

**THE SOUTH AFRICAN LIBRARY FOR THE BLIND
ANNUAL REPORT 2018 / 2019**



YEARS





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

THE SOUTH AFRICAN LIBRARY FOR THE BLIND

ANNUAL REPORT

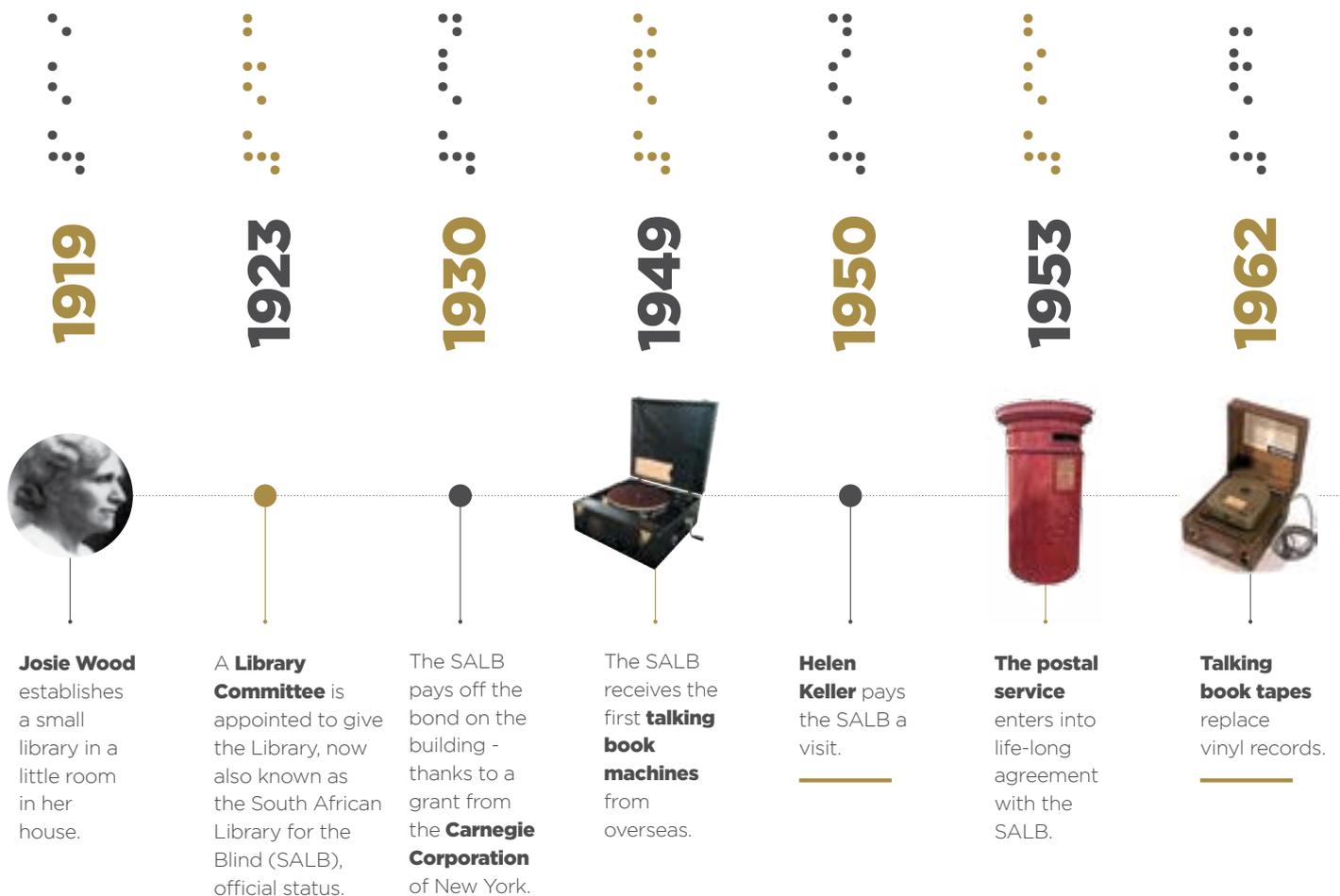
FOR THE PERIOD 1 APRIL 2018 TO 31 MARCH 2019

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).

RP225/2019

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T H E S O U T H A F R I C A N



THE SEEDS ARE SOWN

In 1914, the year of the outbreak of WWI, Miss Eleanor Comber, a missionary, comes out to South Africa from the United Kingdom, to work among blind people. To combat the high level of illiteracy in the blind community, she teaches braille. She acquires the nucleus of a small library for the blind; about 100 braille and Moon-type volumes. By the end of the war, Comber is in touch with about 18 blind people to whom she regularly sends reading materials.

LIBRARY FOR THE BLIND



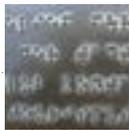
1965



Miss Wood dies aged 91.



1968



The SALB is declared a **Cultural Institution and National Library** for the Blind.



1970



The **National Union Catalogue** for blind and visually impaired people is started as a card catalogue system.



1985



The **four-track tape system** comes into operation.



1992



Audio and **braille in-house production** units are established.



2004



Production of digital audio books in **DAISY format** begins.



2019



The SALB turns 100 years old.

Miss Josephine Ethel Wood is active in the work of the Child Welfare Society in Grahamstown in the Eastern Cape, when the war breaks out. She also nurses disabled people in her own home and volunteers as a nurse in the township during the worldwide influenza pandemic of 1918. It is during this time that the two redoubtable women meet.

When Miss Comber is recalled to England at the end of 1918, she persuades Miss Wood to take charge of the braille books and pamphlets and to start a library service.

Miss Wood's agreement marks the informal founding of the South African Library for the Blind (SALB).

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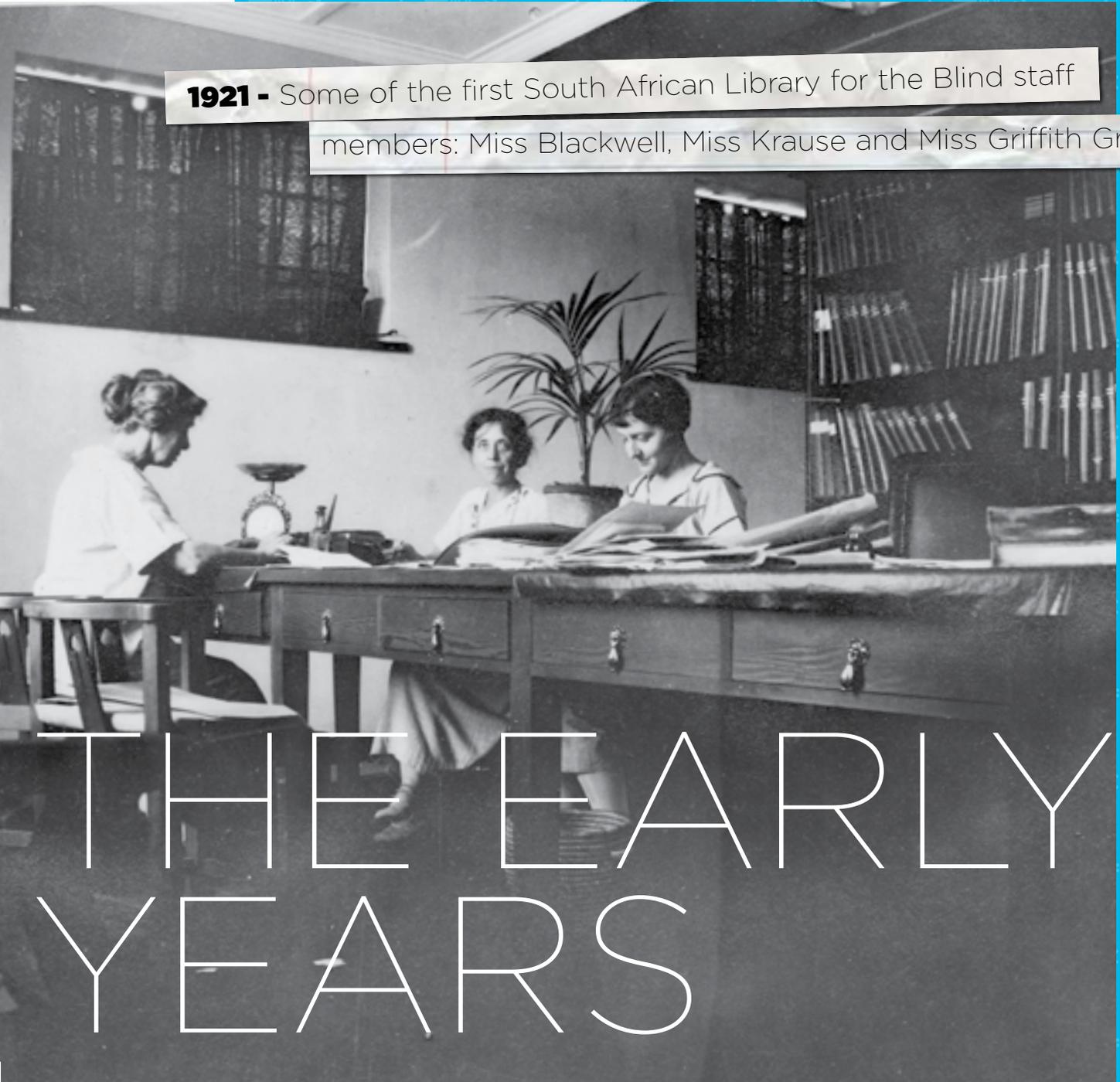


1919 - Miss Josie Wood establishes a small library
in a little room in her house



PART A: GENERAL INFORMATION

1921 - Some of the first South African Library for the Blind staff members: Miss Blackwell, Miss Krause and Miss Griffith Green



THE EARLY YEARS



1. PUBLIC ENTITY'S GENERAL INFORMATION

| | |
|-------------------------|--------------------------------------|
| REGISTERED NAME: | South African Library for the Blind |
| REGISTRATION NUMBER: | Not applicable |
| PHYSICAL ADDRESS: | 112B High Street Makhanda 6139 |
| POSTAL ADDRESS: | PO Box 115 Makhanda 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: 2018/2019



The Shareholder's Compact consisting of the Library's Strategic Plan, Annual Performance Plan and various other governance documents was signed on the 7th of June 2018 by the honourable Minister of Arts & Culture, Nathi Mthetwa and Ms. Zama

Phakathi on behalf of the Board. The Compact commits the Board and Management to its fiduciary responsibilities and the achievement of set performance objectives for the year. The Board of the South African Library for the Blind monitored the implementation and progress of the Library's financial and performance related responsibilities during three meetings that took place during July and October 2018 and February 2019.

The Board is satisfied to report that the Management and Staff of the Library successfully achieved 18 of the 20 set objectives for the year. This is a 90% achievement rate which is 3% higher than the average five-year average performance ratings. The Library experienced severe challenges with book distribution this financial year due to service delivery failures by the South African Post Office (SAPO). The Library is highly dependent of the SAPO for the distribution of its accessible reading material to its 7,776 members across South Africa. Reading material sent between the Library and its members often took very long or in some instances did not arrive at its destination. This matter is closely monitored and a follow-up meeting with the Executive of the SAPO is planned. In addition to the SAPO challenge Library Management also experienced unplanned challenges with the implementation of a new Library Management System that was initiated late during 2017. The IT Service Provider struggled to address challenges with two modules crucial for the preparation and distribution of reading material to members. Staff had to resort to manual operations which had an impact on the book circulation objective for the year.

Service delivery issues raised by Library members were deliberated on. It was determined that Library Management should improve communication with members about matters related to the library which may have an impact on service delivery. The Board issued a statement to all members recognising the frustrations of certain library members and that the Board would support Library Management to address those challenges. The Board is pleased to state that since then an additional monthly newsletter is circulated

to all members, the accessibility of the Library Website is under review and a quarterly accession list is circulated to members.

Revenue for 2018/2019 increased by 7% from the previous year to R35 945 000. Expenditure increased by 8.4% from the previous year to R35 587 000. The Subsidy from the Department of Arts & Culture represents 59.4% of the total expenditure which is a 0.2% increase from the previous year. The rest of the expenditure was funded from own resources and through the Library's fundraising initiatives. The fact that revenue and expenditure is increasing annually is an indication of the vibrancy of the Library and that its services are in high demand. It is therefore important to have the required resources available to respond to reading demands of members. The Library is successful in raising money to respond to certain service delivery demands through partnerships with Provincial and Local authorities. The expansion of services on National level is dependent on the financial support by the National Department of Arts and Culture. The current financial support by the Department is appreciated but is not allowing the Library to expand the National role as required by the Library Act. The Board urges the Department to assess its role in supporting the Library to honour its mandate and to reach more blind and visually impaired people of South Africa.

The Board is supporting Library Management in all its efforts to achieve its objectives. The relationship between the Board and Library Management is positive and open. The greatest asset of the Library is the staff of the Library. The Board appreciated the positive labour relations that exist and also notes with appreciation the healthy working relationship between management and the staff of the library. The outcome of this is the positive performance results achieved by the Library in the past financial year. The Board is committed to ensure that this productive working environment is strengthened and to guide management to sustain the positive working relationships to benefit the blind and visually impaired members of the library.

Dr W Rowland

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

4. DIRECTOR'S REPORT: 2018/2019



The Library achieved a commendable 90% of the 20 objectives set for the year. Two of the 20 targets for the year could not be achieved i.e. to service the target amount of playback devices and to circulate the required number of books to our members. All

playback devices received for service were attended to. The target will be reformulated as a qualitative target in the next Strategic Plan of the Library since the library has no control over the number of devices members send to the library to be serviced.

The circulation of material was influenced by two factors. The first was the implementation of a new Library Management System. Two of the crucial modules to assist library staff with the preparation of reading material specific to the reading interest of the library members did not live up to requirements as well as the quick provisioning of specific books requested by our members. Library staff had to resort to a manual selection and distribution operation which slowed down the number of books circulated to library members.

The second factor that had an impact on the book circulation was that the Library could not rely on the South African Post Office for the delivery of books, i.e. to our members and back to the library. Huge delays of books were experienced, and it was difficult to determine where the bottlenecks were. The Library understood the frustration of our members and apologised on various occasions for the delays via communication channels and personally. The Library staff operated under severe strain during this time. The Library Management System challenges have been addressed by reverting back to the system used before. Unfortunately, the postal delays are still experienced from time to time and the Library Management and Board will engage with the senior management of the South African Post Office in the new financial year to highlight the problem and to find alternative solutions.

Despite the above-mentioned challenges, the library still achieved 18 objectives. The Library established 33 new mini-libraries across South Africa, 1,112 audio and braille titles were added to the catalogue and 910 new members joined the Library. All these figures are an increase compared to the previous financial year. The total membership of the Library at the end of the reporting period stands at 7,776 which is a growing trend compared to the previous year.

The Director attended the annual conference of the International Federation of Library Associations (IFLA) in Malaysia. The theme of the Conference was "Transform Libraries, Transform Societies" with the additional tagline: "Reaching out to the hard to reach". The theme was chosen in recognition of the critical role played by libraries in

the development of a nation particularly in their ability to transform societies. The Conference was attended by more than 3,500 participants from 110 different countries. The Director attended two meetings of the Section for Libraries Serving People with Print Disabilities. Various items were addressed such as the action plan of the Section as well as the initiatives of the Accessible Book Consortium. The SALB is ranked number five Internationally in terms of most downloads using the Book Service on behalf of our members. The Section appointed a task team to update a publication called: Libraries for the Blind in the Information Age - Guidelines for development in 2005. The purpose of this document is to provide libraries, governments, and other stakeholders with a framework for developing library services for people who are print disabled. The Director will serve on the Reference Team during the update of the document.

Library Management and the Board would yet again like to urge the Ministers of Arts & Culture as well as Trade & Industry to lobby Government to ratify the Marrakesh Treaty. IFLA, the World Blind Union, the Canadian Association of Research Libraries and other collaborated on the publication of a publication entitled: Getting Started - Implementing the Marrakesh Treaty for persons with print disabilities. A practical guide for librarians. This publication was launched during the IFLA Conference and serves as a starting point or template that can be customised in each Marrakesh Treaty country for implementation.

Each year, 4 blind or partially sighted learners are afforded an opportunity to visit the SALB. The learners are generally grade 11 pupils from pre-identified schools for the blind across South Africa. During a period of 1 working week, the pupils spend some time in each work section at the SALB to learn and experience what type of work is conducted in the respective work disciplines, e.g. Finance, HR, Braille Production, Audio Production, IT, etc. This year, the pupils were from Zamokuhle and Efata School for the Blind.

Management understands the importance of continuous learning and development and promotes this principle at the SALB. During the year under review, at least 4 staff members were engaged in formal qualification studies subsidised by the SALB, 8 staff members attended short course training sessions; 8 managerial staff members attended a 2 day in-house training course on Tender and Contracts Management, 13 staff members attended a two-day in-house training course on Etiquette and Customer Relations and at least 6 staff attended other conferences and seminars.

The Library appointed one permanent employee in the position of Finance and Admin Clerk to replace a staff member who resigned earlier in the year. Other appointments included one Mini-Library Project Coordinator for each of the respective Provinces of Free State, Gauteng, Mpumalanga and North West; four Interns, to assist in the IT and Technical Services sections, Braille Production section, the Projects section and one recently qualified Librarian. The Library also

appointed a Public Relations and Communications Officer on a 6-month contract basis to assist with related matters during the Centenary celebrations.

During the last quarter of the reporting period, the long-anticipated Centenary celebrations of the Library commenced. On the 28th of March 2019, the Library hosted two events. The Library launched the Centenary celebration book entitled, The South African Library for the Blind - A Diary of the Library - A 100-year historical overview, during an afternoon event. The book is a celebration of historical facts about the library, photos as well as other information about blind people and events. The print, audio and braille versions of the book were launched simultaneously. The Centenary Book launch was followed by a Gala Dinner event later that evening. More than 170 guests attended both functions which included invited library members from across South Africa, staff members, representatives from the corporate and government sector as well as the Minister of Justice and Correctional Service the Honorable Minister Michael Masutha. The Library also introduced two videos specially commissioned for the Centenary celebrations.

Special awards were handed over to audio and braille volunteers who assisted the Library with the production of accessible reading material. The Narrator of the Year Award for Mr. Jeremy Riches was awarded posthumously. He narrated 393 books over 20 years.

The SALB Centenary celebrations will continue throughout 2019 and will involve our members as far as possible. The SALB is proud of what has been achieved this past financial year. We also acknowledged where we did not serve our members optimally and we learnt from that. The South African Library for the Blind is a dynamic and responsive library that will respond with new and innovative service delivery options in the new 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.

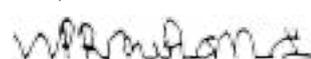
In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2019.

Chief Executive Officer



F Hendrikz
July 2019

Chairperson of the Board



Dr W Rowland
July 2019

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 to 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 organisation 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 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 isiXhosa 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.

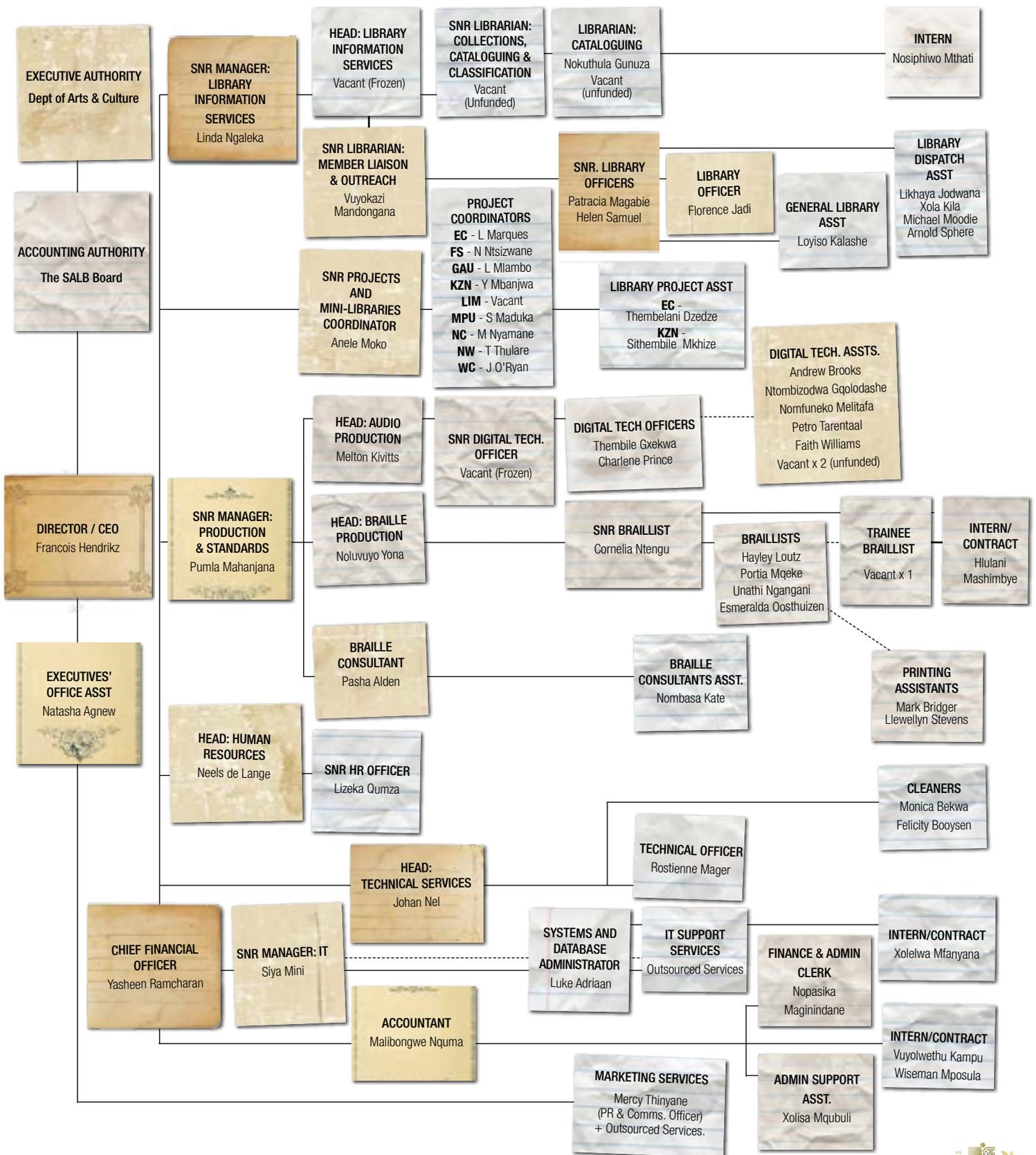
7.3 POLICY MANDATES

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.

8. ORGANOGRAM

31 MARCH 2019



9. SALB STAFF MARCH 2019



- Back Row:** Thembile Gxekwa, Mark Bridger, Andrew Brooks, Michael Moodie, Neels de Lange, Loyiso Kalashe, Johan Nel, Anele Moko, Malibongwe Nquma, Vuyokazi Mandongana, Noluvuyo Yona
- 2nd Row:** Florence Jadi, Xola Kila, Arnold Sphere, Luke Adriaan, Petro Tarentaal, Pumla Mahanjana, Natasha Agnew, Nombasa Kate, Likhaya Jodwana, Thembelani Dzedze, Nokuthula Gunuza, Melton Kivitts, Cornelia Ntengu
- 1st Row:** Portia Mqeke, Hayley Loutz, Lizeka Qumza, Nosiphiwo Mthati, Yasheen Ramcharan, Francois Hendrikz, Pasha Alden, Wiseman Mposula, Xolelwa Mfanyane, Linda Ngaleka
- Seated:** Llewellyn Stevens, Charlene Prince, Unathi Ngangani, Faith Williams, Patricia Magabie, Hluhlani Mashimbaye
- Absent:** Monica Bekwa, Felicity Booysen, Ntombizodwa Gqolodashe, Rostienne Mager, Nopasika Maginindane, Nomfuneko Melitafa, Siya Mini, Xolisa Mqubuli, Helen Samuel

1959 - The first South African Library for the Blind staff photo



PART B: PERFORMANCE INFORMATION

1926 - Miss Josie Wood at the entrance to the SALB

THE LIBRARY FINDS A HOME

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 42 of the Report of the Auditors Report, published as Part E: Financial Information.

- Building constraints
- Connectivity
- National funding priority
- Expensive and imported technology
- Target market expansion
- Legal compliance funding needs
- Copyright and International access to reading material

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

The Mzansi Golden Economy of DAC provides additional opportunities for the SALB specifically in 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 follow.

2. SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

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

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

- Scarce skills
- Organisational structure

2.2. Organisational Environment

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

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

The new term of the Board started in October 2016 and the new Members were introduced to the Library and briefed on their role and function during a two-day induction meeting. The Annual Performance Plan of the SALB for the 2018/2019 Financial Year was approved by the Board during September 2017.

The Library places a high value on the implementation of a comprehensive training and development plan to expand and improve the skills of Library staff and the volunteers of the Library. This is necessary because of the unique skills required by the Library.

To create jobs and to address the scarce skills challenge the Library is pursuing the implementation of an apprenticeship 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 is a member of the International Federation of Library Associations Section for Libraries Serving People with Print Disabilities. The CEO is an active member of the Section. The Library is a founding member of the Accessible Book Consortium (ABC) under the auspices of the World Intellectual Property Organisation (WIPO) which is one of the specialised agencies of the United Nations. The Library is an active member of the ABC Global Book Service in terms of uploading and downloading accessible books for all international members of the Service. SALB members enjoy the benefits of over 355,000 titles accessible free from our catalogues. Library Management in association with other stakeholders such as the National Council for Library and Information Services continues to lobby the South African Government, i.e. the Department of Trade and Industry to ratify the Marrakesh Treaty. To date, 11 African Countries ratified the Treaty but the South African Government has not done so. Once the Treaty is ratified it will make it possible to obtain access to titles internationally, offering a broader choice for the registered library members.

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 90% out of the total of 20 objectives set for the year. The rest of the objectives were partially achieved.

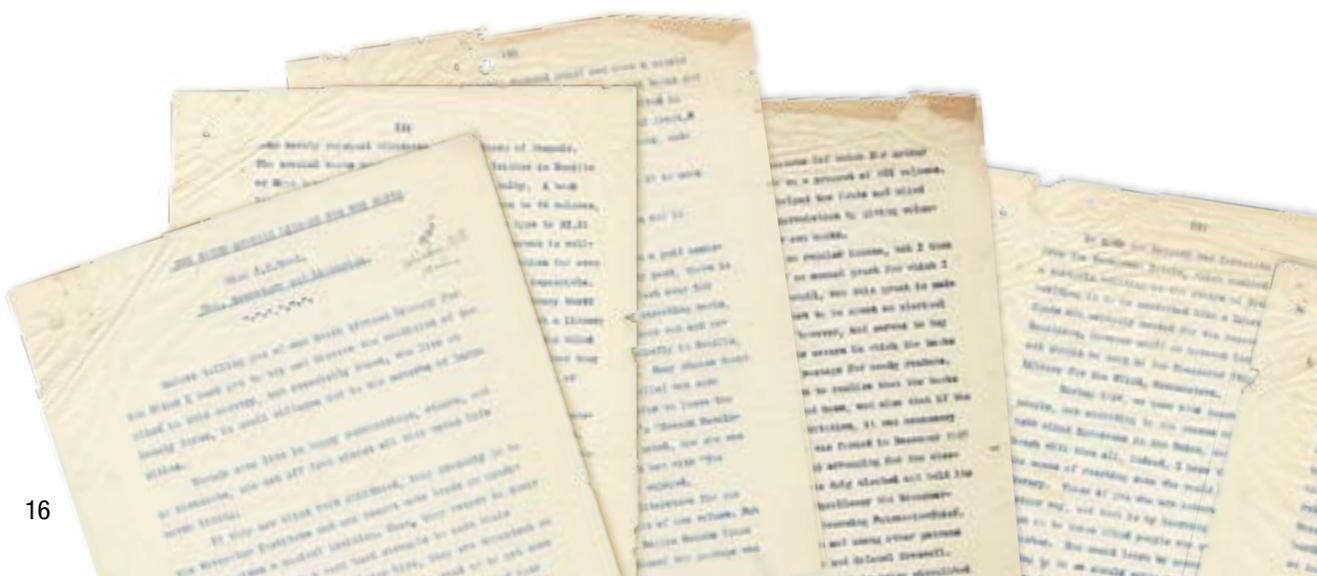
3. PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/OBJECTIVES

3.1 Programme 1: Administration

Sub-programme Human Resource & Support Services

Strategic objectives, performance indicators planned targets and actual achievements

| Strategic Objectives | Indicators as per APP | Actual Achievement 2017/2018 | Planned Target | Actual Achievement 2018/2019 | Deviation from Planned Target to Actual Achievement 2018/2019 | Comment on Deviations |
|--|---|------------------------------|----------------|------------------------------|---|-----------------------|
| To expand the library's Human Resource base with the appointment of 5 new staff members as full time employees by 31 March 2022. | Appointment of new staff members | 1 | 2 | 2 | - | - |
| To engage and develop the skills of 20 blind and or visually impaired learners through an Apprenticeship Program by 31 March 2022. | Apprenticeship program for Visually impaired learners | 4 | 4 | 4 | - | - |
| To reach out to 5 African countries to develop capacity to render Library and Information Service to blind and visually impaired people by March 2022. | African country outreach | 1 (Malawi) | 1 | 1 (Ivory Coast) | - | - |



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 | Indicators as per APP | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from Planned Target to Actual Achievement for 2018/2019 | Comment on Deviations |
|---|---|---|--------------------------|---|---|---|
| To catalogue 2,970 audio book titles to the Library's collection by March 2022. | SALB produced Audio book titles catalogued | 590 new audio titles added to the catalogue | 600 | 612 new audio titles added to the catalogue | +12 | Within 5% of target deviation approved by the Board and was within budgeted resources to be accommodated. |
| To catalogue 2,400 Braille book titles to the Library's collection by March 2022. | SALB produced Braille book titles catalogued | 465 new braille titles added to the catalogue | 490 | 500 new braille titles added to the catalogue | +10 | Within 5% of target deviation approved by the Board and was within budgeted resources to be accommodated. |
| To register 3,290 new library members by March 2022. | Library membership registration | 818 members registered | 660 | 910 members registered | +250 | The increase is due to positive growth in membership as new Mini-Libraries are established in various Provinces and was within budgeted resources to be accommodated. |
| To establish 158 new Mini-libraries by March 2022. | Mini-library establishment | 30 mini-libraries established | 32 | 33 mini-libraries established | +1 | Within 5% of target deviation approved by the Board and was within budgeted resources to be accommodated. |
| To circulate 642,030 reading material items by March 2022. | Circulation of reading material | 128,816 items circulated | 128,406 | 57,774 items circulated | -70,632 | Strikes and Postal delays by the Post Office was the main reason for not achieving this target. There was also a Library Management system module problem during the year where circulation reports could not be generated. |
| To download 500 TIGAR files by March 2022. | Trusted Intermediary Global Accessible Resources (TIGAR) files downloaded | 151 TIGAR files downloaded | 100 | 144 TIGAR files down-loaded | +44 | 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. No additional resources were expended due to overachievement. |



Sub-programme 2.2: Braille Production

Strategic objectives, performance indicators planned targets and actual achievements

| Strategic Objectives | Indicators as per APP | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from Planned Target to Actual Achievement for 2018/2019 | Comment on Deviations |
|---|---|---|--------------------------|---|---|---|
| Produce 1,200 SALB Braille titles by March 2022. | SALB Braille titles produced | 242 Braille titles were produced | 240 | 243 Braille titles were produced | +3 | Within 5% of target deviation approved by the Board and was within budgeted resources to be accommodated. |
| Produce 1,200 supplier Braille titles by March 2022. | Supplier Braille titles produced | 204 supplier titles were produced | 250 | 257 supplier titles were produced | +7 | Within 5% of target deviation approved by the Board and was within budgeted resources to be accommodated. |
| Produce 170 Indigenous Braille titles by March 2022.* | Production of Indigenous braille titles | 37 new indigenous language Braille titles were produced | 35 | 37 new indigenous language Braille titles were produced | +2 | More content became available during the year to produce additional titles. This was within budgeted resources to be accommodated . |

Sub-programme 2.3: Audio Production

Strategic objectives, performance indicators planned targets and actual achievements

| Strategic Objectives | Indicators as per APP | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviaion from Planned Target to Actual Achievement for 2018/2019 | Comment on Deviations |
|---|-------------------------------------|---|--------------------------|---|--|---|
| Produce 1,340 SALB digital audio titles by March 2022 | Production of SALB Audio Titles | Produced 270 newly narrated digital audio book titles | 270 | Produced 275 newly narrated digital audio book titles | +5 | Within 5% of target deviation approved by the Board and was within budgeted resources to be accommodated. |
| Process 1,630 supplier audio titles by March 2022 | Processing of Supplier Audio titles | Processed 320 supplier audio digital titles | 330 | Processed 337 supplier audio digital titles | +7 | Within 5% of target deviation approved by the Board and was within budgeted resources to be accommodated. |

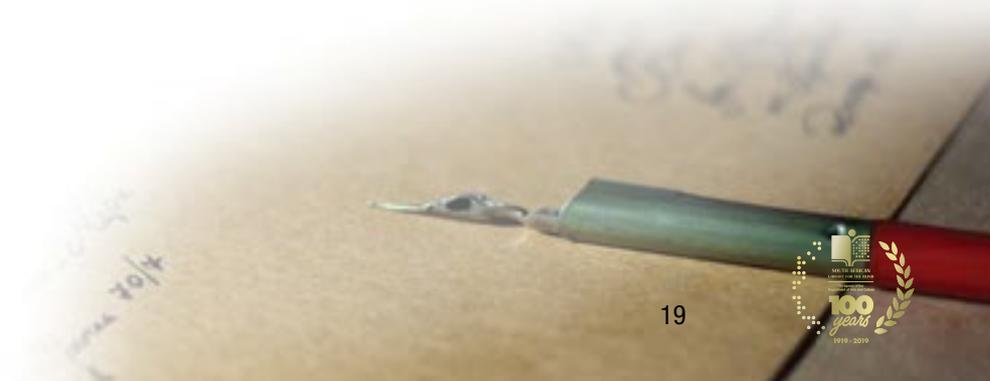
Sub-programme 2.4: National Braille Consultancy

Strategic objectives, performance indicators planned targets and actual achievements

| Strategic Objectives | Indicators as per APP | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from Planned Target to Actual Achievement for 2018/2019 | Comment on Deviations |
|---|--|--|--------------------------|--|---|---|
| To produce 90 pre-school tactile picture books by March 2022. | Tactile book titles produced | 18 tactile books produced | 18 | 18 tactile books produced | - | - |
| To provide training in Braille standards and facilitate the reading of tactile picture books at 20 special schools by March 2022. | Braille and Tactile standards training | 4 | 4 | 5 | +1 | Additional interest from schools were shown and was within budgeted resources to be accommodated. |
| To update a Braille SiSwati training manual by March 2018. | SiSwati Training Manual | 1 Manual | - | - | - | - |
| Plan and administer 10 Braille Transcriber Examinations by 2022. | Braille Transcribers Examinations | 2 Braille examinations were administered | 2 | 2 Braille examinations were administered | - | - |



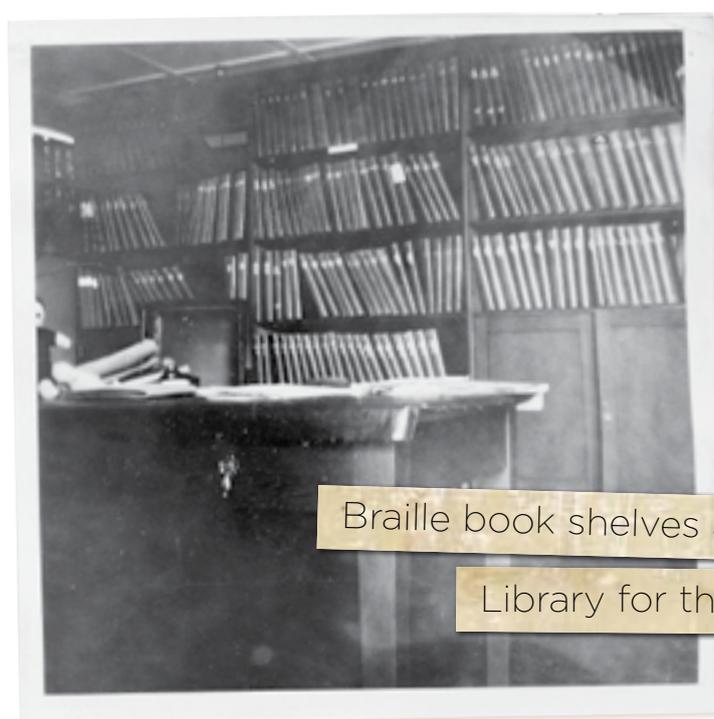
1951 - Perkins Brailier



Sub-programme 2.5: Technical Services

Strategic objectives, performance indicators planned targets and actual achievements

| Strategic Objectives | Indicators as per APP | Actual Achievement 2017/2018 | Planned Target 2018/2019 | Actual Achievement 2018/2019 | Deviation from Planned Target to Actual Achievement for 2018/2019 | Comment on Deviations |
|---|--|---|--------------------------|---|---|--|
| Service 5,906 digital playback devices by March 2022. | Digital Playback devices serviced | 780 Players were serviced | 1 323 | 612 Players were serviced | -711 | All Players received for servicing were repaired. A lower number of players received from members for maintenance is a positive indicator of quality machines and good care and maintenance. |
| Prepare 3,250 new digital playback devices for distribution through Library Services by March 2022. | Preparation of digital playback devices for distribution | 1070 Digital players were distributed to new Library members. | 650 | 1196 Digital players were distributed to Library members. | +546 | The increased numbers relate to the additional membership registration during the year, as well as replacement players issued to existing members for the older player models that could not be repaired. This was within budgeted resources to be accommodated. |



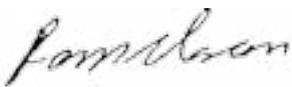
Braille book shelves at the South African Library for the for the Blind

3.3 Programme 3: Public Engagement

Sub-programme - Marketing

Strategic objectives, performance indicators planned targets and actual achievements

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



Y Ramcharan
CFO

31 May 2019

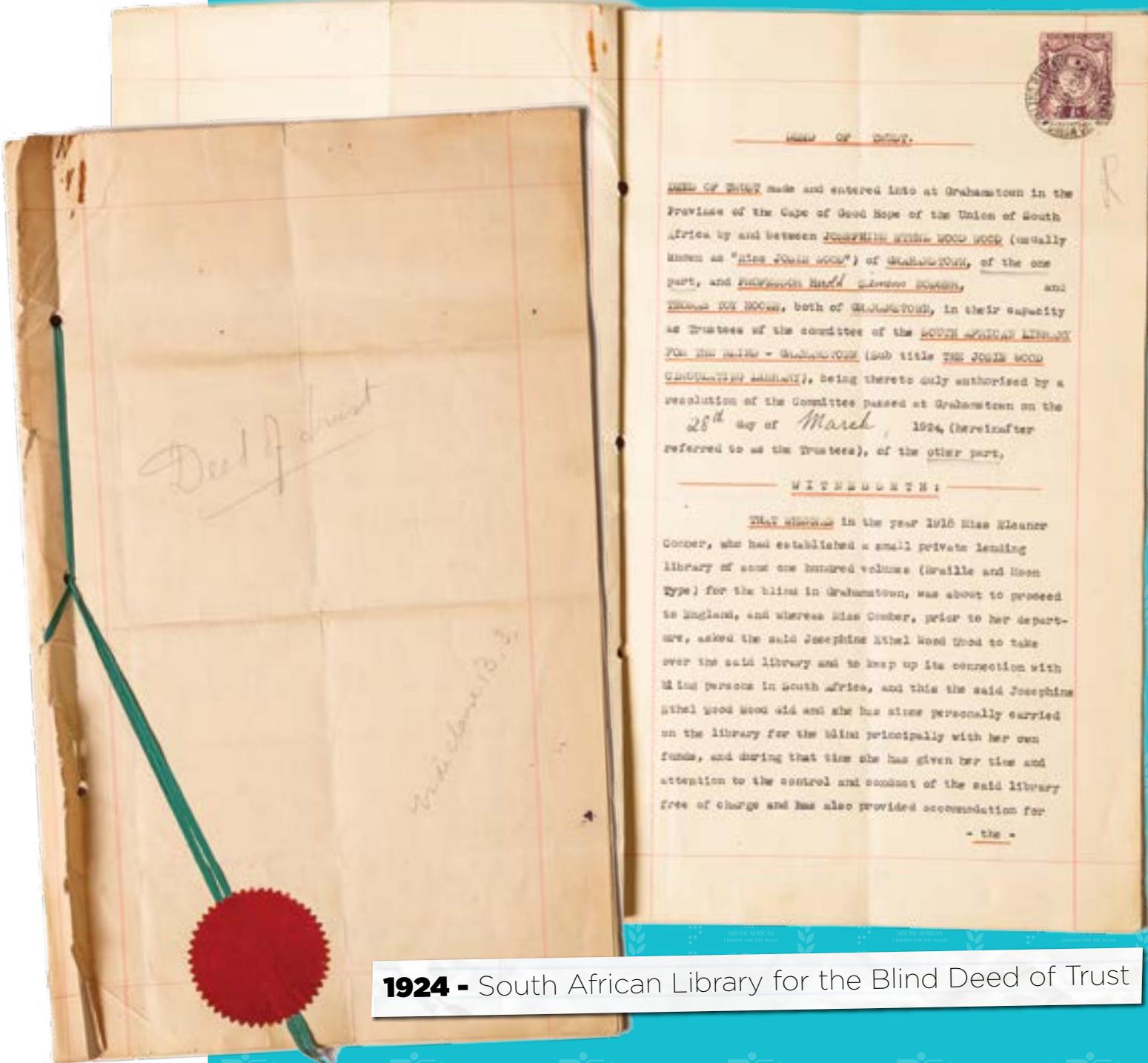


F Hendrikz
Director

31 May 2019



PART C: GOVERNANCE



1924 - South African Library for the Blind Deed of Trust



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 2018/2019.

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.

1922 - The first South African Library for the Blind building



Composition of the Board

| Name | Designation | Date appointed | Qualifications | Area of Expertise | Board Directorships |
|-----------------------------------|--------------|----------------|---|--|--|
| Dr (Mr) WP Rowland | Chairperson | 2013 | MA - 1977 PhD - 1985 | <ul style="list-style-type: none"> • Human Resources • Braille Production Research • Designer of Braille Writing Slate SA • Organisational Management <ul style="list-style-type: none"> • Library Services for Blind People | <ul style="list-style-type: none"> - National Library of SA - Council of Higher Education - Council of Univ of Johannesburg - Taqanta Financial Group - Council of National English Literary Museum - Honorary Life Member - World Blind Union |
| Mr N Ravgee | Board Member | 2016 | Bsc (Info Proc) H.Dip.Accounts CA (SA) | <ul style="list-style-type: none"> • Financial Management | <ul style="list-style-type: none"> - IRBA - SAICA - IRMSA - IOD |
| Ms Joy Sebenzile Matsebula | Board Member | 2013 | BSc - 1981 MS - 1984 Phd (incomplete) - 1995 | <ul style="list-style-type: none"> • Bio Statistics • Research & Development • Disability: Mainstreaming Disability <ul style="list-style-type: none"> • Governance • Business Science | <ul style="list-style-type: none"> - IOD - Honorary Life Membership to Rotary Club - Order of Distinguished Service: HE. King Mswati III, Kingdom of Swaziland |
| Dr S Neerupth | Board Member | 2016 | BA B Bibl Honours B Bibl Masters PhD (Library & Information Science) | <ul style="list-style-type: none"> • Library Management & Leadership | <ul style="list-style-type: none"> - CHELSA - Liasa - SABINET - National Library for the Society for the Blind |
| Ms Vangile Gladys Nyamathe | Board Member | 2013 | BAdmin - Industrial Psychology 1991 MBA - General (WIP) | <ul style="list-style-type: none"> • Human Resources <ul style="list-style-type: none"> • Financial • ICT Training | <ul style="list-style-type: none"> - HIV and Aids See No Disability - Soweto Workshop for the Blind - JSB Training Academy |
| Ms Z Phakathi | Board Member | 2016 | BAdmin - B.Comm (HR & Business Management) | <ul style="list-style-type: none"> • Human Resources • Business Management | <ul style="list-style-type: none"> - Commonwealth Business Women - Durban Chamber of Commerce - 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 <ul style="list-style-type: none"> • 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 | 15 708,68 |
| Mr M Watermeyer | 2 382,00 |
| Ms JS Matsebula | 5 333,00 |
| Ms E Ramaoka | 3 511,00 |
| Mr N Ravgee | 7 409,59 |
| Dr S Neerpuh | 5 893,00 |
| Ms Z Phakathi | 1 129,00 |
| TOTAL | 41 366,27 |

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 | Number of meetings attended |
|--------------------|---|----------------------|--|---------------------------|---------------|-----------------------------|
| Ms C Grobler | Chartered Accountant & Registered Auditor | External | | Thursday, 01 October 2015 | | 4 |
| Mr H Harnett | B. Accounting & Chartered Accountant | External | | Thursday, 01 October 2015 | | 1 |
| Ms Anita Wagenaar | B.Com & B. Tax Honours | External | | Thursday, 01 October 2015 | | 1 |
| Mr Leon Coopasamy | Chartered Accountant | External | | Wednesday, 01 June 2016 | | 2 |
| Mr N Latif Kader | Chartered Accountant | External | | 01 August 2018 | | 1 |
| Ms A van der Merwe | Chartered Accountant | External | | 01 August 2018 | | 1 |

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 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.



Talking book Machine with tape, circa 1950's

When one track was finished playing, the user was required to lift

the metal cassette, turn it over, and the replace it on the turntable

15. AUDIT COMMITTEE REPORT

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2019.

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.

Audit Committee Members and Attendance at Meetings

The terms of Ms Grobler, Mr Harnett & Ms Wagenaar came to an end and a new audit committee was appointed during the financial year. In terms of the audit committee charter and Section 77 (1)(b) of the Public Finance Management Act, the audit committee has met at least twice in respect of the financial year. Details of the meetings were as follows:

| Date | Ms C Grobler (Chairperson 2017/18) PDipAcc (Rhodes) CA (SA) | Mr H Harnett BAcc (Rhodes) CA (SA) | Ms A Wagenaar BCom Hons (UKZN) AGA | Mr L Coopasamy (Chairman 2018/19) MCom (UP) CA (SA) | Ms A van der Merwe BAcc Hons UFS) CA (SA) | Mr N Latif Kader PDipAcc (Unisa) CA (SA) |
|-------------------|--|---|---|---|---|--|
| 21 May 2018 | √ | √ | √ | √ | n/a | n/a |
| 19 July 2018 | √ | apologised | √ | apologised | n/a | n/a |
| 12 September 2018 | n/a | n/a | n/a | √ | √ | √ |

Internal Audit and 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:

- i. Follow up on Auditor General and Internal Audit findings from prior year
- ii. Review of Supply Chain Management
- iii. Review on Predetermined Performance Objectives
- iv. Review on controls for Assets and Human Resources
- v. Review on Risk Management and Policies

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.

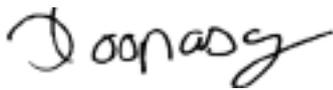
Auditor-General South Africa

The Audit Committee did not physically meet with the Auditor General during the year. A conference call was arranged between the audit committee and the Auditor General.

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 has not had sight of the auditor report in respect of the financial year under audit. The Auditor General has indicated that they will present the draft audit report at the board meeting.



Leon Coopasamy MCom (University of Pretoria), CA(SA)
Chairperson of the Audit Committee
South African Library for the Blind

24 July 2019



1949 - The first talking books arrive from overseas



THE TALKING BOOK DEPARTMENT

PART D: HUMAN RESOURCES MANAGEMENT



1925 - Charlie, the first SALB messenger, trundles parcels containing books, music and magazines in a wheelbarrow

1. INTRODUCTION

THE STATUS OF HUMAN RESOURCES AT THE SA LIBRARY FOR THE BLIND

During the period under review, 7 employees were appointed and there were 7 terminations of employment. Two contract employees on the Mzansi Online Library Project programme whose contracts came to an end during June 2018 successfully applied for different Provincial Library Project contract opportunities. The one employee was appointed for the North West Province where a vacancy arose due to a resignation in the prior financial period and the other was appointed to the Free State province which joined the Provincial Library project during the year under review.

One of the permanent employees who resigned in the Braille Production section was replaced with an Intern who is in the process of qualifying herself in Braille. One Librarian Intern who resigned prior to the end of her Internship term was replaced with another Intern.

From an employment equity perspective, 2 African Male employees, 3 African Female and 2 Coloured Females' employments were terminated through resignation and contract periods which came to an end. All 7 new appointees were African Female employees. Of the 2 contract employees who successfully applied for Provincial Project roles, 1 is an African Male and 1 is an African Female. 61% of employees are African, 26% are Coloured, 2% Indian, 8% White and 3% are employees with disabilities.

The SALB expended no less than R180 000 on training and development of their staff and also expended money on the upskilling of an employee in TsiTsonga Braille and training on the SALB Library Management System. 5 Employees participated in formal qualification studies, 13 employees received training in Etiquette and Customer Relations, 8 employees received training in Tender and Contracts Management and 4 employees were trained in Basic First Aid. 7 Employees received funding to attend conferences and seminars.

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

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

Financial constraints continue to present a challenge in terms of appointing suitably qualified permanent employees at the SALB, and the SALB is appointing Interns to fill/compliment its staff base.

The growing participation of and provision of funding by the Provincial Departments of Sports, Recreation, Arts and Culture continues to afford opportunities for SALB to appoint contract staff to attend to the establishment of dedicated service points at

public libraries for blind and visually impaired members to access reading material in a format accessible to them. The Free State Province also joined this programme during the year under review.

Through the Apprenticeship Programme at SALB blind and visually impaired scholars are afforded an opportunity to be actively engaged in work related activities at the SALB providing them with the opportunity to make career decisions in the future.

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

The National fiscus remains constrained and there is a call on all Government Departments and Public Entities to contain costs. This hampers the ability to appoint more staff to the establishment and/or to replace staff who leave the employ of the SALB with permanent staff members. Cost saving strategies are applied such as the appointment of Interns as opposed to permanent staff members, where such appointment is possible. Internship appointments also contribute to the National Strategy of increasing youth employment and development opportunities.

Of the 7 employees appointed during the past reporting period, only one was on the full-time establishment, three were Interns and three were contracted appointments on the Provincial Libraries Project.

The SALB often re-advertises vacant positions to try increase the pool of candidates from designated groups as part of transformation. The services of Recruitment Agencies are also utilised at times to assist in this regard.

EMPLOYEE PERFORMANCE MANAGEMENT

Through the dedication and hard work of the staff members at the SALB, 90% of the Annual Performance Targets were met during the year under review. Circumstances outside the control of the Library restricted our ability to achieve a 100% success rate, however, we acknowledge staff for this achievement.

Financial constraints drastically limit the ability to optimally reward high performing staff at SALB. 29 Staff members were however acknowledged with a once-off bonus amount in appreciation for performance above the standard required of them during the prior financial period.

EMPLOYEE WELLNESS PROGRAMME

The SALB runs a staff wellness programme to encourage and foster teamwork in the workplace and improve the SALB corporate culture and or staff morale.

During the year under review, a number of counselling sessions were held with staff members who experienced great challenges or adversity and reasonable accommodations were made for them to be assisted with their challenge. Those who made use of the concessions were appreciative of the assistance.

ACHIEVEMENTS

Two blind, and two partially sighted scholars participated in the Library's Apprenticeship Programme during the 2018/2019 financial period. They were pupils from Khanyisa School for the Blind in Port Elizabeth and Zamokuhle School for the Blind in Bizana. The pupils spent approximately one working week at the Library during which they were exposed to the various functions performed in the different sections of the Library.

Through the Skills Development Fund at the Library more than R180 000 was expended on staff development and training. At least 42 staff members benefitted from Skills and Development and Training funding for formal qualification studies. Some staff members benefitted from more than one course or training intervention during the year under review.

HR CHALLENGES FACED

Challenges faced within the Human Resources environment continue to relate to financial constraints, which is experienced due to the poor economic climate. SALB would like to dedicate more funding towards skills development and training of their workforce and to appoint permanent staff as opposed to Interns but cannot do this due to funding limitations.

A further challenge experienced by the SALB is to attract more persons versed in African Languages not native to the Eastern Cape for its Volunteer programme of Narration of audiobooks and Transcribing and Proofreading of Braille books. This is to increase its catalogue of books in all official languages of South Africa for the reading pleasure of its members.

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

FUTURE HUMAN RESOURCE 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.

NOTE: The Human Resources tables to follow were adapted to suit the SALB requirements as a Public Entity whilst maintaining relevance and ease of understanding.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Personnel Related expenditure

Personnel Expenditure by Programme/ Activity/ Objective (1 April 2018 to 31 March 2019)

| Programme/ Activity/ Objective | Total Expenditure for the entity (R'000) | Personnel Expenditure (R'000) | Training Ex- penditure (R'000) | Professional and special services expenditure | Personnel exp. as a % of total ex- penditure | Number of em- ployees | Average personnel cost per employee (R'000) |
|---|---|-------------------------------------|---|--|---|--------------------------------|---|
| Full Time Staff (Excl. Project totals below) | 25 941 | 16 621 | 180 | - | 64 | 50 | 332 |
| Snr Projects Coordinator | 453 | 453 | - | - | 100 | 1 | 463 |
| EC Library Project | 1 808 | 687 | 4 | - | 38 | 2 | 344 |
| Free State Library Project | 1 489 | 315 | 12 | - | 21 | 1 | 315 |
| Gauteng Library Project | 805 | 308 | - | - | 38 | 1 | 308 |
| KZN Library Project | 914 | 681 | - | - | 75 | 2 | 341 |
| Mpumalanga Library Project | 1 183 | 267 | - | - | 23 | 1 | 267 |
| Northern Cape Library Project | 881 | 435 | - | - | 49 | 1 | 435 |
| North West Library Project | 572 | 306 | - | - | 53 | 1 | 306 |
| Western Cape Library Project | 814 | 434 | - | - | 53 | 1 | 434 |
| Mzansi Library Project | 702 | 478 | - | - | 68 | 4 | 120 |
| TOTAL | 35 562 | 20 985 | 196 | - | 59 | 65 | 323 |

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

| Salary Levels | Personnel Expenditure (R'000) | % of personnel exp. to total personnel cost | Number of employees | Average personnel cost per employee (R'000) |
|---------------------------------|-------------------------------|---|---------------------|---|
| Top Management | | | | |
| Senior Management (P2-3) | 1 534 | 9 | 1 | 1 534 |
| Professional Qualified (P4-7) | 3 615 | 22 | 5 | 746 |
| Skilled (8-11) | 7 098 | 43 | 19 | 379 |
| Semi-skilled & other (P12 – 15) | 3 859 | 23 | 19 | 203 |
| Unskilled (P16-19) | 515 | 3 | 6 | 86 |
| TOTAL | 16 621 | 100 | 50 | 337 |

NOTE: The Salary Levels in this table is aligned to the EEA 9 table issued by the Department of Labour. Also, the totals applied in the table is in line with the totals for the Full Time staff component in the first table above.

Employment and Vacancies

Employment and vacancies by Programme / Activity/ Objective

| Programme/Activity/Objective | Number of posts on the approved establishment | Number of posts filled as at 31 March 2019 | Vacancy Rate | Number of employees additional to the establishment |
|---|---|--|--------------|---|
| Full Time Staff (Excl. project staff below, but incl. Interns and general contract staff) | 55 | 50 | 9 | 0 |
| Snr Projects Coordinator | 1 | 1 | 0 | 0 |
| EC Library Project | 2 | 2 | 0 | 0 |
| Free State Library Project | 1 | 1 | 0 | 0 |
| Gauteng Library Project | 1 | 1 | 0 | 0 |
| KZN Library Project | 2 | 2 | 0 | 0 |
| Mpumalanga Library Project | 1 | 1 | 0 | 0 |
| Northern Cape Library Project | 1 | 1 | 0 | 0 |
| North West Library Project | 1 | 1 | 0 | 0 |
| Western Cape Library Project | 1 | 1 | 0 | 0 |
| Mzansi Library Project | 0 | 0 | 0 | 0 |

Employment and vacancies by Salary Band as at 31 March 2019

| Salary Band | Number of posts on the approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|---------------------------------|---|------------------------|--------------|---|
| Top Management | - | - | - | - |
| Senior Management (P2 - 3) | 1 | 1 | - | - |
| Professional qualified (P4 - 7) | 5 | 5 | - | - |
| Skilled (8-11) | 24 | 19 | 20 | - |
| Semi-skilled & other (P12 - 15) | 19 | 19 | - | - |
| Unskilled (P16 -19) | 6 | 6 | - | - |
| TOTAL PERMANENT STAFF | 55 | 50 | 20 | - |
| Project Staff | 11 | 11 | - | - |

Employment and vacancies by critical occupations as at 31 March 2019

| Critical Occupation | Number of posts on the approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|------------------------------|---|------------------------|--------------|---|
| Director | 1 | 1 | - | - |
| Chief Financial Officer | 1 | 1 | - | - |
| TOTAL PERMANENT STAFF | 2 | 2 | - | - |

Job Evaluation

At the SA Library for the Blind, Management may evaluate or re-evaluate any job profile within the organisation. This practice is mostly applied with new or revised positions. Employees may also request that their post profiles be re-evaluated in instances where their duties have changed significantly over time on a permanent basis. In such instances the employee may be liable for the cost of the evaluation process if the grade of the position remains unchanged or is graded on a lower level. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Job Evaluation by Salary Band for the period 1 April 2018 to 31 March 2019

| Salary Band | Number of posts on approved establishment | Number of Jobs Evaluated | % of posts evaluated by salary bands | Posts Upgraded | | Posts Downgraded | |
|------------------------------|---|--------------------------|--------------------------------------|----------------|----------------------|------------------|----------------------|
| | | | | Number | % of posts evaluated | Number | % of posts evaluated |
| TOTAL PERMANENT STAFF | 55 | - | - | - | - | - | - |

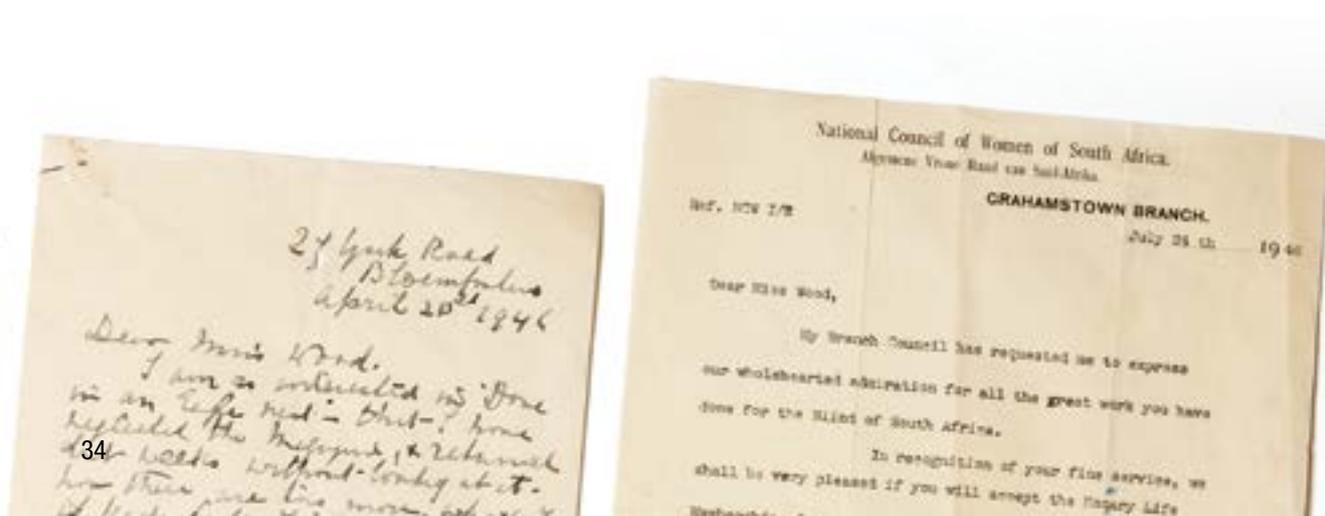
Profile of employees whose positions were upgraded due to their posts being regraded for the period 1 April 2018 to 31 March 2019

| Gender | African | Coloured | Indian | White | Total |
|-----------------------------|---------|----------|--------|-------|-------|
| Female | - | - | - | - | - |
| Male | - | - | - | - | - |
| Total | - | - | - | - | - |
| Employees with a disability | - | - | - | - | - |

Note: There were no jobs evaluated at the SALB during the period under review. Neither are any staff members remunerated at salary levels higher than those determined by job evaluation.

Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).



Annual turnover rates by salary band for the period 1 April 2018 to 31 March 2020

| Salary Band | Number of employees at the beginning of the period 1 April 2018 | Appointments and transfers into the Organisation | Terminations and transfers out of the Organisation | Turnover rate % |
|---|---|--|--|-----------------|
| Full Time Staff (Excl. project staff below, but incl. Interns and general contract staff) | 50 | 5 | 5 | 10 |
| Snr Projects Coordinator | 1 | - | - | - |
| EC Library Project | 2 | - | - | - |
| Free State Library Project | - | 1 | - | - |
| Gauteng Library Project | - | 1 | - | - |
| KZN Library Project | 2 | - | - | - |
| Mpumalanga Library Project | - | 1 | - | - |
| Northern Cape Library Project | 1 | - | - | - |
| North West Library Project | - | 1 | - | - |
| Western Cape Library Project | 1 | - | - | - |
| Mzansi Library Project | 4 | - | 4 | 100 |

Reasons why staff left the Organisation for the period 1 April 2018 to 31 March 2019

| Reason | Number | % of total number of staff leaving |
|---|----------|------------------------------------|
| Death | - | - |
| Resignation | 3 | 33.3 |
| Expiry of contract | 4 | 44.4 |
| Dismissal - operational changes | - | - |
| Dismissal - misconduct | - | - |
| Dismissal - inefficiency | - | - |
| Discharged due to ill-health | - | - |
| Retirement | - | - |
| Transfers | - | - |
| Other - Alternative Contract Positions | 2 | 22.3 |
| Total | 9 | |
| Total number of employees who left as a % of total employment | 16% | |

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 | % of total number of staff leaving |
|-------------------------------|----------|------------------------------------|
| Correctional Counselling | 3 | 50 |
| Verbal/ 1st Warning | 2 | 33.33 |
| Written Warning | - | - |
| Final Written Warning | 1 | 16.67 |
| Suspended without pay | - | - |
| Fine | - | - |
| Demotion | - | - |
| Dismissal | - | - |
| Not guilty | - | - |
| Case Withdrawn | - | - |
| Total | 6 | |

Promotions by critical occupation for the period 1 April 2018 to 31 March 2019

| Occupation | Employees 1 April 2018 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|--|------------------------|------------------------------------|---|---|---|
| Director | 1 | - | - | - | - |
| CFO | 1 | - | - | - | - |
| Total | 2 | - | - | - | - |
| There were no promotions for critical staff during the reporting period under review | | | | | |

Promotions by salary band for the period 1 April 2018 to 31 March 2019

| Salary Band | Employees 1 April 2018 | Promotions to another salary level | Salary bands promotions as a % of employees by salary level | Progressions to another notch within a salary level | Notch progression as a % of employees by salary bands |
|-------------|---|------------------------------------|---|---|---|
| Total | There were no staff promotions during the reporting period under review | | | | |

Employment Equity

Total number of employees (including employees with disabilities)

| Occupational Band | Male | | | | Female | | | | Persons with disabilities | Total |
|---|-----------|----------|----------|----------|-----------|----------|----------|----------|---------------------------|-----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | | |
| Top Management | - | - | - | - | - | - | - | - | - | - |
| Senior Management | - | - | - | 1 | - | - | - | - | - | 1 |
| Professionally qualified and experienced specialists and mid-management | 1 | - | 1 | 1 | 2 | - | - | - | - | 5 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 5 | 3 | - | 1 | 14 | 4 | - | 2 | 1 | 30 |
| Semi-skilled and discretionary decision making | 3 | 5 | - | - | 6 | 3 | - | - | - | 17 |
| Unskilled and defined decision making | - | - | - | - | 1 | 1 | - | - | - | 2 |
| Temp/Contract | 2 | - | - | - | 1 | - | - | - | - | 3 |
| Interns | - | - | - | - | 3 | - | - | - | 1 | 4 |
| Total | 11 | 8 | 1 | 3 | 27 | 8 | - | 2 | 2 | 62 |

The table above includes employees who have been paid during the period under review, but who may not have been in employment as at 31 March 2019 any longer, e.g. contract cleaner or office assistant.

Recruitment for the period 1 April 2018 to 31 March 2019

| Occupational Band | Male | | | | Female | | | | Persons with disabilities | Total |
|---|----------|----------|----------|----------|----------|----------|----------|----------|---------------------------|----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | | |
| Top Management | - | - | - | - | - | - | - | - | - | - |
| Senior Management | - | - | - | - | - | - | - | - | - | - |
| Professionally qualified and experienced specialists and mid-management | - | - | - | - | - | - | - | - | - | - |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 1 | - | - | - | 4 | - | - | - | - | 5 |
| Semi-skilled and discretionary decision making | - | - | - | - | 1 | - | - | - | - | 1 |
| Unskilled and defined decision making | - | - | - | - | - | - | - | - | - | - |
| Interns | - | - | - | - | 3 | - | - | - | - | 3 |
| Total | 1 | - | - | - | 8 | - | - | - | - | 9 |
| Employees with disabilities | - | - | - | - | - | - | - | - | - | - |

Promotions for the period 1 April 2018 to 31 March 2019

| Occupational Band | Male | | | | Female | | | | Persons with disabilities | Total |
|---|---------|----------|--------|-------|---------|----------|--------|-------|---------------------------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | | |
| Top Management | | | | | | | | | | |
| Senior Management | | | | | | | | | | |
| Professionally qualified and experienced specialists and mid-management | | | | | | | | | | |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | | | | | | | | | | |
| Semi-skilled and discretionary decision making | | | | | | | | | | |
| Unskilled and defined decision making | | | | | | | | | | |
| Interns | | | | | | | | | | |
| Total | | | | | | | | | | |
| Employees with disabilities | | | | | | | | | | |

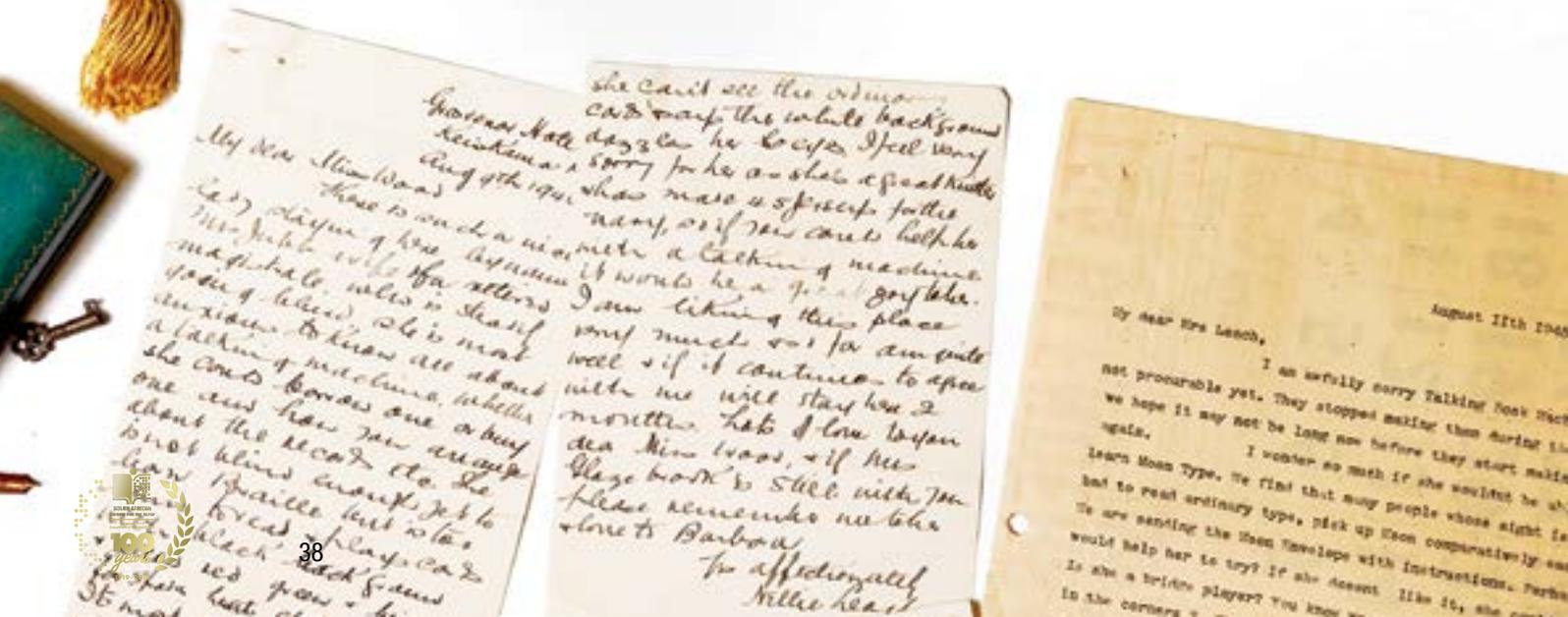
There were no promotions during the period under review.

Terminations for the period 1 April 2018 to 31 March 2019

| Occupational Band | Male | | | | Female | | | | Persons with disabilities | Total |
|---|----------|----------|----------|----------|----------|----------|----------|----------|---------------------------|----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | | |
| Top Management | - | - | - | - | - | - | - | - | - | - |
| Senior Management | - | - | - | - | - | - | - | - | - | - |
| Professionally qualified and experienced specialists and mid-management | - | - | - | - | - | - | - | - | - | - |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 1 | - | - | - | 3 | - | - | - | - | 4 |
| Semi-skilled and discretionary decision making | - | - | - | - | - | 2 | - | - | - | 2 |
| Unskilled and defined decision making | - | - | - | - | - | - | - | - | - | - |
| Interns | 1 | - | - | - | 1 | - | - | - | 1 | 2 |
| Total | 2 | - | - | - | 4 | 2 | - | - | 1 | 9 |
| Persons with disabilities (incl. in above totals) | 1 | - | - | - | - | - | - | - | - | 1 |

Grievances lodged for the period 1 April 2018 to 31 March 2019

| Grievances | Number | % of total |
|--|----------|------------|
| Number of grievances resolved | - | - |
| Number of grievances not resolved | - | - |
| Total number of grievances lodged | - | - |



Skills Development

Training implemented for the period 1 April 2018 to 31 March 2019

| Occupational category | Number of employees trained | Learnerships or similar | | Formal Qualification Studies | | Skills Programmes & other short courses | | Other forms of training | | Total (R'000) | |
|---|-----------------------------|-------------------------|----------|------------------------------|-----------|---|-----------|-------------------------|-----------|---------------|------------|
| | | Nr | R'000 | Nr | R'000 | Nr | R'000 | Nr | R'000 | Nr | R'000 |
| Top Management | - | - | - | - | - | - | - | - | - | - | - |
| Senior Management | 1 | - | - | 2 | 40 | 1 | 4 | 2 | 13 | 5 | 57 |
| Professionally qualified and experienced specialists and mid-management | 5 | - | - | - | - | 9 | 27 | 2 | 11 | 11 | 38 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 9 | - | - | 2 | 26 | 10 | 22 | 3 | 11 | 15 | 59 |
| Semi-skilled and discretionary decision making | 7 | - | - | - | - | 9 | 22 | - | - | 9 | 22 |
| Unskilled and defined decision making | 1 | - | - | - | - | 1 | 2 | - | - | 1 | 2 |
| Interns | 1 | - | - | - | - | 1 | 2 | - | - | 1 | 2 |
| Total | 24 | - | - | 4 | 66 | 31 | 74 | 7 | 35 | 42 | 180 |

Some employees in a particular salary level received more than one training intervention per category

Injury on duty

Injury on duty for the period 1 April 2018 to 31 March 2019

| Nature of injury on duty | Number | % of total |
|---------------------------------------|----------|------------|
| Required basic medical attention only | - | - |
| Temporary Total Disablement | - | - |
| Permanent Disablement | - | - |
| Fatal | - | - |
| Total | - | - |

There were no instances of injuries on duty reported during the review period.

PART E: ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019



1952 - Miss Josie Wood at her desk

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APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements which appear on pages 48 to 70 have been approved and authorised for issue on date of signature by the Board and are signed by the CEO:



DR WP Rowland
Chairperson

26 July 2019

Date



F Hendrikz
Director (CEO)

26 July 2019

Date

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the South African Library for the Blind, set out on pages 48 to 70 which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Library for the Blind as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).
3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

1925 - The Library finds a home



Basis for opinion

4. I am independent of the library in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

6. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the 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 appropriate governance structure either intends to liquidate the library or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

10. 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.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the library. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. 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 library for the year ended 31 March 2019:

| Programme | Pages in the annual performance report |
|------------------------------------|--|
| Programme 2 - business development | 17 - 20 |

13. 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

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SOUTH AFRICAN LIBRARY FOR THE BLIND

related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not raise any material findings on the usefulness and reliability of the reported performance information for programme 2: business development.

Other matters

15. I draw attention to the matters below.

Achievement of planned targets

16. Refer to the annual performance report on pages 16 to 21 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a significant number of targets.

Adjustment of material misstatements

17. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 2: business development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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 library with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
19. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other Information

20. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
21. 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.
22. 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

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SOUTH AFRICAN LIBRARY FOR THE BLIND

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

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

Internal control deficiencies

24. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor - GENERAL

East London

31 July 2019



AUDITOR-GENERAL
SOUTH AFRICA

Adding to build public confidence

Annexure - Auditor-general's responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the library's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting authority
 - conclude on the appropriateness of the board of directors, which constitutes the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the South African Library for the Blind's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a library to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

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

**SOUTH AFRICAN LIBRARY FOR THE BLIND
DIRECTORS REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The Director presents his report of the Library for the year ended 31 March 2019

1 DIRECTOR AND CHAIRPERSON OF THE BOARD

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

The Director
South African Library for the Blind
112b High Street / P O Box 115
Makhanda (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 S A Library for the Blind is a National Library for Blind and Visually Impaired readers, which renders a free service to its members.

3 OPERATING RESULTS

Surplus of R358 000 for the year is recorded and is predominantly due to the nature of classifying production costs as capital expenditure .

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

4 REVIEW OF OPERATIONS

GROSS INCOME AND EXPENDITURE

Gross income for the year totalled R 35 945 000 which represents an increase of 7% over the previous year.

Gross Expenditure for the year totalled R 35 587 000 which represents an increase of 8.4% over the previous year.

5 EVENTS SUBSEQUENT TO BALANCE SHEET DATE

No other events to disclose.



**FRANCOIS HENDRIKZ
DIRECTOR (CEO)**

Date: 31 May 2019

SOUTH AFRICAN LIBRARY FOR THE BLIND
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

| | Notes | 2019 R 000's | 2018 R 000's |
|--|-------|-----------------|-----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2 | 4 298 | 5 870 |
| Intangible assets | 3 | 68 021 | 63 686 |
| Current Assets | | | |
| Trade and other receivables from exchange transactions | 4,1 | - | 89 |
| Other current financial assets | 4,2 | 106 | 8 |
| Prepayments | 4,3 | 374 | 322 |
| Cash and cash equivalents | 5,1 | 20 570 | 11 424 |
| Current investments | 5,2 | - | 12 718 |
| TOTAL ASSETS | | 93 369 | 94 117 |
| LIABILITIES | | | |
| Non Current Liabilities | | | |
| Provision for Post Retirement Benefits | 6,1 | 2 183 | 2 127 |
| Current Liabilities | | | |
| Trade and other payables from exchange transactions | 7 | 2 594 | 2 405 |
| Provisions | 8 | 171 | 171 |
| Government grants | 9 | 6 172 | 7 173 |
| Unspent conditional receipts | 10 | - | 350 |
| TOTAL LIABILITIES | | 11 120 | 12 226 |
| Net Assets | | | |
| Capital and Reserves | | | |
| Accumulated surplus | | 82 249 | 81 891 |
| Total Net Assets | | 82 249 | 81 891 |
| TOTAL NET ASSETS AND LIABILITIES | | 93 369 | 94 117 |

SOUTH AFRICAN LIBRARY FOR THE BLIND
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2019

| | Notes | 2019 R 000's Actual | 2018 R 000's Actual |
|---|-------|---------------------------|---------------------------|
| Revenue | 11 | | |
| Revenue from non-exchange transactions | | 34 288 | 31 831 |
| Transfers and subsidies | 11,1 | 22 323 | 20 596 |
| Gifts, sponsorships and donations | 11,2 | 2 796 | 1 167 |
| Transfers and Sponsorships | 11,3 | 9 169 | 10 068 |
| Revenue from exchange transactions | | 851 | 510 |
| Other income | 11,4 | 111 | 30 |
| Interest received/earned | 12 | 740 | 480 |
| Total Revenue | | 35 139 | 32 341 |
| Expenditure | | | |
| Administrative expenses | 14 | (1 232) | (1 183) |
| Staff costs | 15 | (14 033) | (13 930) |
| Depreciation and amortisation expense | 2&3 | (2 086) | (2 025) |
| Marketing costs | 16 | (2 749) | (292) |
| Audit fees | 17 | (735) | (741) |
| Other operating expenses | 18 | (14 727) | (14 664) |
| Total Expenditure | | (35 562) | (32 835) |
| Other Gains | | | |
| Gain on fair value of financial instruments | 5,2 | 805 | 1 224 |
| (Loss) / Gain on sale/disposal of assets | 2 | (24) | 23 |
| Total Other | | 781 | 1 247 |
| Surplus for the year | | 358 | 753 |

SOUTH AFRICAN LIBRARY FOR THE BLIND
 STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED 31 MARCH 2019

| | Notes | Accumulated Surplus R'000 |
|------------------------------------|-------|---------------------------------|
| Balance at 1 April 2017 | | 81 138 |
| Surplus for the year | | 753 |
| Balance as at 31 March 2018 | | <u>81 891</u> |
| Surplus for the year | | 358 |
| Balance as at 31 March 2019 | | <u><u>82 249</u></u> |

“ I SMELL BOOKS ”

- Helen Keller

1950 - Helen Keller visits the South African Library for the Blind

Left to right: Josie Wood, Helen Keller, Polly Thompson

SOUTH AFRICAN LIBRARY FOR THE BLIND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

| | Notes | 2019 R 000's | 2018 R 000's |
|---|-------------|-----------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 34 738 | 32 019 |
| Transfers and subsidies | | 22 323 | 20 596 |
| Gifts, sponsorships and donations | | 2 460 | 930 |
| Transfers and sponsorships | | 9 254 | 9 983 |
| Other receipts | | 59 | 30 |
| Interest | | 642 | 480 |
| Payments | | (33 229) | (31 863) |
| Staff costs | | (13 673) | (15 520) |
| Goods & services | | (19 556) | (16 343) |
| Net cash flows from operating activities | 20,1 | 1 509 | 156 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of property, plant and equipment | | (435) | (754) |
| Acquisition of intangible assets | | (4 101) | (5 711) |
| Proceeds on sale of property, plant and equipment | | - | 53 |
| Gain on fair value of financial instruments | | 805 | 1 224 |
| Transfers from current investments | | 12 718 | 7 776 |
| Net cash flows from investing activities | | 8 987 | 2 588 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Project funding | | (1 350) | 752 |
| Net cash used in / flows from financing activities | | (1 350) | 752 |
| Net increase in cash and cash equivalents | | 9 146 | 3 496 |
| Cash and cash equivalents at the beginning of the year | | 11 424 | 7 928 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 5,1 | 20 570 | 11 424 |

SOUTH AFRICAN LIBRARY FOR THE BLIND

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

| | Actual 2017/18 R 000'S | 2018/2019 | | | Actual amounts R 000'S | Difference R 000'S |
|--|------------------------------|-------------------------------|----------------------------|----------------------------|------------------------------|-----------------------|
| | | Original budget R 000'S | Adjust ments R 000'S | Final budget R 000'S | | |
| Revenue | | | | | | |
| Government subsidies | 30 664 | 22 323 | 9 858 | 32 181 | 31 492 | 689 |
| Department of Arts and Culture subsidy | 20 257 | 22 323 | - | 22 323 | 22 323 | - |
| Department of Arts and Culture Other | 339 | - | - | - | - | - |
| Government grants - projects | 10 068 | - | 9 858 | 9 858 | 9 169 | 689 |
| Other Income | 53 | - | - | - | 111 | (111) |
| Gifts, Sponsorships and Donations | 1 167 | 250 | 1 850 | 2 100 | 2 796 | (696) |
| Interest received incl fair value gain | 1 704 | 400 | 1 000 | 1 400 | 1 546 | (146) |
| Transfer from reserves | - | 1 690 | (871) | 819 | - | 819 |
| Total revenue | 33 588 | 24 663 | 11 837 | 36 500 | 35 945 | 555 |
| Operating Expenditure | | | | | | |
| Compensation of employees | 13 930 | 17 500 | (3 450) | 14 050 | 14 033 | 17 |
| Salaries and wages | 10 337 | 13 300 | (2 150) | 11 160 | 11 151 | 9 |
| Social contributions | 3 593 | 4 200 | (1 300) | 2 890 | 2 882 | 8 |
| Use of goods and services | 18 905 | 6 963 | 15 487 | 22 450 | 21 554 | 896 |
| Audit fees - external | 457 | 340 | 240 | 580 | 577 | 3 |
| Bad debts | - | 1 | - | 1 | - | 1 |
| Bank & Other Financial charges | 54 | 50 | 57 | 107 | 105 | 2 |
| Board costs | 136 | 160 | (60) | 100 | 97 | 3 |
| Book production services: Audio; Braille & NBC | 65 | 381 | (151) | 230 | 214 | 16 |
| Communication | 280 | 310 | (10) | 300 | 291 | 9 |
| Consultants, contractors and special services | 435 | 340 | 111 | 451 | 385 | 66 |
| Corporate Governance | 46 | 40 | 15 | 55 | 43 | 12 |
| Courier and delivery | 15 | 20 | - | 20 | 17 | 3 |
| Entertainment | - | 1 | - | 1 | - | 1 |
| General Administrative Expenses | 115 | 146 | 29 | 175 | 149 | 26 |
| General Fees for Services | 100 | 101 | (68) | 33 | 32 | 1 |
| Legal fees | 69 | 30 | 40 | 70 | 69 | 1 |
| Insurance | 167 | 170 | 50 | 220 | 220 | - |
| Josie Wood | 605 | - | 1 850 | 1 850 | 1 850 | - |
| Library and information services | 152 | 287 | (87) | 200 | 194 | 6 |
| Loss on foreign exchange | 344 | - | - | - | - | - |
| Marketing costs | 292 | 760 | 1 990 | 2 750 | 2 749 | 1 |
| Operating lease expenses: equipment | 93 | 87 | 12 | 99 | 96 | 3 |
| Project expenses | 9 868 | - | 9 858 | 9 858 | 9 169 | 689 |
| Repairs and maintenance | 560 | 330 | 110 | 440 | 425 | 15 |
| Research and development | - | 20 | 33 | 53 | 52 | 1 |
| Stationery and printing | 97 | 70 | 30 | 100 | 97 | 3 |
| Training and staff development | 174 | 262 | (55) | 207 | 194 | 13 |
| Travel and subsistence | 454 | 550 | (215) | 335 | 331 | 4 |
| Depreciation | 2 025 | 600 | 1 500 | 2 100 | 2 086 | 14 |
| Water & Electricity Allocation DPW/DAC | 377 | 407 | (92) | 315 | 314 | 1 |
| Daisy Players / other capex recognised | 1 925 | 1 500 | 300 | 1 800 | 1 798 | 2 |
| | 32 835 | 24 463 | 12 037 | 36 500 | 35 587 | 913 |
| Capital Expenditure | | | | | | |
| Fixed Assets | - | - | - | - | - | - |
| Vehicles | 240 | - | - | - | - | - |
| Computer and office equipment | 486 | 170 | 215 | 385 | 374 | 11 |
| Furniture and fittings | 5 | 30 | (25) | 5 | 5 | - |
| Braille Books PPE | 23 | - | 60 | 60 | 56 | 4 |
| Intangible Assets | 5 947 | - | 4 450 | 4 450 | 4 439 | 11 |
| | 6 701 | 200 | 4 700 | 4 900 | 4 874 | 26 |
| Total Expenditure | 39 536 | 24 663 | 16 737 | 41 400 | 40 461 | 939 |

**SOUTH AFRICAN LIBRARY FOR THE BLIND
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2019**

1 Accounting Policies

1.1 Legislation

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

1.2 Taxation

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

1.3 Basis of Preparation

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

1.4 Presentation Currency

These annual financial statements are presented in South African Rands.

1.5 Going Concern

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

1.6 GRAP standards approved not yet effective

The following GRAP standards summarized below, have been approved but not yet effective as at 31 March 2019, and have not been early adopted by the library:

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

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

1.7 Comparative Information

Prior year comparatives:

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

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

1.8 Conditional Grants and Receipts

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

**SOUTH AFRICAN LIBRARY FOR THE BLIND
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2019**

1,8 Conditional Grants and Receipts (Cont.)

Grants and receipts of a revenue nature

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

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

1,9 Provisions

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

1,10 Property, plant and equipment

Initial measurement

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

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

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

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

Subsequent measurement

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

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

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

**SOUTH AFRICAN LIBRARY FOR THE BLIND
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2019**

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

Impairment

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

Derecognition

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

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

Depreciation

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

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

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

Review of residual values

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

Review of useful lives

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

Review of depreciation method

The depreciation method is reviewed on an annual basis.

Impairment of cash and non-cash generating assets

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

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

1,11 Financial instruments

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

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

**SOUTH AFRICAN LIBRARY FOR THE BLIND
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2019**

1,11 Financial instruments (Cont.)

1.11.1 Financial assets

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

1. Held to maturity
2. Loans and receivables

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

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

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

1.11.1.1 Cash and cash equivalents

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

1.11.1.2 Current investments

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

1.11.1.3 Trade and other receivables

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

1.11.2 Financial liabilities

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

1.11.2.1 Trade and other payables

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

1,12 Revenue recognition

1.12.1 Revenue from exchange transactions

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

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

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

**SOUTH AFRICAN LIBRARY FOR THE BLIND
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2019**

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.

**SOUTH AFRICAN LIBRARY FOR THE BLIND
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2019**

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. There are other personnel reporting directly to the Director or as designated by the Director; however do not have significant authority .

1,19 Employee benefits

1.19.1 Defined contribution plans

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

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

1.19.2 Defined benefit plans

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

1.19.2.1 Post-retirement health care benefits:

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

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

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

**SOUTH AFRICAN LIBRARY FOR THE BLIND
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2019**

1,19 Employee benefits (Cont.)

1.19.3 Short-term employee benefits

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

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

1,20 Intangible assets

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

Intangible assets are initially recognised at cost.

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

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

Derecognition

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

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

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

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

1,21 Segment Reporting

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

1,22 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Useful lives of property, plant and equipment and intangible assets

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

Provision for impairment

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

Post retirement benefits

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

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2 Property, plant and equipment

| | Buildings R 000's | Motor Vehicles R 000's | Computer & Office Equipment R 000's | Furniture & Fittings R 000's | Braille Books R 000's | Equipment R 000's | Total R 000's |
|---|----------------------|------------------------------|--|------------------------------------|--------------------------|----------------------|------------------|
| Year ended 31/3/2018 | | | | | | | |
| Net book value 1 April 2017 | 61 | 10 | 616 | 109 | 5 297 | 1 013 | 7 106 |
| Cost or valuation | 72 | 180 | 2 017 | 264 | 6 464 | 1 628 | 10 625 |
| Accumulated depreciation | (11) | (170) | (1 401) | (155) | (1 167) | (615) | (3 519) |
| Additions | - | 240 | 342 | 5 | 23 | 144 | 754 |
| Disposals | - | (4) | (8) | - | - | (18) | (30) |
| Depreciation charge | (2) | (14) | (311) | (35) | (1 295) | (303) | (1 960) |
| Net carrying amount at 31 March 2018 | 59 | 232 | 639 | 79 | 4 025 | 836 | 5 870 |
| Cost or valuation | 72 | 240 | 2 163 | 224 | 6 487 | 1 716 | 10 902 |
| Accumulated depreciation | (13) | (8) | (1 524) | (145) | (2 462) | (880) | (5 032) |
| Year ended 31/3/2019 | | | | | | | |
| Net book value 1 April 2018 | 59 | 232 | 639 | 79 | 4 025 | 836 | 5 870 |
| Cost or valuation | 72 | 240 | 2 163 | 224 | 6 487 | 1 716 | 10 902 |
| Accumulated depreciation | (13) | (8) | (1 524) | (145) | (2 462) | (880) | (5 032) |
| Additions | - | - | 374 | 5 | 56 | - | 435 |
| Disposals | - | - | (19) | (5) | - | - | (24) |
| Depreciation charge | (1) | (48) | (290) | (24) | (1 303) | (317) | (1 983) |
| Net carrying amount at 31 March 2019 | 58 | 184 | 704 | 55 | 2 778 | 519 | 4 298 |
| Cost or valuation | 72 | 240 | 2 122 | 215 | 6 543 | 1 716 | 10 908 |
| Accumulated depreciation | (14) | (56) | (1 418) | (160) | (3 765) | (1 197) | (6 610) |

During the 2018/19 Financial year, a change in estimate was done on certain assets that are still in use and this has been reflected on the asset register accordingly - if no change of estimate was done, the depreciation charge on these assets would have been R85 000, however with the change applied the effect for 2018/19 is R17 000 and the effect over future years will be R68 000. The useful lives of each asset is assessed annually. During the year assets costing R 429 000 with accumulated depreciation of R405 000 was disposed (2018 R 476 000 and R 446 000 respectively) - this has been taken into effect in the respective carrying amounts which also resulted in an overall loss of R24 000 being recorded for the year.

3 Intangible assets

Intangible assets consist of software; licences and masterfile electronic records

| | Audio Production Supplier Masterfile | Audio Production In- House Masterfile | Braille Production Supplier Masterfile | Braille Production In- House Masterfile | Software / Licences | Total |
|---|---|--|---|--|------------------------|--------|
| Year ended 31/3/2018 | | | | | | |
| Net book value 1 April 2017 | 5 380 | 29 876 | 1 623 | 20 857 | 67 | 57 803 |
| Cost or valuation | 5 380 | 29 876 | 1 623 | 20 857 | 239 | 57 975 |
| Accumulated amortisation | - | - | - | - | (172) | (172) |
| Additions | 659 | 2 136 | 256 | 2 595 | 302 | 5 948 |
| Disposals | - | - | - | - | - | - |
| Amortisation charge | - | - | - | - | (65) | (65) |
| Closing net book value 31 March 2018 | 6 039 | 32 012 | 1 879 | 23 452 | 304 | 63 686 |
| Cost or valuation | 6 039 | 32 012 | 1 879 | 23 452 | 318 | 63 700 |
| Accumulated amortisation | - | - | - | - | (14) | (14) |
| Year ended 31/3/2019 | | | | | | |
| Opening net book value 1 April 2018 | 6 039 | 32 012 | 1 879 | 23 452 | 304 | 63 686 |
| Cost or valuation | 6 039 | 32 012 | 1 879 | 23 452 | 318 | 63 700 |
| Accumulated amortisation | - | - | - | - | (14) | (14) |
| Additions | 575 | 1 906 | 161 | 1 796 | - | 4 438 |
| Disposals | - | - | - | - | - | - |
| Amortisation charge | - | - | - | - | (103) | (103) |
| Closing net book value 31 March 2019 | 6 614 | 33 918 | 2 040 | 25 248 | 201 | 68 021 |
| Cost or valuation | 6 614 | 33 918 | 2 040 | 25 248 | 302 | 68 122 |
| Accumulated amortisation | - | - | - | - | (101) | (101) |

Included in the additions for the year is a fair value adjustment for titles obtained for free from being a TIGAR beneficiary R 336 000 (2018 - R 237 000), the corresponding revenue is reflected under note 11.2. During the year assets costing R 16 000 with accumulated amortisation of R16 000 was disposed (2018 - R 223 000 and R 223 000 respectively) - this has been taken into effect in the respective carrying amounts.

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| | 2019 | 2018 |
|--|----------------|----------------|
| | R 000's | R 000's |
| Current Assets | | |
| 4.1 Trade receivables from exchange transactions | - | 89 |
| Less: Impairment recognised | - | - |
| | - | 89 |
| Current | | |
| Trade receivables from exchange transactions | - | 88 |
| | - | 88 |
| 30 Days | | |
| Trade receivables from exchange transactions | - | 1 |
| | - | 1 |
| | | |
| 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. During 2018/19 there was an overall credit balance from debtors of R2 000 which has been transferred to sundry creditors. | | |
| 4.2 Other current financial assets (accrued interest receivable) | 106 | 8 |
| 4.3 Prepayments | 374 | 322 |
| 5 | | |
| Cash and cash equivalents including current investments | | |
| The South African Library for the Blind operates a current account with no overdraft facility; a call account and a money market fund with Standard Bank of South Africa. The details are as follows: | | |
| BANK: Standard Bank of South Africa | | |
| ACCOUNT NUMBER: 082 004 196 (Current Account) | | |
| ACCOUNT NUMBER: 088817644 (Call Account) | | |
| BANK: STANLIB (Standard Bank Group) | | |
| ACCOUNT NUMBER: 053998402 (Money Market Fund Account) | | |
| BRANCH: Grahamstown (Johannesburg - Head Office) | | |
| BRANCH CODE: 05 09 17 | | |
| The South African Library for the Blind operates a savings account and a money market fund account with ABSA Bank. The details are as follows: | | |
| BANK: ABSA Bank | | |
| ACCOUNT NUMBER: 3804 372 1159 (Savings Account) | | |
| ACCOUNT NUMBER: 9069975980 (Money Market & ABIL Retention Fund Account) | | |
| BRANCH: Grahamstown | | |
| BRANCH CODE: 42 05 17 | | |
| The South African Library for the Blind operated a 32-day Call Deposit account with GBS Mutual Bank. This account was closed in January 2019. The details are as follows: | | |
| BANK: GBS Mutual Bank | | |
| ACCOUNT NUMBER: 00809600036 | | |
| BRANCH: Grahamstown | | |
| 5,1 Cash book balance at bank at beginning of the year | 11 395 | 7 910 |
| Cash book balance on hand at beginning of the year | 29 | 18 |
| | 11 424 | 7 928 |
| Cash book balance at bank at end of the year | 20 531 | 11 395 |
| Cash book balance on hand at end of the year | 39 | 29 |
| | 20 570 | 11 424 |
| The total restricted cash at year end is R 6 172 260 (2018: R 7 523 240). | | |
| | | |
| 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 | 20 570 | 11 424 |
| Cash and cash equivalents at beginning of the year | (11 424) | (7 928) |
| Cash and cash equivalents movement | 9 146 | 3 496 |

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| | 2019 | 2018 |
|--|----------------|----------------|
| | R 000's | R 000's |

5.2 Current Investments

The South African Library for the Blind operated a money market account with Old Mutual. This account was closed in January 2019. The details are as follows:

FINANCIAL INSTITUTION: Old Mutual
ACCOUNT NUMBER: 500148709 (Old Mutual Money Market Fund Account)
BRANCH: Grahamstown/Port Elizabeth

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

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

| | | |
|--------------------------------------|----------|---------------|
| Fair value at beginning of the year | 12 718 | 20 494 |
| Transfer to current/call account | (13 523) | (9 000) |
| Net Gain for the year | 805 | 1 224 |
| Fair value at end of the year | - | 12 718 |

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

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

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

6 Provisions (Non-Current Liabilities)

6.1 Provision for Post Retirement Benefits

| | | |
|---|--------------|--------------|
| Post-Retirement Health Care Benefit Liability | 2 183 | 2 127 |
| Total: Post-Retirement Medical Aid Benefit Liability | 2 183 | 2 127 |

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 was on the previous 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. Only four qualifying members are remaining on the scheme.

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

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

| | | |
|---|----------|----------|
| Continuation members (retirees, widowers and orphans) | 4 | 4 |
| Total | 4 | 4 |

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

| | R | R |
|------------------------|--------------|--------------|
| Continuation members | 2 183 | 2 127 |
| Total liability | 2 183 | 2 127 |

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

Liberty/Bonitas Medical Scheme (1 April 2018 to 31 March 2019) - Pensioners
Discovery Health Scheme (1 April 2018 to 31 March 2019) - Pensioner

The current service cost for the year ending 31 March 2019 is estimated to be R nil (2018: R 195 000) whereas the interest cost for the ensuing year is estimated to be R 181 000 (2018: R 404 000).

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| | 2019 | 2018 |
|---|---------------------|-----------------------------------|
| | R 000's | R 000's |
| 6,1 Provision for Post Retirement Benefits cont. | | |
| The principal assumptions used for the purposes of the actuarial valuations were as follows: | | |
| i) Rate of interest | | |
| Discount rate | 8,78% | 8,78% |
| Health care cost inflation rate | 7,93% | 7,93% |
| 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 | <u>2 183</u> | <u>2 127</u> |
| | 2 183 | 2 127 |
| Present value of unfunded obligations | | |
| Unrecognised past service cost | - | - |
| Unrecognised actuarial gains / (losses) | - | - |
| Present value of unfunded obligations | 2 183 | 2 127 |
| Net Liability | <u>2 183</u> | <u>2 127</u> |
| The movement in the defined benefit obligation over the year is as follows: | | |
| Balance at beginning of year (1 April) | 2 127 | 3 830 |
| Recognised past service cost | - | - |
| Current service cost | - | 195 |
| Interest cost | 181 | 404 |
| Benefits paid | (125) | (115) |
| Actuarial gain on the obligation | - | (301) |
| Net impact of settlement cost | - | (1 886) |
| Balance at end of year (31 March) | <u>2 183</u> | <u>2 127</u> |
| The effect of a 1 % movement in the assumed rate of health care cost inflation is as follows: The effect remains unchanged year-on-year as the valuation is done every two years (last valuation March 2018) | | |
| Increase | | |
| Effect on the current cost and the interest cost | 203 | 203 |
| Effect on the defined benefit obligation | 2 378 | 2 378 |
| Decrease | | |
| Effect on the current cost and the interest cost | 162 | 162 |
| Effect on the defined benefit obligation | 1 914 | 1 914 |
| 7 Trade and other payables from exchange transactions | | |
| Trade creditors | 949 | 1 058 |
| Leave gratuity accrual | 1 166 | 885 |
| Accrual for bonus | 479 | 462 |
| | <u>2 594</u> | <u>2 405</u> |
| 8 Provisions (Current Liabilities) | | |
| Provision for performance awards | | |
| - Balance at beginning of year | 171 | 167 |
| - Provision utilised | 130 | (92) |
| - Contribution to provision | (130) | 96 |
| | <u>171</u> | <u>171</u> |
| Performance awards are paid based on the performance of the library, as well as individual performance. The provision is an estimate based on unaudited profits as well as historical performance awards paid. | | |

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**9 Government grants
Year ended 31/3/2019**

| | Balance unspent at the beginning of the period | Conditions met transferred to revenue | Current year receipts | Conditions still to be met at the end of the period |
|--|--|---------------------------------------|-----------------------|---|
| <u>Provincial Department of Arts and Culture</u> | | | | |
| Kwazulu Natal Library project | 981 | (914) | 1 600 | 1 667 |
| Mpumalanga Library project | 1 235 | (1 183) | - | 52 |
| Eastern Cape Library project | 1 774 | (1 808) | 1 666 | 1 632 |
| Western Cape Library project | 140 | (814) | 900 | 226 |
| North West Library project | 518 | (572) | 800 | 746 |
| Northern Cape Library project | 836 | (882) | 1 000 | 954 |
| Free State Library project | 500 | (1 489) | 1 500 | 511 |
| Gauteng Library project | 1 189 | (805) | - | 384 |
| <u>Department of Arts and Culture</u> | | | | |
| National Library of South Africa (NLSA) | - | (702) | 702 | - |
| Totals | 7 173 | (9 169) | 8 168 | 6 172 |

Year ended 31/3/2018

| | Balance unspent at the beginning of the period | Conditions met transferred to revenue | Current year receipts | Conditions still to be met at the end of the period |
|--|--|---------------------------------------|-----------------------|---|
| <u>Provincial Department of Arts and Culture</u> | | | | |
| Kwazulu Natal Library project | 1 115 | (1 231) | 1 097 | 981 |
| Mpumalanga Library project | - | (338) | 1 573 | 1 235 |
| Eastern Cape Library project | 1 683 | (1 489) | 1 580 | 1 774 |
| Western Cape Library project | 512 | (922) | 550 | 140 |
| North West Library project | 897 | (1 379) | 1 000 | 518 |
| Northern Cape Library project | 923 | (1 087) | 1 000 | 836 |
| Free State Library project | - | - | 500 | 500 |
| Gauteng Library project | - | (200) | 1 389 | 1 189 |
| <u>Department of Arts and Culture</u> | | | | |
| Additional Grant Allocation | 1 036 | (1 036) | - | - |
| National Library of South Africa (NLSA) | - | (3 423) | 3 423 | - |
| Total | 6 166 | (11 105) | 12 112 | 7 173 |

Government grants are recognised in accordance with grant conditions.

10 Unspent conditional receipts

Josie Wood Trust

| | 2019 R 000's | 2018 R 000's |
|---|-----------------|-----------------|
| Balance unspent at the beginning of the period | 350 | 605 |
| Conditions met transferred to revenue | (1 850) | (605) |
| Current year receipts | 1 500 | 350 |
| Conditions still to be met at the end of the period | - | 350 |

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.

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| | 2019 | 2018 |
|---|----------------|----------------|
| | R 000's | R 000's |
| 11 Revenue | | |
| An analysis of SALB's revenue is as follows: | | |
| Non-exchange revenue | 34 288 | 31 831 |
| 11.1 Transfers and subsidies received | | |
| National Department of Arts and Culture(DAC) | 22 323 | 19 221 |
| Deemed Revenue recognised from DAC | - | 339 |
| Capex Income recognised | - | 1 036 |
| Sub-Total | 22 323 | 20 596 |
| 11.2 Gifts, sponsorships and donations | | |
| Donations and bequests | 496 | 265 |
| Audio production | 77 | 40 |
| Josie Wood Trust | 1 850 | 605 |
| TIGAR Beneficiary (non-cash) | 336 | 237 |
| Braille production | 37 | 20 |
| Sub-Total | 2 796 | 1 167 |
| 11.3 Transfers and Sponsorships | | |
| National Library of South Africa Library project | 702 | 3 423 |
| Kwazulu Natal Library project | 914 | 1 230 |
| Mpumalanga Library project | 1 183 | 338 |
| Eastern Cape Library project | 1 808 | 1 489 |
| Western Cape Library project | 814 | 922 |
| North West Library project | 572 | 1 379 |
| Northern Cape Library project | 882 | 1 087 |
| Free State Library project | 1 489 | - |
| Gauteng Library project | 805 | 200 |
| Sub-Total | 9 169 | 10 068 |
| 11.4 Exchange revenue | 851 | 510 |
| Other income | | |
| Sundry income | 111 | 30 |
| Sub-Total | 111 | 30 |
| 12 Interest received | 740 | 480 |
| 13 Reconciliation of budget surplus/(deficit) with the surplus/(deficit) in the statement of financial performance | | |
| Net surplus per the statement of financial performance | 358 | 753 |
| Adjusted for: | | |
| - Interest received and fair value gain on investments in excess of budgeted amount | (146) | (675) |
| - Donations and bequests received and not budgeted for | (359) | (125) |
| - Sundry income and profit/loss on asset disposal received and not budgeted for | (110) | (53) |
| - Income received from outside projects not budgeted for | (336) | (237) |
| - Other expenditure regularised as per approved budget | 951 | 1 090 |
| | 358 | 753 |
| 14 Administrative expenses | | |
| General administrative expenses | 45 | 39 |
| Advertising | 15 | 3 |
| Insurance | 220 | 167 |
| Water, Electricity expense DAC/DPW | 314 | 377 |
| Fees for services: | | |
| General | 34 | 21 |
| Board members | 97 | 136 |
| Corporate governance | 43 | 47 |
| Legal fees | 69 | 69 |
| Stationery and printing | 96 | 97 |
| Bank & Other Finance charges | 105 | 54 |
| Training and staff development | 194 | 173 |
| Total | 1 232 | 1 183 |

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| | 2019 R 000's | 2018 R 000's |
|--|-----------------|-----------------|
| 15 Staff costs | | |
| Wages and salaries | 9 616 | 9 493 |
| Basic salaries | 7 947 | 7 018 |
| Annual bonuses and awards | 632 | 598 |
| Housing allowance | 560 | 517 |
| Temporary staff | 140 | 73 |
| Leave gratuity | 281 | 103 |
| Post retirement medical benefits (Refer to note 6) | 56 | 1 184 |
| Senior Management (Refer to note 21) | 2 224 | 2 459 |
| Director/Chief Executive Officer | 1 299 | 1 534 |
| - Pensionable salary | 836 | 788 |
| - Non-pensionable salary | 181 | 477 |
| - Bonus | 70 | 66 |
| - Housing allowance | 14 | 13 |
| - Other employer contributions | 198 | 190 |
| Chief Financial Officer | 925 | 925 |
| - Pensionable salary | 622 | 557 |
| - Non-pensionable salary | 83 | 169 |
| - Bonus | 52 | 46 |
| - Housing allowance | 14 | 13 |
| - Other employer contributions | 154 | 140 |
| Defined contribution plan expenses | 2 193 | 1 978 |
| Social contributions (employer's contributions) | | |
| Medical | 850 | 716 |
| UIF | 73 | 70 |
| Pension | 1 227 | 1 156 |
| Other salary related costs | 43 | 36 |
| Total | 14 033 | 13 930 |
| <p>Salary costs associated with book production process capitalised as Intangible Assets under note 3. Furthermore, included in the expenditure note above, is a settlement of R143 000 paid relating to a labour court case matter, whereby the Judgment given by the Labour Court was a settlement offer to close the case. (both parties, the SALB and the previous employee (Mr Grootboom), accepted and abided by this outcome)</p> | | |
| 16 Marketing costs | | |
| General marketing expenses | 2 749 | 292 |
| Total | 2 749 | 292 |
| 17 Audit fees | | |
| Audit fees | 735 | 741 |
| Total | 735 | 741 |
| 18 Other operating expenses | | |
| Consultants, contractors and special services | 349 | 329 |
| Loss on foreign exchange | - | 344 |
| Daisy Player Project (DAC*) | 1 798 | 1 925 |
| Tactile book project | 2 | 4 |
| Eastern Cape Library Project | 1 808 | 1 489 |
| Kwazulu Natal Library project | 914 | 1 230 |
| Mpumalanga Library project | 1 183 | 338 |
| Western Cape Library project | 814 | 922 |
| North West Library project | 572 | 1 379 |
| Northern Cape Library project | 882 | 1 087 |
| Gauteng Library project | 805 | - |
| Free State Library project | 1 489 | - |
| National Library of South Africa Library project | 702 | 3 423 |
| Library and information services | 99 | 5 |
| Josie Wood Trust | 1 850 | 604 |
| Book production services: audio and Braille (non capital cost) | 198 | 56 |
| Repairs and maintenance | 461 | 604 |
| Property and buildings | 159 | 23 |
| Motor Vehicles | 33 | 36 |
| Equipment | 269 | 545 |
| Research & Development | 52 | - |
| Travel and subsistence | 331 | 453 |
| Courier and delivery charges | 31 | 99 |
| Communication costs | 291 | 280 |
| Operating lease expense: equipment (Refer to note 18.1) | 96 | 93 |
| Total | 14 727 | 14 664 |

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| | 2019 | 2018 | |
|--|----------------------|--------------------|----------------|
| | R 000's | R 000's | |
| 18 Other operating expenses cont. | | | |
| 18,1 Operating leases: Equipment | | | |
| Analysed as follows: | | | |
| Minimum operating lease rentals | 94 | 157 | |
| Contingent operating lease rentals | - | - | |
| | 94 | 157 | |
| 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 |
| 2019 | <u>Within 1 year</u> | <u>2 - 5 years</u> | <u>Total</u> |
| Minimum future lease payments | 28 | 66 | 94 |
| 2018 | <u>Within 1 year</u> | <u>2 - 5 years</u> | <u>Total</u> |
| Minimum future lease payments | 63 | 94 | 157 |
| Escalation clause | | | |
| There is no escalation clause. | | | |
| 19 Fruitless and wasteful expenditure | | | |
| Reconciliation of fruitless and wasteful expenditure: | | | |
| Opening balance | - | - | |
| Fruitless and wasteful expenditure | - | 2 | |
| Transfer to receivables for recovery | - | - | |
| Fruitless and wasteful expenditure condoned by the Board | - | (2) | |
| Fruitless and wasteful expenditure awaiting condonement | - | - | |
| | - | - | |
| There was no Fruitless and Wasteful Expenditure incurred in the current year | | | |
| 20 Reconciliation of surplus to cash flows from operating, investing and financing activities | | | |
| 20,1 Cash flows from operating activities | | | |
| Surplus before interest and other gains | (1 065) | (974) | |
| Adjusted for: | | | |
| - Increase / (Decrease) in employee benefits | 56 | (1 703) | |
| - Depreciation/Amortisation (Refer to notes 2 and 3) | 2 086 | 2 025 | |
| - Non-cash revenue from TIGAR beneficiary | (336) | (237) | |
| - Non-cash revenue from foreign exchange transactions | (47) | - | |
| - Non-cash writeoff i.r.o. abil retention ABSA | 45 | - | |
| - Non-cash flow increase in provisions | - | 4 | |
| Operating cash flows before working capital changes | 739 | (885) | |
| Changes in working capital | | | |
| - Decrease / (Increase) in trade and other receivables | (61) | (146) | |
| - Increase / (Decrease) in trade and other payables | 189 | 707 | |
| | 128 | 561 | |
| Cash generated from operations | 867 | (324) | |
| Interest received | 642 | 480 | |
| Cash flows from operating activities | 1 509 | 156 | |
| 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. Municipal services charges are paid to DPW whom administers the account on behalf of the Library. | | | |
| Related Party transactions | | | |
| Department of Arts and Culture - transfers and subsidies received | 22 323 | 20 257 | |
| Public Works re-imbursed expenditure for Municipal Charges expense for the building. | 314 | 339 | |
| Department of Arts and Culture - project grant income | 8 467 | 6 646 | |
| National Library of South Africa - project grant income | 702 | 3 423 | |
| Key management personnel | | | |
| Refer to note 15 for remuneration paid to CEO and CFO. | | | |
| Board members | | | |
| Board fee | 41 | 53 | |
| <u>Board Term : 1 April 2016 - 30 Sept 2019</u> | | | |
| W Rowland | 16 | 24 | |
| M Watermeyer | 2 | 2 | |
| JS Matsebula | 5 | 8 | |
| S Neerpuith | 6 | 7 | |
| E Ramaoka | 4 | 1 | |
| N Ravgee | 7 | 7 | |
| Z Phakathi | 1 | 4 | |
| Related Party balances | | | |
| Refer to note 9 for the balance of unspent conditional grants. All grants relate to the Department of Arts and Culture (DAC). | | | |

SOUTH AFRICAN LIBRARY FOR THE BLIND NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

| | 2019 R 000's | 2018 R 000's |
|---|------------------------|---------------------------|
| 22 Major Variances in Statement of Comparison of Budget and Actual Amounts | | |
| Interest received in excess of budget amounted to approximately R 146 000 | | |
| There was an additional amount received in excess of budget amounting to R 696 000 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 eight 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 689 000 will be requested to be retained and used during the 2019/20 period. | | |
| There were savings on Internal Audit costs amounting to R60 000 due to timing of audit procedures. | | |
| There were also minor savings achieved on various other items of expenditure. | | |
| Use of Internal Income(Surplus Funds) was utilised as approved via budget process and Treasury approval to support the budget for the year. | | |
| 23 Risk management | | |
| Interest rate risk / current investment risk | | |
| The current account and the investment account expose the Library to cash flow interest rate risk. Deposits attract interest at a rate that varies according to the prime banking rate / fluctuations in the financial sector/market. | | |
| The Library manages this interest rate risk by ensuring that all surplus funds are invested in fixed rate instruments and by maintaining the minimum possible balance in the current account. The interest rates on the fixed deposits are fixed, but vary from investment to investment. | | |
| The Library further managed the current investment risk throughout the year and met with the portfolio manager on a regular basis. | | |
| Currency risk | | |
| The library undertakes certain transactions denominated in foreign currencies, either directly through the import of goods and services, or indirectly through the award of contracts to local importers which are priced in foreign currency. These transactions were mainly for playback devices, book titles and spares. | | |
| Stringent cash management procedure are in place. These include cash flow forecasting. A sensitivity analysis has not been performed and included as the Library is exposed to foreign exchange risk on a limited basis, as payments to the major foreign suppliers, RNIB and Humanware, are generally made in advance. | | |
| Credit risk | | |
| Credit risk consists mainly of cash deposits, cash equivalents and debtors. The Library only deposits cash with major banks and financial institutions which have high quality credit standing and limits exposure to any one counter-party. | | |
| Adequate provision has been made for anticipated bad and doubtful debts. Additional information relating to the analysis of debtors is given in Note 7 to the financial statements. The maximum exposure to credit risk is the cash balance at bank and debtors, which may increase as a result of non payment by debtors or the bank. | | |
| Trade Receivables | | |
| Management evaluates credit risk on an ongoing basis. Factors such as past experience, payment history, the relationship with the debtor/customer and agreements are taken into consideration. No collateral is held for any debtor. Management is of the opinion that debtors disclosed at year-end are fully recoverable. | | |
| Liquidity Risks | | |
| The Entity's risk to liquidity is a result of the funds available to cover future commitments. Management evaluates liquidity risk through an ongoing review of future commitments and credit facilities. Management further manages the risk by monitoring its cash flow requirements. Management is of the opinion that the net carrying value of the liabilities approximate their fair value and that the entity has sufficient resources to settle its short-term liabilities. | | |
| Fair Value | | |
| At 31 March 2019 and 31 March 2018, the carrying values of financial instruments reported in the financial statements approximate their fair value. | | |
| Financial Assets carried at Amortised Cost | | |
| Cash and Cash Equivalents | 20 570 | 11 424 |
| Trade and other Receivables from exchange transactions | - | 89 |
| Other Current Financial assets | 106 | 8 |
| Current Investments | - | 12 718 |
| Financial Liabilities carried at amortised cost | | |
| Trade and Other Payables from exchange transactions | 2 594 | 2 405 |
| Liquidity Risk | Less than 12 months | Greater than 12 months |
| As at 31 March 2019 | 949 | - |
| Trade Payables | 1 166 | - |
| Leave Gratuity accrual | 479 | - |
| Bonus Accrual | | |
| As at 31 March 2018 | | |
| Trade Payables | 1 058 | - |
| Leave Gratuity accrual | 885 | - |
| Bonus Accrual | 462 | - |

SOUTH AFRICAN LIBRARY FOR THE BLIND NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

24 Segment Reporting

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

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

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

| 2018/19 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 | (3 575) | (3 262) | (2 963) | (9 800) |
| Licences - Library System | (75) | - | - | (75) |
| AP CD Casings | - | (64) | - | (64) |
| AP CD's | - | (68) | - | (68) |
| BP Paper | - | - | (24) | (24) |
| Other | (119) | (17) | (41) | (177) |
| Total segment Expenses | (3 769) | (3 411) | (3 028) | (10 208) |
| Total segment Deficit | (3 769) | (3 411) | (3 028) | (10 208) |
| Interest Revenue - Unallocated | - | - | - | 740 |
| Other gains - Unallocated | - | - | - | 781 |
| Other unallocated/central Revenue | - | - | - | 34 399 |
| Interest Expense | - | - | - | - |
| Depreciation and amortisation - unallocated/central | - | - | - | (2 086) |
| Other unallocated/central Expenses | - | - | - | (23 268) |
| Surplus for the Period | | | | 358 |

| Assets | | | | |
|-------------------------------------|---|--------|--------|---------------|
| Segment assets (production process) | - | 40 531 | 27 289 | 67 820 |
| Unallocated/central assets | - | - | - | 25 549 |
| Total Assets | | | | 93 369 |

| Liabilities | | | | |
|---------------------------------|---|---|---|---------------|
| Segment liabilities (n/a) | - | - | - | - |
| Unallocated/central Liabilities | - | - | - | 11 120 |
| Total Liabilities | | | | 11 120 |

| Other Information | | | | |
|---|---|---|---|-------|
| Capital expenditure - unallocated/central | - | - | - | 4 874 |
| Accrued expenditure - unallocated/central | - | - | - | 418 |
| Deferred revenue - unallocated/central | - | - | - | 6 172 |

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

25 Accounting Authority

From 1 October 2016 to 30 September 2019

Dr WP Rowland; Ms JS Matsebula, Ms VG Nyamathe, Mr MS Watemeyer
Mr X Yekani; Dr S Neeruth; 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

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Josie Wood Trust 1 500 000,00

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Low and Co Rawbone 60 000,00

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A van Zyl 1 000,00

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E Rushmere 1 000,00

D Van Rooyen 1 000,00

CJ Mcchallaghan 1 100,00

BJ Saayman 1 100,00

PJ Asher 1 200,00

M Dutton 1 200,00

Folsher 2 000,00

Compendium Insurance 2 000,00

JH Herdman 2 200,00

MJ Beswick 3 300,00

B Stratus 4 000,00

Fedbond 4 125,53

De Jager Estate 5 000,00

CM de Kock 5 000,00

Old Mutual 5 000,00

Eunice Girls School 5 200,00

WW Richardson Residuary 8 507,00

Frank Flo Baker Trust 9 564,63



ACKNOWLEDGEMENTS

The Board and Management of the the South African 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.

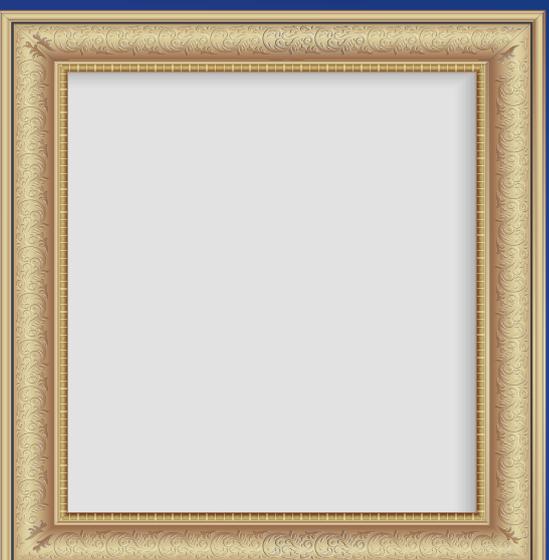
PASA (Publishers Association of South Africa), as the representative body of the South African publishers, is acknowledged for their ongoing support and belief in providing reading material and content to blind and visually impaired people of our population in accessible formats.

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.



THE SOUTH AFRICAN LIBRARY FOR THE BLIND

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