	-
	Transfer to receivables for recovery	-	-
	Fruitless and wasteful expenditure condoned by the Board	(2)	-
	Fruitless and wasteful expenditure awaiting condonement	-	-
		-	-
	The Board condoned the fruitless and wasteful expenditure that was incurred during the year		
20	Reconciliation of surplus to cash flows from operating, investing and financing activities		
20,1	Cash flows from operating activities		
	Surplus before interest and other gains	(974)	902
	Adjusted for:		
	- (Decrease) / Increase in employee benefits	(1 703)	243
	- Depreciation/Amortisation (Refer to notes 2 and 3)	2 025	1 958
	- Non-cash revenue from TIGAR beneficiary	(237)	(171)
	- Non-cash flow increase in provisions	4	16
	Operating cash flows before working capital changes	(885)	2 948
	Changes in working capital		
	- (Increase) / Decrease in trade and other receivables	(146)	59
	- Increase / (Decrease) in trade and other payables	707	(22)
		561	37
	Cash generated from operations	(324)	2 985
	Interest received	480	276
	Cash flows from operating activities	156	3 261
21	Related party transactions and balances		
	The two buildings occupied by the South African Library for the Blind are owned by the Department of Public Works (DPW) and have been occupied on an open ended lease with no fixed term. DAC pays DPW on behalf of SALB for related expenditure incurred.		
	Related Party transactions		
	Department of Arts and Culture - transfers and subsidies received	20 257	18 297
	Department of Arts and Culture and Public Works deemed revenue and expenditure for Water; Electricity expense for the building.	339	268
	Department of Arts and Culture - project grant income	6 646	5 418
	National Library of South Africa - project grant income	3 423	-
	Key management personnel		
	Refer to note 15 for remuneration paid to CEO and CFO.		
	Board members		
	Board fee	53	48
	<u>Board - 1 April 2016 - 30 Sept 2016 : 1 October 2016 - 31 March 2017</u>		
	R Rowland	24	13
	LS Nkosi	-	3
	M Watermeyer	2	4
	J Nair	-	3
	NN Rasmeni	-	-
	JS Matsebula	8	1
	Z Ally	-	-
	V Nyamathe	-	3
	TS Kekana	-	-
	X Yekani	-	5
	S Neerpath	7	3
	E Ramoaka	1	5
	N Ravgee	7	5
	Z Phakathi	4	3
	Related Party balances		
	Refer to note 9 for the balance of unspent conditional grants. All grants relate to the Department of Arts and Culture (DAC).		

**SOUTH AFRICAN LIBRARY FOR THE BLIND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

22 Major Variances in Statement of Comparison of Budget and Actual Amounts

Interest received in excess of budget amounted to approximately R 675 000.

There was an additional amount received in excess of budget amounting to R 362 000 which was received from Gifts, Sponsorships and Donations. The Library conservatively budgets for this class of income as it is not guaranteed and can vary from year to year.

The Mini-Libraries project funding from the six Provinces was not fully utilised due to staff turnover amongst other factors, as well as late receipt of funding from some Provinces. The overall savings of R 517 000 will be requested to be retained and used during the 2018/19 period.

The municipal charges expense is not budgeted for as it is an deemed income and expense item - R 377 000

There were also minor savings achieved on various other items of expenditure.

Use of Internal Income(Surplus Funds) was utilised as approved via budget process and Treasury approval to support the budget for the year.

23 Risk management

Interest rate risk / current investment risk

The current account and the investment account expose the Library to cash flow interest rate risk. Deposits attract interest at a rate that varies according to the prime banking rate / fluctuations in the financial sector/market.

The Library manages this interest rate risk by ensuring that all surplus funds are invested in fixed rate instruments and by maintaining the minimum possible balance in the current account. The interest rates on the fixed deposits are fixed, but vary from investment to investment.

The Library further manages the current investment risk throughout the year and meets with the portfolio manager on a regular basis.

Currency risk

The library undertakes certain transactions denominated in foreign currencies, either directly through the import of goods and services, or indirectly through the award of contracts to local importers which are priced in foreign currency. These transactions were mainly for playback devices, book titles and spares.

Stringent cash management procedure are in place. These include cash flow forecasting. A sensitivity analysis has not been performed and included as the Library is exposed to foreign exchange risk on a limited basis, as payments to the major foreign suppliers, RNIB and Humanware, are generally made in advance.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and debtors. The Library only deposits cash with major banks and financial institutions which have high quality credit standing and limits exposure to any one counter-party.

Adequate provision has been made for anticipated bad and doubtful debts. Additional information relating to the analysis of debtors is given in Note 7 to the financial statements. The maximum exposure to credit risk is the cash balance at bank and debtors, which may increase as a result of non payment by debtors or the bank.

Trade Receivables

Management evaluates credit risk on an ongoing basis. Factors such as past experience, payment history, the relationship with the debtor/customer and agreements are taken into consideration. No collateral is held for any debtor. Management is of the opinion that debtors disclosed at year-end are fully recoverable.

Liquidity Risks

The Entity's risk to liquidity is a result of the funds available to cover future commitments. Management evaluates liquidity risk through an ongoing review of future commitments and credit facilities. Management further manages the risk by monitoring its cash flow requirements. Management is of the opinion that the net carrying value of the liabilities approximate their fair value and that the entity has sufficient resources to settle its short-term liabilities.

Fair Value

At 31 March 2018 and 31 March 2017, the carrying values of financial instruments reported in the financial statements approximate their fair value.

	R 000's	R 000's
Financial Assets carried at Amortised Cost		
Cash and Cash Equivalents	11 424	7 928
Trade and other Receivables from exchange transactions	89	-
Other Current Financial assets	8	5
Current Investments	12 718	20 494
Financial Liabilities carried at amortised cost		
Trade and Other Payables from exchange transactions	2 405	1 698
Liquidity Risk		
	Less than 12 months	Greater than 12 months
As at 31 March 2018		
Trade Payables	1 058	-
Leave Gratuity accrual	885	-
Bonus Accrual	462	-
As at 31 March 2017		
Trade Payables	477	-
Leave Gratuity accrual	782	-
Bonus Accrual	439	-

SOUTH AFRICAN LIBRARY FOR THE BLIND
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2018

24 **Prior year adjustments**

After careful review of the findings issued by the Auditor General in 2016/17 which resulted in the Library receiving a qualified audit opinion, SALB Management have worked closely with all stakeholders to ensure the proper disclosures have been taken into consideration and the effect of the changes are detailed below. The magnitude of the material changes would not have been possible during the 2016/17 audit as it required detailed analysis. It is anticipated that these restated adjustments will provide more useful and reliable information to the users of the Financial Statements of the Library.

	2018	2017
	R 000's	R 000's
Statement of Financial Performance		
Interest Received		
Per audited financial statements	-	1 356
Prior period adjustment	-	(1 080)
Restated balance		<u>276</u>
Gain / (Loss) on sale of assets		
Per audited financial statements	-	-
Prior period adjustment	-	(7)
Restated balance		<u>(7)</u>
Gain on Fair value of financial instrument		
Per audited financial statements	-	-
Prior period adjustment	-	1 080
Restated balance		<u>1 080</u>
Gifts, Sponsorships and Donations		
Per audited financial statements	-	2 256
Prior period adjustment	-	170
Restated balance		<u>2 426</u>
Depreciation & Amortisation expense		
Per audited financial statements	-	(803)
Prior period adjustment	-	(1 155)
Restated balance		<u>(1 958)</u>
Staff Costs		
Per audited financial statements	-	(15 471)
Prior period adjustment	-	3 498
Restated balance		<u>(11 973)</u>
Audit Fees		
Per audited financial statements	-	(628)
Prior period adjustment	-	31
Restated balance		<u>(597)</u>
Other Operating expenses		
Per audited financial statements	-	(10 076)
Prior period adjustment	-	657
Restated balance		<u>(9 419)</u>
Net Effect on Statement of Financial Performance (Deficit) / Surplus		
Per audited financial statements	-	(944)
Prior period adjustment	-	3 195
Restated balance		<u>2 251</u>
Statement of Financial Position		
Property Plant and Equipment		
Per audited financial statements	-	1 867
Prior period adjustment	-	5 239
Restated balance		<u>7 106</u>
Intangible Assets		
Per audited financial statements	-	68
Prior period adjustment	-	57 735
Restated balance		<u>57 803</u>
Provisions		
Per audited financial statements	-	597
Prior period adjustment	-	(430)
Restated balance		<u>167</u>
Accumulated Surplus (reversal of audit fees provision)		
Per audited financial statements	-	0
Prior period adjustment	-	430
Restated balance		<u>430</u>
Non-Current Liabilities		
Per audited financial statements	-	10 601
Prior period adjustment	-	(6 771)
Restated balance		<u>3 830</u>
Current Liabilities		
Per audited financial statements	-	1 865
Prior period adjustment	-	6 771
Restated balance		<u>8 636</u>
Net Effect on Statement of Financial Position		
Per audited financial statements	-	30 630
Prior period adjustment	-	62 974
Restated balance		<u>93 604</u>

SOUTH AFRICAN LIBRARY FOR THE BLIND
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25 Changes in accounting policy, estimates and errors

2016/2017	Debit	Credit
Retrospective adjustment to opening balance of PPE Accumulated Surplus (Opening balance)	6 263	6 263
Retrospective adjustment to opening balance of Intangible Assets Accumulated Surplus (Opening balance)	53 618	53 618
Retrospective adjustment to opening balance of Provision Accumulated Surplus (Opening balance)	430	430
Accumulated Surplus Audit Fees (prior year)	31	31
Property Plant and Equipment Other Operating expenses	200	200
Intangible Assets Other Operating expenses Staff Costs Gifts, Sponsorships and Donations	4 117	448 3 498 171
Depreciation Braille Books PPE Accumulated Depreciation	1 167	1 167
Interest Received Gain on Value of Financial Instruments	1 080	1 080
Loss on sale of asset Other Operating expenses	7	7
Accumulated Surplus Depreciation Accumulated Depreciation	71	12 59

The entity has corrected the financial statements to comply with the requirements of GRAP 17 (PPE) and GRAP 31 (Intangible Assets), with respect to the capitalisation of Library Books and the associated Electronic Master File Records respectively. This has resulted in a prior period change in accounting policy, as the books were previously expensed. It is not possible to fully account for the retrospective changes as the past effects cannot be determined, consequently the adjustments have been retrospectively corrected from the 2016/17 opening balance of accumulated surplus as reflected above. Furthermore there were errors in the treatment of interest received vs gain on current investments and the treatment of audit fees as a provision and these have also been restated for 2016/17. Depreciation has also been corrected to reflect the correct method of accounting for the change of estimate and the accounting policy change for Braille books respectively. The overall restated movements for 2016/17 are further reflected in note 24 above.

26 Contingent liability

A former CFO (Alan Grootboom) brought a case of unfair dismissal against the library. The CCMA ruled in Mr Grootboom's favour and the library is appealing their decision in labour court. The case is on-going. The library's attorneys are of the opinion that the appeal will be decided in the library's favour.

SOUTH AFRICAN LIBRARY FOR THE BLIND
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27 Segment Reporting

1. The South African Library for the Blind (SALB) has identified the following services to be reported on as segments: Library Information Services; Audio Production and Braille Production (incorporating National Braille Consultancy). These three services are the core sections of SALB and meet the criteria set out to be disclosed as a reportable segment. The other services are more administrative in nature and will thus form part of the unallocated/central total. Furthermore only expenditure and specific sectional production assets is reported separately and reviewed for each of these segments, whilst revenue and liabilities are all central/unallocated.

2. Information reported about these segments is used by management as one of the basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

3. SALB has a National focus and we cannot distinguish our reporting per Geographic Area as the information is not classified as such in our records and it is not feasible for SALB to consider this approach. We do have partnership programmes with Provinces(Mini-Library Projects); however as we act as "agents" only, we are not reporting on this (the relationship is more to assist the Provincial Libraries with setting them up to cater for blind and visually impaired people; the resources/infrastructure do not belong to SALB; and hence the rationale not to report Geographically on this). Furthermore, expenditure incurred on the Mini-Libs are fully reimbursed by the relevant provinces.

2017/18 Financial year	Library Information Services	Audio Production	Braille Production including National Braille	Total
	R 000's	R 000's	R 000's	R 000's
Revenue				
n/a	-	-	-	-
Total segment Revenue	-	-	-	-
Expenses				
Salaries and wages	(4 412)	(1 358)	(2 072)	(7 842)
Licences - Library System	(131)	-	-	(131)
AP CD Casings	-	-	-	-
AP CD's	-	(44)	-	(44)
BP Paper	-	-	(9)	(9)
Other	(21)	(5)	(6)	(32)
Total segment Expenses	(4 564)	(1 407)	(2 087)	(8 058)
Total segment Deficit	(4 564)	(1 407)	(2 087)	(8 058)
Interest Revenue - Unallocated	-	-	-	480
Other gains - Unallocated	-	-	-	1 247
Other unallocated/central Revenue	-	-	-	31 861
Interest Expense	-	-	-	-
Depreciation and amortisation - unallocated/central	-	-	-	(2 025)
Other unallocated/central Expenses	-	-	-	(22 752)
Surplus for the Period				753

Assets				
Segment assets (production process)	-	38 049	29 357	67 406
Unallocated/central assets	-	-	-	26 711
Total Assets				94 117

Liabilities				
Segment liabilities (n/a)	-	-	-	-
Unallocated/central Liabilities	-	-	-	12 226
Total Liabilities				12 226

Other Information				
Capital expenditure - unallocated/central	-	-	-	6 701
Accrued expenditure - unallocated/central	-	-	-	369
Deferred revenue - unallocated/central	-	-	-	7 523

NB : There are no inter-segmental transactions and therefore no eliminations required.

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		2018	2017
		R 000's	R 000's
28	Irregular Expenditure		
	Opening balance	-	971
	Add: Deemed Irregular expenditure	-	-
	Less: Condoned or written off by relevant authority	-	(971)
	Less: Transfer to receivables for recovery – not condoned	-	-
	Irregular expenditure awaiting condonement	-	-

29 Accounting Authority

From 1 October 2013 to 30 September 2016

Dr WP Rowland; Ms L S Nkosi; Mr Zaheer Ally ; Mrs N N Rasmeni; Adv TS Kekana
 Mr J G Nair; Ms JS Matsebula, Ms VG Nyamathe, Mr MS Watermeyer

From 1 October 2016 to 30 September 2019

Dr WP Rowland; Ms JS Matsebula, Ms VG Nyamathe, Mr MS Watermeyer
 Mr X Yekani; Dr S Neerputh; Ms E Ramaoka; Mr N Ravgee; Ms Z Phakathi

Senior Management

Mr Francois Hendrikz (CEO/Director)
 Mr Yasheen Ramcharan (CFO)

A TRIBUTE TO OUR DONORS

Gold Donors

Josie Wood Trust 350 000,00

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The Joy & Neville Wood Trust 63 000,00

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Bradfield Foundation 10 000,00

Estate Late - M Mitchell 10 000,00

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FG Connock Charity Trust 7 500,00

Frank Flo Baker Trust 7 367,82

WW Richardson 6 825,59

Mr RM Hudson-Bennet 5 000,00

CM de Kock 5 000,00

HJ Bestbier 5 000,00

Fedbond AE Swart 4 321,41

MJ Beswick 3 300,00

O Woodgrove 2 500,00

E Rushmere 2 000,00

L Fourie 2 000,00

Mrs S Newtown 2 000,00

G Ackerman 1 500,00

Mr JH Herdman 1 400,00

CJ McCallaghan 1 200,00

LL Uys 1 200,00

PJ Asher 1 200,00

A Mann 1 000,00

CE Bradfield 1 000,00

JH Herdman 1 000,00

Mary Dutton 1 000,00

Mrs Anschen van Zyl 1 000,00

RM Frost 1 000,00

Van der Westhuizen 1 000,00

Mrs L du Preez 1 100,00

ACKNOWLEDGEMENTS

The Board and Management of the Library for the Blind wish to express their gratitude to the Department of Arts and Culture, who ensure that the subsidy received by the Library enables it to provide a sustainable and indispensable service to the blind and print impaired community of South Africa in the medium to long term. Their continued support is greatly appreciated.

PASA (Publishers Association of South Africa), as the representative body of the South African publishers, is acknowledged for their ongoing support and belief in providing reading material and content to blind and visually impaired people of our population in accessible formats.

Many of the Library's objectives and specific projects would not be possible without the continued and generous support of our donors which include all bequests received. These donations make it possible for the Library to add value to the services and products offered by the Library to our members.

A warm special thank you is extended to our valued team of volunteer narrators, transcribers, copy-typists and proofreaders. Without your commitment and loyal support, the major part of our book production would not be possible.

Finally and most importantly, sincere appreciation is extended to the staff of the Library - a dedicated team of people who strive for excellence at all times. Keep up the good work and thank you very much for your contribution.

SOUTH AFRICAN LIBRARY FOR THE BLIND

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