

**SOUTH AFRICAN
LIBRARY FOR THE BLIND**



**SOUTH AFRICAN
LIBRARY FOR THE BLIND**

An agency of the
Department of Arts and Culture

2017

ANNUAL REPORT
1 APRIL 2016 TO 31 MARCH 2017

SOUTH AFRICAN LIBRARY FOR THE BLIND

2017



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 2016 to 31 March 2017

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)

RP211/2017

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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/S:	+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: 2016/2017



The term of the previous Board came to an end in September 2016. According to the South African Library Act the Minister of Arts and Culture is mandated to appoint a new Board for a three-year term. Members may serve two terms. Four members were eligible and appointed for a second term. The 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 Neerputh, Ms Zamaswati Phakathi, Ms Elizabeth Ramaoka, Mr Nieleah Ravgee and Mr Xolisa Yekani. The new members were introduced to the Library and briefed on their role and function during a two-day induction meeting that took place during October 2016. The new Board is looking forward to working with Management to ensure compliance on governance level and to ensure library services that will benefit all library members.

The oversight responsibilities of the Board of the South African Library for the Blind are guided by two principal documents, i.e. the South African Library for the Blind Act and the Shareholder's Compact. The Compact contains various documents including the library's Strategic Plan and the Annual Performance Plan. The Shareholder's Compact was officially accepted and signed by the honourable Minister of Arts & Culture, Nathi Mthetwa on the 8th of April 2016 in Pretoria. The Board of the South African Library for the Blind monitored the implementation and progress of the Library's performance based on the mentioned documents during three meetings in July and September 2016 and in March 2017. The Board considered and approved the Annual Financial Statements of the Library during the July meeting as well as the Auditor's Report.

Revenue for 2016/2017 increased by 7% from the previous year to R27 600 320. Expenditure increased by 8% as well to R28 544 553. The Subsidy from DAC represents 6.5% of the total expenditure and has increased year-on-year by 5.3% compared to the previous financial year. The rest of the revenue was raised by the Library through various other means. The Library continued to expand the establishment of Mini-Library service points in public libraries in partnership with five Provincial Governments, i.e. the Eastern Cape, KwaZulu-Natal, North West, Western Cape and Mpumalanga.

The Board noted with regret that the Auditor General (AG) Eastern Cape raised a qualification in the Audit Report. This is the first qualification received by the Library in the more than 15 years of audits performed by the AG's Office. The Board is of the view that the qualification of the type of library books as produced and circulated by the Library not being recognised as assets according to GRAP 17 and 31 is vague when applied to the nature of the work of the library and the type of library material administered by the Library. The Board is disappointed that the Office of the AG was not willing to work with the Library to find a workable solution as proposed by Library Management. It is also unfortunate that the Office of the AG did not consider the consequences of the qualification on the work of the library

especially as it relates to the good name of the library as well as its fundraising efforts.

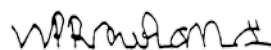
The Board approved the 2017/2018 annual budget as well as the Annual Performance Plan of the Library during the September 2016 meeting. The Board has raised its concern that the annual budget allocation received from the Department of Arts and Culture only provides for a below inflationary adjustment with no funding to make enterprise development possible. Being the only library for blind people in South Africa this makes it extremely difficult to increase the production of accessible reading material and to expand the delivery of library services to more blind people. Although it is the ambition of the Board and the Management of the Library to serve the majority of the blind and visually impaired people of South Africa, it is not possible with the current and past budgetary support received from the Department.

The maintenance of the Post-Retirement Medical Aid benefits in the budget is creating an increasing liability for the Library which cannot be sustained. Although the Management of the Library is exploring alternatives to find a solution to this financial responsibility the Board would urge the Department to join the Library in its efforts to find a suitable financial solution for this challenge.

The Library was honoured to host the Minister and Provincial MECs during June 2016 when they were briefed about the Library and taken on a tour through the Library facilities. It was brought to the attention of the Minister that the budget for the procurement of playback devices is a challenge. Listening to an audio book for blind people is not possible without an assistive device. The Library has been able, over many years, to provide an assistive reading device free of charge to all its registered members. These devices are imported from an International supplier due to the advanced technologies involved. In the past funds from the Library's capital budget were utilised since no other funding was made available for this specific procurement. The Board has noted with extreme concern that the use of this budget was terminated by the Department with no alternative funding option put in place. The Board sent a letter to the Minister of Arts & Culture during September 2016 requesting the assistance of his office in this matter.

Although the White Paper on Arts, Culture and Heritage was not concluded by the Department during the past financial year the Board submitted written submissions to the Task Team for consideration as part of the Governance of the Library and its unique position within the disability sector of South Africa.

The Board is satisfied with the progress made by the Library to expand its services in partnership with external stakeholders and to improve compliance and internal policy and procedural matters. The Library is proud of its 98 years of service delivery to the blind and visually impaired community in South Africa and would call on the Ministry of the Department of Arts & Culture to strengthen its support to the Library to deliver on its mandate.



Dr W Rowland

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

4. DIRECTOR'S REPORT: 2016/2017



The Board and Management of the Library committed to the achievement of 22 objectives in the Annual Performance Plan of 2016/2017. The various sections of the Library, i.e. Library Services, Audio Production, Braille Production, National Braille Consultancy, Technical Services, Marketing and Administration were jointly

responsible for the objectives. 19 (86%) of the objectives were achieved for the financial year. The three objectives not fully achieved were the cataloguing of Braille titles which were due to staff changes resulting in missing the target with 5%. The circulation of reading material fell short by 4% due to challenges experienced with the South African Post Office in terms of distribution. This matter will be addressed with the executive of the Post Office during 2017. The third target not achieved is the maintenance of playback devices. This target is categorised as quantitative instead of a qualitative target and will be corrected during the next planning cycle. All devices were serviced and returned to members in good time and there were no backlogs.

The Library is proud of the fact that 748 new members were registered bringing the total membership of the library to 6,452. We established 29 Mini-Libraries to make public libraries accessible for blind people especially in rural areas in partnership with Provincial Library Authorities and we added 524 audio tiles and 370 Braille titles to the library's collection.

The Library appointed a Senior Manager Information Technology on contract for five years. The main objective of the position is to guide the Library Board and Management on the development and implementation of the Library's Information Technology Plan. One of the main objectives in the plan is the replacement of the current Library Management System. This system has been in place for the past 12 years and served the library well in terms of member data and collection data management as well as various other administrative support functions. With the fast pace of technology development, it became apparent that it was time for a new system to support the current needs and demands of the Library. An extensive specification document was drafted and advertised for tender. The company called Universal Knowledge Software (Pty) Ltd was appointed to provide the Library with a new Library Management system. Implementation will take place in the new financial year.

The Library is highly dependent on the work performed by the 137 volunteers to assist the library with the production of audio and Braille books. To express our appreciation an event was organised at the library to thank them for their work. These volunteers are not all residing in Grahamstown and three staff members undertook a road trip to visit some of the volunteers who made a huge contribution over a long period of time. The gesture was appreciated by all. The Director accompanied by two staff members visited Mr. Vink Roux in George who had to retire due to age and medical reasons to present him with a special trophy. He narrated 405 books over a period of 13 years. This is the most books narrated by one narrator in the history of the Library. The work of Mr Roux will remain a legacy that will

be appreciated by members of the Library long into the future and is appreciated.

The unique role and function of the Library requires staff with specialised and scarce skills and experience. Training and development of our staff therefore is an ongoing but focussed commitment by Library Management. Five staff members received study grants for formal qualification studies, 6 staff members attended a Safety, Health and Environment (SHE) Representative training course offered by Nosa, 30 staff members attended a two-day internal training workshop on Office Administration skills and the Management team received training on Initiating and Investigating Disciplinary Action. Other training workshops and conferences and seminars were also attended by numerous staff members.

During the reporting period, as a continuation of its drive to improve the exposure for blind or visually impaired learners to the employment environment, the SALB managed to bring 2 blind and 2 partially sighted learners to the Library for a period of 1 week each. Two of the learners were from Filadelfia Secondary School in Gauteng and two from Bartimea school for the Blind and Deaf in Thaba Nchu. During the week spent by the learners at the SALB, they are taken through the various sections of the Library to explain to them what type of work is commonly done in each of the respective sections of the SALB. As far as possible, the learners also perform a few functions themselves. Positive feedback was received from all four learners.

The growing Provincial Mini-Library project, funded by the respective participating Provincial Departments of Sport, Recreation, Arts and Culture also allowed for the SALB to appoint a Senior Project and Mini-Libraries Coordinator to oversee the now 8 Project staff members of the 6 participating provinces.

A new employment equity committee was established during the year under review, who attended formal training to fulfil their role. During the year under review the committee successfully prepared a new Employment Equity Plan for the SALB for the period 1 April 2016 to 31 March 2019 and was involved in the formulation and finalisation of the Employment Equity Report submitted to the Department of Labour on 9 December 2016. An inspection of the records of the committee by a Labour Inspector on 21 November 2016, revealed no flaws in the specific Employment Equity records reviewed.

Two Interns – one administrative and one Librarian continued their internship programme during the year under review. On 20 March 2017, the Library also appointed another Administration Intern. The person appointed in the position is blind and speaks to the intention of the Library to assist as far as possible with increasing opportunities for blind and visually impaired persons to learn and develop themselves.

During July 2016, as part of the Mandela month initiative, the SALB participated in two outreach programmes – one to the ACVV Senior Citizens in Grahamstown, and the other to a shelter for children in Joza in Grahamstown. From donations received from staff members and the local Pick and Pay, the Library managed to purchase a great deal of food and toiletry items to make up hampers and presented it to the two organisations.

The Library will be celebrating its 100 years of service delivery to blind and visually impaired people in 2019. As

part of the centenary celebrations a book will be launched telling the history of the library. After following the required Tender Procedures Ad Empire was appointed to compile the publication. The research work commenced during the reporting period.

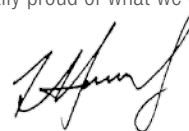
The Director of the Library was appointed by the Minister of Arts & Culture as the Chair of the Legal Deposit Committee. This Committee is appointed according to the Legal Deposit Act of South Africa and responsible to oversee Legal Deposit matters in partnership with the 5 legal deposit libraries in South Africa. The Legislation is currently under review and it is planned that the South African Library for the Blind will become the 6th Legal Deposit library for reading material that could be used for the benefit of blind people. The Director was also invited by the African Section of the International Federation of Library Associations to present a paper on the Marrakesh Treaty and its status and impact in South Africa. The presentation took place at the University of South Africa and was streamed via the Internet to other African Countries.

The Office of the Auditor-General Eastern Cape raised a qualification with reference to the library books not being acknowledge as assets according to the Standard of Generally Recognised Accounting Practice (GRAP)

17 and 31. Although Management indicated to the Auditor General Eastern Cape that the library did comply to the requirements it was rejected based on their interpretation of the GRAP. There are various grey areas in the two GRAPs pertaining to how it applies to the unique work environment of the library. The Office of the AG Eastern Cape persisted that their unilateral interpretation of the GRAP was the only correct one. Library Management proposed various solutions to address the problem as a sustainable solution. The Department of Arts & Culture supported the Library in a letter to the Office of the AG but that was also rejected by the Office of the AG Eastern Cape. Despite the unyielding response by the Office of the AG Eastern Cape, Library Management is committed to find a workable solution to the challenge during the new financial year in partnership with Internal Audit, the Audit Committee and other external structures.

After 98 years of service delivery to the blind and visually impaired community of South Africa there are still vast number of opportunities to improve and expand services but we are equally proud of what we could achieve this past financial year.

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.

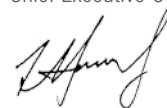
The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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 2017.

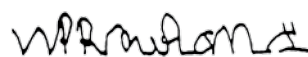
Chief Executive Officer



F Hendrikz

July 2017

Chairperson of the Board



Dr W Rowland

July 2017

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 program.

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 and as well as its languages.



9. SALB STAFF MARCH 2017



Back Row: Rostienne Mager, Mark Bridger, Anele Moko, Malibongwe Nquma, Andrew Brooks, Michael Moodie, Johan Nel, Neels de Lange, Cornelia Ntengu, Vuyolwethu Kampu, Tasmin Jattiem

Third Row: Thembile Gxekwa, Wiseman Mposula, Llewellyn Stevens, Likhaya Jodwana, Florence Jadi, Xola Kila, Londiwe Radebe, Petro Taai, Nombasa Kate, Melton Kivitts, Xolisa Mqubuli, Helen Samuel, Loyiso Kalashe

Second Row: Charlene Prince, Hayley Loutz, Monica Bekwa, Linda Ngaleka, Yasheen Ramcharan, Francois Hendrikz, Pumla Mahanjana, Sinazo Afrika, Esmeralda Oosthuizen, Felicity Booysen

Front Row: Lizeka Qumza, Portia Mqeke, Faith Williams, Luke Adriaan, Unathi Ngangani, Patricia Magabie, Vuyokazi Mandongana

Absent: Natasha Agnew, Pasha Alden, Ntombizodwa Gqolodashe, Nomfuneko Melitafa, Arnold Sphere, Noluvuyo Yona

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 page 38 of the Report of the Auditors Report, published as 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
- Organizational 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 digitized 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 skill development and employment. The SALB will initiate an annual program 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 term of the previous Board came to an end in September 2016. According to the South African Library Act the Minister of Arts and Culture is mandated to appoint a new Board for a three-year term. Members may serve two terms. Four members were eligible and appointed for a second term. The 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 Neerputh, Ms Zamaswati Phakathi, Ms Elizabeth Ramaoka, Mr Nileshe 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 2017/2018 Financial Year was approved by the Board during September 2016.

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 program 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 and 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 program 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;
- Revitalizing 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 86% out of the total of 22 objectives set for the year. The rest of the objectives were partially achieved.

3. PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVES

3.1. Programme 1: Administration

Sub-programme Human Resource & Support Services

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
To expand the library's Human Resource base with the appointment of 2 new staff members as full time employees in 2016/17	3	2	2	-	-
To engage and develop the skills of 4 blind and or visually impaired learners through an Apprenticeship Program in 2016/17	4	4	4	-	-
To develop a formal Staff Induction Program by 31 March 2016	1	-	-	-	-
To reach out to 1 African country to develop capacity to render Library and Information Service to blind and visually impaired people in 2016/17	2 (Nigeria and Zambia)	1	2 (Chad and Nigeria)	+1	Positive Interest received during the year

3.2. 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

Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
To catalogue 520 audio book titles to the Library's collection in 2016/2017	524 new audio titles added to the catalogue	520	524 new audio titles added to the catalogue	+4	Within 5% of target deviation approved by the Board.
To catalogue 390 Braille book titles to the Library's collection in 2016/17	380 new Braille titles added to the catalogue	390	380 new Braille titles added to the catalogue	-10	Within 5% of target deviation approved by the Board.
To catalogue 1 Braille Magazine title in 2015/16	1 - The Fin-week was added to the catalogue	-	-	-	-
To catalogue 1 Braille newspaper title in 2015/16	1 - The Sunday Times Newspaper was added to the catalogue	-	-	-	-
To register 650 new library members in 2016/17	661 members registered	650	748 members registered	+98	Positive interest shown during Outreach Programmes initiated to encourage membership.
To establish 28 new Mini-Libraries in 2016/17	13 Mini-Libraries established	28	29 Mini-Libraries established	+1	Within 5% of target deviation approved by the Board.
To circulate 127 406 reading material in 2016/17	125 354 items circulated	127 406	122 524 items circulated	-4 882	The target could not be met due to challenges experienced with SA Post Office; closure of some Post Office Sites and delays in deliveries.
To download 80 TIGAR files in 2016/17	224 TIGAR files downloaded	80	178 TIGAR files downloaded	+98	Staff gained competency in using the system and the process is more streamlined; thus, more titles were downloaded free of charge and copy right cleared.

Sub-programme 2.2: Braille Production

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Produce 240 SALB Braille titles in 2016/2017	242 Braille titles were produced	240	242 Braille titles were produced	+2	Within 5% of target deviation approved by the Board.
Process 150 supplier Braille titles in 2016/2017	131 supplier titles were produced	150	157 supplier titles were produced	+7	Within 5% of target deviation approved by the Board.
Produce 1 new Braille Magazine title in 2015/2016	1 - The Fin-week was produced in Braille	-	-	-	-
Produce 25 Indigenous Braille titles in 2016/2017	20 new indigenous language Braille titles were produced	25	26 new indigenous language Braille titles were produced	+1	Within 5% of target deviation approved by the Board
Produce 1 new Braille Newspaper title in 2015/16	1 Braille newspaper, The Sunday Times was produced	-	-	-	-

Sub-programme 2.3: Audio Production

Strategic objectives, performance indicators planned targets and actual achievements

Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Production of 250 SALB audio titles in 2016/2017	Produced 242 newly narrated digital audio book titles	250	Produced 254 newly narrated digital audio book titles	+4	Within 5% of target deviation approved by the Board.
Process 270 supplier digital audio titles in 2016/2017	Processed 275 supplier audio digital titles	270	Processed 280 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	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2016/2017	Comment on Deviations
To produce 70 pre-school picture books in 2016/2017	26 tactile books produced	70	70 tactile books produced	-	-
To provide training in Braille standards and facilitate the reading of tactile picture books at 4 special schools in 2016/2017	4 schools received training in UBC	4	4 schools received training in UBC	-	-
To update a Braille SiSwati training manual in 2016/2017	1	4 progress reports for publication	4 progress reports complete	-	-
Plan and administer 2 Braille Transcriber Examinations in 2016/17	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	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2016/2017	Comment on Deviations
Service 1 200 digital playback devices in 2016/2017	933 Players were serviced	1 200	992 Players were serviced	-208	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 645 digital playback devices for distribution through Library Services in 2016/2017	744 Digital players were distributed to new Library members.	645	908 Digital players were distributed to new Library members.	+263	More digital players were distributed due to the increase in membership, i.e. individual and Mini-Libraries, which is a positive indicator.

3.3 Programme 3: Public Engagement

Sub-programme - Marketing

Strategic objectives, performance indicators planned targets and actual achievements

Strategic Objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from Planned Target to Actual Achievement for 2016/2017	Comment on Deviations
Outsource the research, writing and publishing of a publication about the 100 year history of the Library for 2016/2017	1	2 progress reports	2 progress reports complete	-	-
Draft a Centenary Celebration event plan by March 2017	1	1 event plan	1 event plan drafted	-	-



Y Ramcharan
CFO

31 May 2017



F Hendrikz
Director

31 May 2017

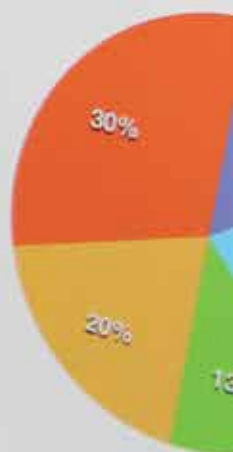
PART C: GOVERNANCE

Column, bar, and pie charts compare values in a single category, such as the number of products sold by each salesperson. Pie charts show each category's value as a percentage of the whole.



Fund

PARTICIPANT
Andy
Chloe
Daniel
Grace
Sophia



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

No Portfolio Committee meetings were scheduled during 2016/17.

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 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 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 Neeruputh	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 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 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 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	12 668,15
Ms LS Nkosi	2 571,38
J Nair	2 970,00
M Watermeyer	3 874,50
Ms JS Matsebula	1 566,00
Ms V Nyamathe	3 171,00
Ms E Ramoaka	4 815,00
N Ravgee	4 815,00
Dr S Neerputh	3 210,00
X Yekani	4 815,00
Ms Z Phakathi	3 210,00
TOTAL	47 686,03

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 programs 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
C Grobler	Chartered Accountant & Registered Auditor	External		Thursday, 01 October 2015		3
Mr Leon Coopasamy	Chartered Accountant	External		Wednesday, 01 June 2016		1
H 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 minimize 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 OHS&E Act, 85 of 1993, in the following manner:

Health and Safety Representatives: Compliance according to H&S 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 4 Health and Safety Representatives for just over 40 employees.

First Aid: Compliance according to H&S act: One First Aider must be available during a shift. The SALB has a minimum of 3 qualified First Aiders per shift.

H&S Committee: The Representatives must have regular meetings to discuss OH&S issues. This has been changed in the new Act to a H&S 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 3 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 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 program. 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 2017.

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*
 - Human Resources ('HR')
 - Supply Chain Management
 - Asset Management Review
 - Performance Information Management
 - IT Governance and General Controls review
 - Follow up on previous audit findings
 - Review of Cash and Bank
- *Audit 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.*

In-Year Management and Monthly/Quarterly Report

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

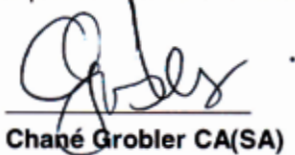
Evaluation of Financial Statements

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 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.



Chané Grobler CA(SA)

Chairperson of the Audit Committee

South African Library for the Blind

25 July 2017



PART D:
HUMAN RESOURCES
MANAGEMENT

1. INTRODUCTION

OVERVIEW OF HR MATTERS

A total of 10 appointments were dealt with during the 2016/2017 financial year. All appointments were contractual and from designated groups. One of the African male employees was appointed for a five-year contract period as Snr Manager: IT; 6 contract appointments were made to the Provincial Mini-Library project positions (which have grown extremely well over the years); two were Internship appointments; and one was a leave replacement for a staff member that was on extended sick leave.

Seven terminations were also dealt with during the year under review. Of those, 4 were contract workers, one was an Intern and two were from the permanent establishment. Two were African male employees, four were African female employees and one was a Coloured male employee.

The skills development fund of the SALB was once more well utilised for staff development during the review period.

Two blind and two partially sighted pupils were again engaged in the Apprenticeship programme at SALB during the past financial year.

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

Despite the financial challenges experienced, the SALB managed to appoint the two employees, as set out in its annual performance target for the Human Resources Section. These appointments relate to growing the SALB establishment, and not appointments due to normal staff turnover. Both these appointments were critical and because of the financial constraints were for extended contract periods. The one candidate was appointed as Snr Manager: IT for a five-year contract period and he has already made great strides towards assisting SALB to improve its Information Technology processes and protocols, and risk management matters relating to IT, to mention but a few. The other appointment was for a three-year contract period to oversee the Provincial Mini-Library Project Coordinators, which have grown to 8 positions over the years.

SALB also brought to action its commitment to reach more blind and visually impaired persons with developmental opportunities. Two blind and two visually impaired learners have visited the Library again this financial year, from two different schools for the Blind, on the Apprenticeship programme. The programme exposes the scholars to the different work environments within the SALB for them to have a better understanding of what any one of those work disciplines entails. We believe that this exposure could aid in them making future career and/or developmental decisions based on what they have experienced here at SALB. Also, they return to their respective schools with a greater awareness of SALB and the services we render for the blind and visually impaired, which they can relate to their peers. Furthermore, SALB also appointed an Administrative Intern, who is blind, for a twelve-month internship period. He too could gain valuable working experience during his Internship period.

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

Although great strides have been made to grow the number of employees from the African population group, it remains challenging to attract and retain such employees due to less competitive salaries offered at SALB. The SALB frequently finds itself having to re-advertise vacancies to attract and appoint suitably qualified candidates from designated groups and often needs to replace a staff member from a designated group that found alternative employment, often within the first year or two of employment.

Despite the challenges experienced, SALB managed to appoint 4 African male, 5 African female and one White female employee during the year under review. One of the African male employees is also a blind person. One African male employee was appointed as Snr Manager: IT, which is at the Professionally Qualified Occupational level at SALB. Two African male, three African females and one White female were appointed at the Skilled Technical level and one African female was appointed at the Semi-skilled level.

EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

Because of the dedication and hard work of its staff members, most of the performance targets for the SALB, as set out for the 2016/2017 financial year, were achieved by all Departments. The targets that were not fully achieved were outside of our control. This achievement is noteworthy as it was reached even though the SALB was unable to fill all vacant positions at the level required and on a permanent basis. Due to funding constraints, the Library appointed a Librarian Intern as opposed to a Snr Cataloguer during the financial year, as the financial sustainability of the Snr Cataloguing position was not possible.

Financial constraints drastically limit the ability to optimally reward high performing staff at SALB. 30 staff members however received some form of financial recognition for good performance during the prior financial period. SALB Management appreciates the dedication and continued hard work of those staff members and encourage all staff to continue giving of their best.

EMPLOYEE WELLNESS PROGRAMME

To generate teamwork and improve the SALB corporate culture, a platform for staff to engage on a less-formal level with one another is created through the SALB Staff Wellness Programme. As part of the programme one event per month, of approximately 1 hour in duration, is arranged during which staff either listen to a motivational speaker, or receive coaching/guidance with regards to budgeting and/or financial planning, or staff engage in a physical activity such as indoor games, etc. Arrangements were also made for qualified staff from the local clinic to come to the Library and do screening tests for our staff that were interested in having tests done. Such voluntary testing included blood-sugar level, blood pressure, and/or HIV/AIDS, screening tests and counselling, etc.

ACHIEVEMENTS

Two blind, and two partially sighted scholars participated in the Apprenticeship programme of the Library during the 2016/2017 period. They were pupils from Filadelfia Secondary School in Gauteng and Bartimeas school for the Blind and Deaf in Thaba Nchu. 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.

The Skills Development Fund of the SALB was again optimally utilised during the 2016/2017 financial year. Five staff members utilised funding for formal qualification studies; 3 staff members attended external short courses, 30 staff members attended a two-day in-house training workshop on Office Administration skills, 5 staff members attended an in-house Safety, Health and Environmental Representative training course, and the Management and Senior Management staff attended a two-day in-house training workshop on Discipline and Charring Disciplinary Hearings. Several staff members also attended various conferences and seminars.

Two staff members completed 10 years of service at the Library during the 2016/2017 financial year.

HR CHALLENGES FACED BY THE SA LIBRARY FOR THE BLIND

The national financial crises presents the greatest challenge in the Human Resources environment, as it restricts SALB's ability to grow and expand the establishment at the rate, and the level of expertise that SALB require it to grow. Although great strides have been made towards appointing suitably qualified, South African citizens from the African population group, there is a greater challenge towards attracting suitably qualified African male employees as opposed to female employees. A further challenge is to retain employees from the African group. This was especially the case at the position of Librarian of late.

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)	23 242	14 849	64	48	322
Snr Projects Coordinator		352		1	352
DSRAC EC Project	1 536	499	32	2	250
KZN Library Project	974	501	51	2	250
Mpumalanga Library Project	995	339	34	1	339
Northern Cape Library Project	77	27	35	1	27
North-West Library Project	956	318	37	1	318
Western Cape Library Project	765	348	45	1	348

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	1 225	8	1	1 225
Professional Qualified	3 081	21	5	616
Skilled	6 514	44	18	362
Semi-skilled & others	3 633	24	19	191
Unskilled	396	3	5	79
TOTAL	14 849	100	48	309

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 r Rewards	Personnel Expenditure (R'000)	% of Performance Rewards to total personnel cost (R'000)
Top Management			
Senior Management	21	1 225	1.71
Professional Qualified	39	3 081	1.27
Skilled	59	6 514	0.91
Semi-skilled & other	45	3 633	1.24
Unskilled	3	396	0.76
TOTAL	167	14 849	1.12

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	14 849	77	0.52	5	15.4
Skills Development & Training	14 849	101	0.68	47	2.15
Conferences & Seminars	14 849	51	0.34	9	5.67

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	2015/2016 No. of Employees	2016/2017 Approved Posts	2016/2017 No. of Employees	2016/2017 Vacancies	% of Vacancies
Full Time Staff	47	54	48	6	100
Snr Mini-Library Projects Coordinator	0	1	1	0	0
EC Library Project	1	2	2	0	0
KZN Library Project	1	2	2	0	0
Mpumalanga Library Project	0	1	1	0	0
Northern Cape Library Project	0	1	1	0	0
North-West Library Project	1	1	1	0	0
Western Cape Library Project	1	1	1	0	0

NOTE: The table above reflects staff totals as at 31 March 2016 and 31 March 2017. Some vacancies are unfunded and/or frozen due to financial constraints

Programme/Activity/Objective	2015/2016 No. of Employees	2016/2017 Approved Posts	2016/2017 No. of Employees	2016/2017	% of Vacancies
Top Management					
Senior Management	1	1	1	0	0
Professional Qualified	4	5	5	0	0
Skilled	29	22	18	4	67
Semi-skilled	13	21	19	2	33
Unskilled		5	5	0	0
TOTAL PERMANENT STAFF	47	54	48	6	100
Project Staff	4	9	9	0	0

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	4	1	0	5
Skilled	29	1	2	28
Semi-skilled	13	1	1	13
Unskilled	1	1	1	1
TOTAL	48	4	4	48
Project staff	6	6	3	9

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death		
Resignation	4	57
Dismissal		
Retirement		
Ill health		
Expiry of contract	3	43
Other		
TOTAL	7	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	5
Verbal/1st Warning	14
Written Warning	1
Final Written Warning	1
Dismissal	

Equity Target and Employment Equity Status

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	9	4	4			1	1
Semi-skilled	3	5	5	5				
Unskilled	2	2						
TOTAL	11	17	9	9	1	1	3	3

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	3	3			3	3
Semi-skilled	7	7	5	5				
Unskilled	2	2	1	1				
TOTAL	24	24	9	9			3	3

Levels	DISABLED STAFF			
	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 2017

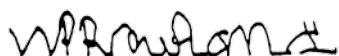


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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

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 a :



Dr W Rowland
Chairperson
Date: 31 July 2017

F Hendrikz
Director (CEO)
Date: 31 July 2017

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the South African Library for the Blind set out on pages 44 to 68, which comprise the separate statement of financial position as at 31 March 2017, the separate statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information 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, except for the possible effects of the matters described in the basis for qualified opinion section of my report, the separate financial statements present fairly, in all material respects, the separate financial position of the South African Library for the Blind as at 31 March 2017, 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 qualified opinion

Property, plant and equipment

3. The entity did not account for its Braille reading materials as property, plant and equipment in accordance with the recognition requirements of GRAP 17, property plant and equipment. I could not determine the extent of the understatement of property, plant and equipment in note 5 to the financial statements due to the entity not having a policy and system in place to account for these reading materials. Consequently, I could not determine the effect of this understatement on accumulated surplus.

Intangible assets

4. The entity did not account for the audio recordings and Braille electronic records as intangible asset in accordance with the recognition criteria of GRAP 31, intangible assets. I could not determine the extent of the understatement of intangible assets in note 6 to the financial statements due to entity not having a policy and system in place to account for these electronic records. Consequently, I could not determine the effect of this understatement on accumulated surplus.

Cash and cash equivalents

5. The entity did not appropriately classify net gains from fair value adjustments on its financial instruments appropriately as required by GRAP 104, financial instruments and GRAP 2, cash flow statements. Investments amounting to R15,7 million (2015-16: R17 million) have not been separately disclosed in note 8, cash and cash equivalents to the financial statements. Furthermore, gains from the fair value adjustment have been recognised as interest received, resulting in an overstatement of interest received and an understatement of net gains from fair

value adjustments of R725 608 (2015-16: R1,1 million) in the cash flow statement and note 3, interest received to the financial statements. The entity's accounting policy does not include its criteria on recognising its cash and cash equivalents at fair value.

6. 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 separate financial statements section of my report.
7. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with 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.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Accounting authority's responsibility for the financial statements

9. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the separate financial statements in accordance with South African 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 separate financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the separate financial statements, the accounting authority is responsible for assessing the South African Library for the Blind'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 public entity or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the separate financial statements

11. My objectives are to obtain reasonable assurance about whether the separate 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.
12. A further description of my responsibilities for the audit of the separate financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

13. 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.
14. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. 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.
15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Sub-programme 2.1 - Library and information service	17
Sub-programme 2.2: Braille production	18
Sub-programme 2.3: Audio production	19
Sub-programme 2.4: National Braille consultancy	20
Sub-programme 2.5: Technical services	21

16. 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.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for the above programmes.

Report on audit of compliance with legislation

Introduction and scope

18. 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 public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
19. The material findings in respect of the compliance criteria for the applicable subject matter are as follows:

Annual financial statements

20. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1) (a) and (b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified audit opinion.

Other information

21. The South African Library for the Blind accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes the director's report and the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
22. 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.
23. 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. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Internal control deficiencies

24. I considered internal control relevant to my audit of the separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified, and the findings on compliance with legislation included in this report.
25. Management have not developed an accounting policy to account for its collection of library materials in terms of the reporting standards. Furthermore, the systems in place are not able to appropriately recognise and measure these assets.
26. Management does not have adequate policies and procedures to recognise financial instruments in terms of GRAP 104 and subsequent recognition on gains and losses relating to its financial instruments.

Auditor General

East London
31 July 2017



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

The Director presents his report of the Library for the year ended 31 March 2017.

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

The Deficit of R 944 232.30 for the year was budgeted for and is offset from the accumulated surplus which approval from Treasury was obtained to be retained and used.

There were variations as compared to approved budget; but 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 27600 320 which represents an increase of 7% over the previous year. Gross Expenditure for the year totalled R 28 554 553 which represents an increase of 8% over the previous year.

5 EVENTS SUBSEQUENT TO BALANCE SHEET DATE

No other events to disclose.

FRANCOIS HENDRIKZ
DIRECTOR (CEO)



Date: 31 May 2017

SOUTH AFRICAN LIBRARY FOR THE BLIND
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 R 000's	2016 R 000's
ASSETS			
Non-current assets		1 935	2 462
Property, plant and equipment	5	1 867	2 315
Intangible assets	6	68	147
Current Assets		28 695	27 066
Trade and other receivables from exchange transactions	7,1	-	2
Trade and other receivables from non-exchange transactions	7,2	-	-
Other current financial assets	7,3	5	36
Prepayments	7,4	268	294
Cash and cash equivalents	8	28 422	26 734
TOTAL ASSETS		30 630	29 528
LIABILITIES			
Non Current Liabilities		10 601	8 651
Government grants	18	6 166	4 826
Unspent conditional receipts	19	605	238
Provision for Post Retirement Benefits	10	3 830	3 587
Current Liabilities		2 295	2 270
Trade and other payables	16	1 698	1 720
Provisions	17	597	550
TOTAL LIABILITIES		12 896	10 921
Net Assets			
Capital and Reserves		17 734	18 607
Accumulated surplus		17 734	18 607
Total Net Assets		17 734	18 607
TOTAL NET ASSETS AND LIABILITIES		30 630	29 528

SOUTH AFRICAN LIBRARY FOR THE BLIND
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 R 000's Actual	2016 R 000's Actual
Revenue	2		
Revenue from non-exchange transactions		26 238	24 279
Transfers and subsidies	2,1	18 564	20 197
Gifts, sponsorships and donations	2,2	2 256	459
Transfers and Sponsorships	2,3	5 418	3 623
Revenue from exchange transactions		1 363	1 624
Other income	2,4	8	15
Interest received/earned	3	1 355	1 609
Total Revenue		27 601	25 903
Expenditure			
Administrative expenses	11	(1 261)	(1 427)
Staff costs	12	(15 471)	(13 694)
Depreciation and amortisation expense	5&6	(803)	(701)
Marketing costs	13	(306)	(329)
Audit fees	14	(628)	(682)
Other operating expenses	15	(10 076)	(9 694)
Total Expenditure		(28 545)	(26 527)
SURPLUS FOR THE YEAR		(944)	(624)

SOUTH AFRICAN LIBRARY FOR THE BLIND
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Accumulated Surplus R'000
Balance at 1 April 2015		19 195
Change in estimate (Depreciation) Surplus / (Deficit) for the year	5	36 (624)
Balance as at 31 March 2016		18 607
Change in estimate (Depreciation) Surplus / (Deficit) for the year	5	71 (944)
Balance as at 31 March 2017		17 734

SOUTH AFRICAN LIBRARY FOR THE BLIND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 R 000's	2016 R 000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		28 545	26 527
Transfers and subsidies		18 564	20 196
Gifts, sponsorships and donations		2 255	459
Transfers and sponsorships		5 419	3 624
Other receipts		952	639
Interest		1 355	1 609
Payments		(28 351)	(25 829)
Staff costs		(15 471)	(13 694)
Goods & services		(12 880)	(12 135)
Net cash flows from operating activities	20,1	194	698
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(212)	(1 572)
Acquisition of intangible assets		-	(17)
Net cash flows from investing activities		(212)	(1 589)
CASH FLOWS FROM FINANCING ACTIVITIES			
Project funding		1 706	461
Net cash flows from financing activities		1 706	461
Net increase / (decrease) in cash and cash equivalents		1 688	(430)
Cash and cash equivalents at the beginning of the year		26 734	27 164
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	8	28 422	26 734

SOUTH AFRICAN LIBRARY FOR THE BLIND
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

	Actual 2015/16 R 000'S	2016/2017				
		Original budget R 000'S	Adjust- ments R 000'S	Final budget R 000'S	Actual amounts R 000'S	Difference R 000'S
Revenue						
Government subsidies	23 821	18 297	6 281	24 578	23 983	595
Department of Arts and Culture subsidy	17 376	18 297	-	18 297	18 297	-
Department of Arts and Culture Other	365	-	267	267	267	-
Government grants - projects	3 624	-	6 014	6 014	5 419	595
Capital Works brought forward	2 456	-	-	-	-	-
Other Income	139	-	1 738	1 738	1 747	(9)
Gifts, Sponsorships and Donations	334	150	-	150	516	(366)
Interest received	1 609	1 100	-	1 100	1 355	(255)
Transfer from reserves	624	1 485	-	1 485	944	541
Total revenue	26 527	21 032	8 019	29 051	28 545	506
Expenditure						
Compensation of employees	13 694	15 496	(16)	15 480	15 471	9
Salaries and wages	10 930	12 266	79	12 345	12 344	1
Social contributions	2 764	3 230	(95)	3 135	3 127	8
Use of goods and services	12 833	5 396	8 035	13 431	13 074	357
Audit fees	447	400	-	400	430	(30)
Bad debts	-	4	(4)	-	-	-
Bank charges	47	47	-	47	45	2
Board costs	123	175	(47)	128	127	1
Book production services: Audio; Braille & NBC	348	460	(39)	421	417	4
Communication	260	287	(17)	270	269	1
Consultants, contractors and special services	352	359	65	424	421	3
Corporate Governance	-	20	22	42	42	-
Courier and delivery	30	17	9	26	26	-
Entertainment	1	1	-	1	-	1
General Administrative Expenses	333	271	-	271	265	6
General Fees for Services	90	98	(34)	64	63	1
Legal fees	29	45	(19)	26	26	-
Insurance	190	200	16	216	216	-
Josie Wood	129	-	1 738	1 738	1 738	-
Library and information services	454	407	3	410	446	(36)
Loss on disposal of non-current assets	4	-	9	9	8	1
Loss on foreign exchange	145	-	191	191	190	1
Marketing costs	330	200	106	306	306	-
Operating lease expenses: equipment	86	83	7	90	89	1
Project expenses	3 624	-	6 014	6 014	5 419	595
Repairs and maintenance	582	370	26	396	392	4
Research and development	-	5	13	18	17	1
Stationery and printing	66	59	16	75	74	1
Stores/consumables	-	1	-	1	-	1
Training and staff development	294	227	3	230	229	1
Travel and subsistence	527	560	40	600	600	-
Depreciation	701	600	-	600	803	(203)
Water & Electricity Allocation DPW/DAC	365	-	267	267	267	-
Daisy Players / other capex recognised	3 276	500	(350)	150	149	1
Total expenditure	26 527	20 892	8 019	28 911	28 545	366
Capital Expenditure						
Fixed Assets	8	-	-	-	-	-
Computer and office equipment	1 558	140	-	140	209	(69)
Furniture and fittings	6	-	-	-	3	(3)
Intangible Assets	17	-	-	-	-	-
Total capital expenditure	1 589	140	-	140	212	(72)
Total expenditure	28 116	21 032	8 019	29 051	28 757	294

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 provision of 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 SA 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.

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 2017, and have not been early adopted by the library:

GRAP 20 – Related Party Disclosures

GRAP 32 – Service Concession Arrangements: Grantor

GRAP 108 –Statutory receivables

GRAP 109 – Accounting by Principals and Agents

IGRAP 17 - Service Concession Arrangements where a grantor controls significant residual interest in an asset

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.

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.

Property, plant and equipment is stated at fair value at date of acquisition less accumulated depreciation and accumulated impairment where assets have been acquired by grant or donation.

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.

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 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)

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.

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 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.

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.

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 to all of its retirees. According to the rules of the Medical Aid Fund, with which the library is associated, a member (who is on the current conditions of service), 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.

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.

Intangible assets are stated at cost, less accumulated amortisation and accumulated impairment.

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)

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 is reported separately and reviewed for each of these segments, whilst revenue, assets 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

The library's management determines the estimated useful lives and related depreciation charges for property, plant and equipment. 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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	2017 R 000's	2016 R 000's
2 Revenue		
An analysis of SALB's revenue is as follows:		
Non-exchange revenue	26 238	24 279
2,1 Transfers and subsidies received		
National Department of Arts and Culture(DAC)	18 297	17 376
Deemed Revenue recognised from DAC	267	365
Capex Income recognised	-	2 456
Sub-Total	18 564	20 197
2,2 Gifts, sponsorships and donations		
Donations and bequests	319	20
Audio production	108	224
Josie Wood	1 739	129
Braille production	90	86
Sub-Total	2 256	459
2,3 Transfers and Sponsorships		
African language project	115	311
Kwazulu Natal Library project	974	893
Mpumalanga Library projects	995	-
Eastern Cape Library project	1 536	1 451
Western Cape Library project	765	822
North West Library project	956	146
Northern Cape Library project	77	-
Sub-Total	5 418	3 623
Exchange revenue	1 363	1 624
2,4 Other income		
Sundry income	8	15
Sub-Total	8	15
3 Interest received	1 355	1 609
4 Reconciliation of budget surplus/(deficit) with the surplus/(deficit) in the statement of financial performance		
Net surplus per the statement of financial performance	-944	-624
Adjusted for:		
- Interest received on investments in excess of budgeted amount	(255)	(519)
- Donations and bequests received and not budgeted for	(367)	(184)
- Sundry income and profit on asset disposal received and not budgeted for	(8)	(15)
- Reassessment of depreciation on review of fixed asset register	71	36
- Income received from outside projects not budgeted for	-	-
- Other expenditure over expensed as per approved budget	559	682
	-944	-624

5 Property, plant and equipment

	Buildings R 000's	Motor Vehicles R 000's	Computer & Office Equipment R 000's	Furniture & Fittings R 000's	Equipment R 000's	Total R 000's
Year ended 31/3/2016						
Net book value 1 April 2015	56	24	904	185	165	1 334
Cost or valuation	63	180	2 320	260	311	3 134
Accumulated depreciation	(7)	(156)	(1 416)	(75)	(146)	(1 800)
Additions	9	-	241	5	1 317	1 572
Disposals	-	-	(3)	(1)	-	(4)
Change in estimate	-	-	36	-	-	36
Depreciation charge	(2)	(7)	(405)	(40)	(169)	(623)
Net carrying amount at 31 March 2016	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)
Year ended 31/3/2017						
Net book value 1 April 2016	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)
Additions	-	-	209	3	-	212
Disposals	-	-	(6)	(2)	-	(8)
Change in estimate	-	-	71	-	-	71
Depreciation charge	(2)	(7)	(373)	(41)	(300)	(723)
Net carrying amount as at 31 March 2017	61	10	674	109	1 013	1 867
Cost or valuation	72	180	2 512	265	1 628	4 657
Accumulated depreciation	(11)	(170)	(1 838)	(156)	(615)	(2 790)

During the 2016/17 Financial year; a change in estimate amounting to R71 000 (2015/16 - R36 000) was done on certain assets that are still in use. This has been reflected on the asset register accordingly. The effect on future years will be similar to the effect applied in 2016/17; however the useful lives of each asset is assessed annually.

6 Intangible assets

Intangible assets consist of software and licences.

	2017 R 000's	2016 R 000's
Opening net book value	147	209
Cost or valuation	239	230
Accumulated amortisation	(92)	(21)
Additions	-	17
Disposals	-	-
Amortisation charge	(79)	(79)
Closing net book value	68	147
Cost or valuation	239	239
Accumulated amortisation	(171)	(92)

	2017 R 000's	2016 R 000's
7 Trade and other receivables		
7.1 Trade receivables from exchange transactions	-	2
Less: Impairment recognised	-	-
	-	2
Current		
Trade receivables from exchange transactions	-	2
	-	2
30 Days		
Trade receivables from exchange transactions	-	-
	-	-
60 Days and more		
Trade receivables from exchange transactions	-	-
	-	-
Trade and other receivables impaired		
The amount of the provision for impairment is R nil as at 31 March 2017 (2016: R nil)		
Reconciliation of provision for impairment of trade receivables		
Opening balance	-	5
Bad debts recovered / written off	-	(5)
Provision for impairment	-	-
Closing balance	-	-
Trade and other receivables past due but not impaired		
At 31 March 2017 R nil (2016: R1 686) were past due but not impaired.		
The ageing of amounts past due but not impaired is as follows:		
Less than 30 days	-	2
61 to 90 days	-	-
Greater than 90 days	-	2
Trade and other receivables impaired		
The ageing of amounts impaired is as follows:		
Less than 30 days	-	-
-Greater than 90 days	-	-
	-	-
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.		
7.2 Trade receivables from non-exchange transactions	-	-
7.3 Other current financial assets (accrued interest receivable)	5	36
7.4 Prepayments	268	294

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	<u>2017</u>	<u>2016</u>
	R 000's	R000's

8 Cash and cash equivalents

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:

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

BANK: Standard Bank of South Africa
ACCOUNT NUMBER: 082 004 196 (Current Account)
ACCOUNT NUMBER: 088817644 (Call Account)
ACCOUNT NUMBER: 053998402 (Money Market Fund Account)
ACCOUNT NUMBER: 0552736508 (Money Market ABIL Retention Fund Account)
BRANCH: Grahamstown
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 Building Society. The details are as follows:

BANK: GBS Building Society
ACCOUNT NUMBER: 00809600036
BRANCH: Grahamstown

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

Cash book balance at bank at beginning of the year	26 719	27 159
Cash book balance on hand at beginning of the year	15	5
	26 734	27 164
Cash book balance at bank at end of the year	28 404	26 719
Cash book balance on hand at end of the year	18	15
	28 422	26 734

The total restricted cash at year end is R 5 064 633 (2015: R 4 603 164)

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	28 422	26 734
Cash and cash equivalents at beginning of the year	(26 734)	(27 164)
Cash and cash equivalents movement	1 688	(430)

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

9 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening balance	-	-
Fruitless and wasteful expenditure	-	4
Transfer to receivables for recovery	-	-
Fruitless and wasteful expenditure condoned by the Board	-	(4)
Fruitless and wasteful expenditure awaiting condonement	-	-
	<u>-</u>	<u>-</u>

There were no fruitless and wasteful expenditure incurred during the year.

10 Provisions

10,1 Provision for Post Retirement Benefits	3 830	3 587
Total: Post-Retirement Medical Aid Benefit Liability	<u>3 830</u>	<u>3 587</u>

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.

The most recent actuarial valuation of the present value of the unfunded defined benefit obligation was carried out as at 31 March 2017 by Alexander Forbes (Pty) Limited, 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	22
Continuation members (retirees, widowers and orphans)	4	5
Total	<u>33</u>	<u>27</u>

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

In-service members	1 765	1 369
Continuation members	2 065	2 218
Total liability	<u>3 830</u>	<u>3 587</u>

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

Liberty/Bonitas Medical Scheme (1 April 2016 to 31 March 2017) - Pensioners
Discovery Health Scheme (1 April 2016 to 31 March 2017)

The current service cost for the year ending 31 March 2017 is estimated to be R 177 000 (2016: R 163 000) whereas the interest cost for the ensuing year is estimated to be R 310 000 (2016: R 281 000).

	2017	2016
	R 000's	R 000's

10,1 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	11,10%	8,80%
Health care cost inflation rate	10,50%	8,50%
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	3 830	3 587
Fair value of plan assets	-	-
	3 830	3 587
Present value of unfunded obligations		
Unrecognised past service cost	-	-
Unrecognised actuarial gains / (losses)	-	-
Present value of unfunded obligations	3 830	3 587
Net Liability	3 830	3 587

The movement in the defined benefit obligation over the year is as follows:

Balance at beginning of year (1 April)	3 587	3 254
Recognised past service cost	-	-
Current service cost	177	163
Interest cost	310	281
Benefits paid	(117)	(111)
Actuarial gain on the obligation	(127)	-
Balance at end of year (31 March)	3 830	3 587

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	802	623
Effect on the defined benefit obligation	4 664	4 355

Decrease

Effect on the current cost and the interest cost	500	387
Effect on the defined benefit obligation	3 194	3 002

11 Administrative expenses

General administrative expenses	257	313
Fruitless and wasteful expenditure (Refer to note 9)	-	-
Advertising	25	39
Insurance	216	190
Deemed Water; Electricity expense DAC/DPW	268	365
Fees for services:		
General	21	16
Board members	127	123
Corporate governance	50	12
Legal fees	26	29
Entertainment	-	1
Stationery and printing	74	65
Bank charges	45	47
Training and staff development	152	227
Total	1 261	1 427

	2017 R 000's	2016 R 000's
12 Staff costs		
Wages and salaries	11 028	9 811
Basic salaries	8 990	7 927
Annual bonuses and awards	721	588
Housing allowance	640	533
Temporary staff	373	290
Leave gratuity	61	140
Post retirement medical benefits (Refer to note 10)	243	333
Senior Management (Refer to note 21)	1 961	1 783
Director/Chief Executive Officer	1 187	1 075
- Pensionable salary	735	680
- Non-pensionable salary	171	119
- Bonus	61	57
- Housing allowance	12	12
- Other employer contributions	208	207
Chief Financial Officer	774	708
- Pensionable salary	516	478
- Non-pensionable salary	70	72
- Bonus	43	23
- Housing allowance	12	12
- Other employer contributions	133	123
Defined contribution plan expenses	2 482	2 100
Social contributions (employer's contributions)		
Medical	916	756
UIF	90	76
Pension	1 439	1 237
Other salary related costs	37	31
Total	15 471	13 694
13 Marketing costs		
General marketing expenses	306	329
Total	306	329
14 Audit fees		
Audit fees	628	682
Total	628	682

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	2017	2016
	R 000's	R 000's
15 Other operating expenses		
Consultants, contractors and special services	458	223
Loss on foreign exchange	191	145
Daisy Player Project (DAC*)	149	3 209
Other "Capital" Grant Expenditure Recognised (DAC*)	-	67
African languages project	115	311
Tactile book project	2	29
BP Project Expenses (re: donation income)	-	79
AP Project Expenses (re: donation income)	-	216
Eastern Cape Library Project	1 536	1 451
Kwazulu Natal Library project	974	893
Mpumalanga Library project	995	-
Western Cape Library project	765	822
North West Library project	956	146
Northern Cape Library project	77	-
Library and information services	249	85
Josie Wood school project	1 738	1 29
Book production services: Audio and Braille	414	312
Repairs and maintenance	401	593
Property and buildings	48	85
Motor Vehicles	4	6
Equipment	349	502
Stores/consumables	-	-
Research & Development	17	-
Travel and subsistence	600	527
Courier and delivery charges	74	107
Communication costs	269	260
Operating lease expense: equipment (Refer to note 15.1)	88	86
Loss on disposal of non-current assets	8	4
Total	10 076	9 694

15.1 Operating leases: Equipment

Analysed as follows:

Minimum operating lease rentals	88	158
Contingent operating lease rentals	-	-
	88	158

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	R 000's
2017	Within 1 year	2 - 5 years	Total
Minimum future lease payments	47	41	88
2016	Within 1 year	2 - 5 years	Total
Minimum future lease payments	54	104	158

Escalation clause

There is no escalation clause.

16 Trade and other payables from exchange transactions

Trade creditors	477	585
Leave gratuity accrual	782	721
Accrual for bonus	439	414
	1 698	1 720

17 Provisions

Provision for performance awards		
- Balance at beginning of year	151	141
- Provision utilised	(101)	(141)
- Contribution to provision	117	151
	167	151

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.

Provision for audit fees

- Balance at beginning of year	399	350
- Provision utilised	(399)	(350)
- Contribution to provision	430	399
	430	399

The provision is an estimate based on the prior year fee adjusted for anticipated communicated by the auditors.

597	550
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	2017	2016
	R 000's	R 000's
18 Government grants		
Government grant - African languages project	-	115
Government grant - Kwazulu Natal Library project	1 115	1 046
Government grant - Mpumalanga Library project	-	995
Government grant - EC Library project	1 683	1 639
Government grant - Western Cape Library proje	512	178
Government grant - North West Library project	897	853
Government grant - Northern Cape Library project	923	-
Government grant - Capital equipment	1 036	-
Total	<u>6 166</u>	<u>4 826</u>

Government grants are recognised in accordance with grant conditions.

19 Unspent conditional receipts

Josie Wood Trust Fund	<u>605</u>	<u>238</u>
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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

20 Reconciliation of surplus to cash flows from operating, investing and financing activities

20,1 Cash flows from operating activities

(Deficit) before interest	(2 299)	(2 233)
Adjusted for:		
- Increase in employee benefits	243	333
- Depreciation/Amortisation (Refer to notes 5 and 6)	803	701
- Loss on disposal of non-current assets	8	4
- Non-cash flow increase in provisions	47	59
Operating cash flows before working capital changes	(1 198)	(1 136)
Changes in working capital		
- Decrease / (Increase) in trade and other receivables	59	(74)
- (Decrease) / Increase in trade and other payables	(22)	299
	<u>37</u>	<u>225</u>
Cash (used in) from operations	<u>(1 161)</u>	<u>(911)</u>
Interest received	1 355	1 609
Cash flows from operating activities	<u>194</u>	<u>698</u>

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	18 297	17 376
Department of Arts and Culture and Public Works deemed revenue and expenditure for Water; Electricity expense for the building	268	365
Department of Arts and Culture - project grant income	5 418	6 079

Key management personnel

Refer to note 12 for remuneration paid to CEO and CFO.

Board members

Board fee	48	32
Board - 1 April 2016 - 30 Sept 2016 ; 1 October 2016 - 31 March 2017		
R Rowland	13	7
LS Nkosi	3	4
M Watermeyer	4	4
J Nair	3	4
NN Rasmeni	-	6
JS Matsebula	1	3
Z Ally	-	3
V Nyamathe	3	1
TS Kekana	-	-
X Yekani	5	-
S Neerputh	3	-
E Ramoaka	5	-
N Ravgee	5	-
Z Phakathi	3	-

Related Party balances

Refer to note 18 for the balance of unspent conditional grants. All grants relate to the Department of Arts and Culture.

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

Interest received in excess of budget amounted to approximately R 255 000.

There was an additional amount received in excess of budget amounting to R366 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 595 000 will be requested to be retained and used during the 2017/18 period.

The External Audit Fees by the Auditor General is set at R 430 000 for the 2016/17 Audit and is R 30 000 more than anticipated.

Due to the additional interest and donation income received; expenditure for additional Library material was overspent and acquired against this.

Depreciation, although R203 000 over budget is a non-cashflow item, and all purchases are strictly motivated and monitored and is within the overall use/application of the surplus funds approved.

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 deficit recorded for the year.

23 Risk management

Interest rate 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.

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.

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 Daisy players, 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 banks and financial institutions which have an equity above R19 billion with a good credit rating.

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.

24 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.

25 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 is reported separately and reviewed for each of these segments, whilst revenue, assets 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.

SOUTH AFRICAN LIBRARY FOR THE BLIND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2016/17 Financial year	Library Information Services	Audio Production	Braille Production including National Braille Consultancy	Total
	R 000's	R 000's	R 000's	R 000's
Revenue				
n/a	-	-	-	-
Total segment Revenue	-	-	-	-
Expenses				
Salaries and wages	-3 370	-2 717	-2 985	-9 072
Collection: Audio Books	-166	-	-	-166
Collection: Braille Books	-37	-	-	-37
Licences - Library System	-121	-	-	-121
AP CD Casings	-	-48	-	-48
AP CD's	-	-54	-	-54
BP Paper	-	-	-287	-287
Other	-122	-15	-13	-150
Total segment Expenses	-3 816	-2 834	-3 285	-9 935
Total segment Deficit	-3 816	-2 834	-3 285	-9 935
Interest Revenue - Unallocated	-	-	-	1 355
Other unallocated/central Revenue	-	-	-	27 190
Interest Expense	-	-	-	-
Depreciation and amortisation - unallocated/central	-	-	-	-803
Other unallocated/central Expenses	-	-	-	-17 807
Surplus for the Period				-
Assets				
Segment assets (n/a)	-	-	-	-
Unallocated/central assets	-	-	-	30 630
Total Assets	-	-	-	30 630
Liabilities				
Segment liabilities (n/a)	-	-	-	-
Unallocated/central Liabilities	-	-	-	12 896
Total Liabilities	-	-	-	12 896
Other Information				
Capital expenditure - unallocated/ central	-	-	-	212
Accrued expenditure - unallocated/ central	-	-	-	369
Deferred revenue - unallocated/central	-	-	-	6 771

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

SOUTH AFRICAN LIBRARY FOR THE BLIND
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

	<u>2017</u> R 000's	<u>2016</u> R 000's
26 Irregular Expenditure		
Opening balance	971	-
Add: Deemed Irregular expenditure	-	971
Less: Condoned or written off by relevant authority	(971)	-
Less: Transfer to receivables for recovery - not condoned	-	-
Irregular expenditure awaiting condonement	<u>-</u>	<u>971</u>

27 Accounting Authority

From 1 October 2013 to 30 September 2016

Dr WP Rowland; Ms LS Nkosi; Mr Zaheer Ally; Mrs NN Rasmeni; Adv TS Kekana
Mr JG 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 2 104 481,00

Silver Donors

Bradfield Foundation	10 000,00
Fuch Foundation	10 000,00
Rosser Charity	13 145,32
Low and Co Rawbone	19 000,00
GC Webster	20 000,00
Low and Co Rawbone	33 000,00
Lily Ashton Trust	42 736,24
ER Tonnesen Trust	46 000,00
Gift Joyce	46 440,00
JAB Smit	79 839,90
J&N Wood Trust	86 500,00

Bronze Donors

AL Kriel	1 000,00
LS Melunsky	1 000,00
Margot Gawith	1 000,00
PM Brice	1 000,00
AC Best	1 000,00
Ailsa Mann	1 000,00
Mrs Theron	1 000,00
J van der Merwe	1 000,00
MG Geyer	1 350,00
Mrs Wanliss	2 000,00
Mary Dutton	2 000,00
Mr JH Herdman	2 400,00
FJH Le Riche	3 000,00
Rosebank Rotary Anns	3 000,00
Rosser Charity Trust	3 461,64
Fedbond AE Swartz	4 321,48
CM De Kock	5 000,00
Kock	5 000,00
HJ Besstbier	5 000,00
JB van Es	5 000,00
BK Administrators	6 000,00
Low and Co Rawbone	7 000,00
Frank Flo Baker Trust	7 990,54
WW Richardson	9 541,35

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.

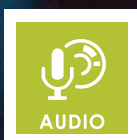
Many of the Library's objectives and specific projects would not be possible without the continued and generous support of our donors which include all bequests received. These donations make it possible for the Library to add value to the services and products offered by the Library to our members.

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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