

**LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA**

**(Registration Number NPO 009-577)**

**Annual Financial Statements**

**for the year ended 31 December 2016**

# LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA

(Registration Number NPO 009-577)

Annual Financial Statements for the year ended 31 December 2016

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# LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA

(Registration Number NPO 009-577)

Annual Financial Statements for the year ended 31 December 2016

## General Information

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<b>COUNTRY OF INCORPORATION AND DOMICILE</b>	South Africa
<b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b>	The Association is a voluntary association which represents persons engaged or interested in library and information services (LIS) in South Africa
<b>EXECUTIVE COMMITTEE</b>	Mr M Ntombela (President) Ms N Crowster (President-Elect) Mr D Malan (Treasurer) Mr L Naicker (Secretary) Ms S Welman (Public Relations Officer) Ms T Denton (Additional Member) Mr T Morajane (Additional Member) Ms M Seageng (Additional Member) Ms N Spondo (Additional Member)
<b>REGISTERED OFFICE</b>	LIASA National Office LIASA House 228 Johannes Ramokhoase Street (previously Proes Street) Pretoria
<b>INDEPENDENT AUDITORS</b>	Exceptional Auditing Solutions Pretorius Park 0042

## INDEPENDENT AUDITOR'S REPORT TO THE LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA

### Report on the Financial Statements

We have audited the accompanying financial statements of the Library And Information Association Of South Africa, which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 2 to 15.

#### *Controlling Body's Responsibility for the Financial Statements*

The controlling body is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Practice. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Library And Information Association Of South Africa as of 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Practice.



## **Report of the Compiler**

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### **To the Executive Committee of Library and Information Association of South Africa**


We have compiled the accompanying annual financial statements of Library and Information Association of South Africa based on information you have provided. These annual financial statements comprise the statement of financial position of Library and Information Association of South Africa as at 31 December 2016, the statement of comprehensive income, the statement of changes in reserves and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

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

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

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

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



Per: Nikki Kennedy

Professional Accountant (SA)

22 September 2017

Date

# LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA

(Registration Number NPO 009-577)

Annual Financial Statements for the year ended 31 December 2016

## Executive Committee's Responsibilities and Approval

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The executive committee is required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the organisation, and explain the transactions and financial position of the business of the organisation at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the organisation and supported by reasonable and prudent judgements and estimates.

The executive committee acknowledges that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the executive committee to meet these responsibilities, the executive committee sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisations business is conducted in a manner that in all reasonable circumstances is above reproach.

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

The executive committee is of the opinion, based on the information and explanations given by executive committee that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the executive committee has no reason to believe that the organisation will not be a going concern in the foreseeable future. The financial statements support the viability of the organisation.

The financial statements have been audited by the independent auditing firm, Exceptional Auditing Solutions, who have been given unrestricted access to all financial records and related data, including minutes of all meetings. The executive committee believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditors's audit report is presented on page 3.

The annual financial statements as set out on pages 8 to 15 were approved by the members on \_\_\_\_\_ and were signed on its behalf by:

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Mr M Ntombela (President)

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Mr D Malan (Treasurer)

# **LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA**

(Registration Number NPO 009-577)

Annual Financial Statements for the year ended 31 December 2016

## **Executive Committee's Report**

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The Executive committee present their report for the year ended 31 December 2016.

### **1. Review of activities**

#### **Main business and operations**

The principal activity of the organisation is that of a voluntary association which represents persons engaged or interested in library and information services (LIS) in South Africa and there were no major changes herein during the year.

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

### **2. Events after reporting date**

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

### **3. Executive Committee**

The Executive Committee of the organisation during the year and to the date of this report are as follow:

Mr M Ntombela (President)  
Ms N Crowster (President-Elect)  
Mr D Malan (Treasurer)  
Mr L Naicker (Secretary)  
Ms S Welman (Public Relations Officer)  
Ms T Denton (Additional Member)  
Mr T Morajane (Additional Member)  
Ms M Seageng (Additional Member)  
Ms N Spondo (Additional Member)

### **4. Independent Auditors**

Exceptional Auditing Solutions were the independent auditors for the year under review.

# LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA

(Registration Number NPO 009-577)

Annual Financial Statements as at 31 December 2016

## Statement of Financial Position

Figures in R	Notes	2016	2015
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	5	597
<b>Current Assets</b>			
Trade and other receivables	4	859,109	965,289
Cash and cash equivalents	5	6,052,688	3,851,953
		<b>6,911,797</b>	<b>4,817,242</b>
<b>Total Assets</b>		<b>6,911,802</b>	<b>4,817,839</b>
<b>Reserves and Liabilities</b>			
<b>Reserves</b>			
Accumulated Surplus		6,757,141	4,640,750
<b>Current Liabilities</b>			
Trade and other payables	7	148,796	176,779
Bank balances transferred	6	4,425	-
Bank overdraft	5	1,440	310
		<b>154,661</b>	<b>177,089</b>
<b>Total Reserves and Liabilities</b>		<b>6,911,802</b>	<b>4,817,839</b>



# LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA

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Annual Financial Statements for the year ended 31 December 2016

## Statement of Comprehensive Income

Figures in R	2016	2015
<b>Revenue</b>	8,250,339	5,040,143
Cost of sales	<u>(4,946,853)</u>	<u>(6,521,689)</u>
Gross surplus/ (deficit)	3,303,486	(1,481,546)
Other income	-	9,800
Operating costs	<u>(1,395,689)</u>	<u>(1,503,519)</u>
<b>Operating surplus/(deficit)</b>	<b>1,907,797</b>	<b>(2,975,265)</b>
Finance income	208,626	176,555
Finance costs	<u>(32)</u>	<u>(413)</u>
<b>Surplus/(deficit) for the year</b>	<b><u>2,116,391</u></b>	<b><u>(2,799,123)</u></b>
Accumulated surplus at 1 January 2016	4,640,750	7,439,873
Surplus/(loss) for the year	<u>2,116,391</u>	<u>(2,799,123)</u>
Accumulated surplus at 31 December 2016	<b><u>6,757,141</u></b>	<b><u>4,640,750</u></b>

# LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA

(Registration Number NPO 009-577)

Annual Financial Statements for the year ended 31 December 2016

## Statement of Changes in Reserves

Figures in R	Accumulated surplus	Total
<b>Balance at 1 January 2015</b>	7,439,873	7,439,873
Deficit for the year	(2,799,123)	(2,799,123)
<b>Balance at 31 December 2015</b>	<b>4,640,750</b>	<b>4,640,750</b>
<b>Balance at 1 January 2016</b>	4,640,750	4,640,750
Surplus for the year	2,116,391	2,116,391
<b>Balance at 31 December 2016</b>	<b>6,757,141</b>	<b>6,757,141</b>

# LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA

(Registration Number NPO 009-577)

Annual Financial Statements for the year ended 31 December 2016

## Statement of Cash Flows

Figures in R	2016	2015
<b>Cash flows from operating activities</b>		
Surplus/(deficit) for the year	2,116,391	(2,799,123)
<i>Adjustments for:</i>		
Finance costs	32	413
Depreciation of Tangible assets	591	27,417
Investment income	(208,626)	(176,555)
Loss on disposal of property, plant and equipment	1	-
<b>Operating cash flow before working capital changes</b>	<u>1,908,389</u>	<u>(2,947,848)</u>
<i>Working capital changes</i>		
Decrease/(increase) in trade and other receivables	106,180	(331,278)
Increase in funds from Interest Groups and Branches	4,425	-
Decrease in trade and other payables	(27,983)	(193,739)
<b>Cash generated by/(utilised in) operating activities</b>	<u>1,991,011</u>	<u>(3,472,865)</u>
Investment income	208,626	176,555
Finance costs	(32)	(413)
<b>Net cash from operating activities</b>	<u><b>2,199,605</b></u>	<u><b>(3,296,723)</b></u>
Increase/(decrease) in cash and cash equivalents	2,199,605	(3,296,723)
Cash and cash equivalents at beginning of the year	<u>3,851,643</u>	<u>7,148,366</u>
<b>Cash and cash equivalents at end of the year</b>	<u><b>6,051,248</b></u>	<u><b>3,851,643</b></u>

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# LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA

(Registration Number NPO 009-577)

Annual Financial Statements for the year ended 31 December 2016

## Accounting Policies

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### 1. General information

Library and Information Association of South Africa is a non-profit organisation.

### 2. Summary of significant accounting policies

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

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

#### 2.1 Government grants

Grants from the government are recognised at their fair value in profit or loss where there is a reasonable assurance that the grant will be received and the organisation has complied with all attached conditions.

#### 2.2 Income taxes

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

#### 2.3 Property, plant and equipment

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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

Franking Machine	6 years
Office equipment	3 years
Computer Equipment and software(website)	3 years

#### 2.4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and in bank and short term deposits which are held to maturity and are carried at cost. Bank overdrafts are shown in current liabilities on the statement of financial position.

# LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA

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Annual Financial Statements for the year ended 31 December 2016

## Accounting Policies

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### 2.5 Trade payables

Liabilities from trade and other amounts payable which are normally settled on 30 - 90 day terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

### 2.6 Borrowing costs

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

### 2.7 Comparative figures

Where necessary, comparative figures have been adjusted to conform with any changes in presentation in the current year.

# LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA

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## Notes to the Annual Financial Statements

Figures in R 2016 2015

### 3. Property, plant and equipment

	Cost	Accumulated depreciation	2016 Carrying value	Cost	Accumulated depreciation	2015 Carrying value
<i>Owned assets</i>						
Furniture and fittings	38,110	38,109	1	38,110	38,109	1
Franking Machine	7,100	7,099	1	7,100	6,508	592
Office equipment	18,559	18,557	2	18,559	18,557	2
Computer Equipment and software(website)	40,050	40,049	1	138,546	138,544	2
	103,819	103,814	5	202,315	201,718	597

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

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2016 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	1	-	-	-	1
Franking Machine	592	-	-	(591)	1
Office equipment	2	-	-	-	2
Computer Equipment and software(website)	2	-	(1)	-	1
	597	-	(1)	(591)	5

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2015 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	1	-	-	-	1
Franking Machine	1,775	-	-	(1,183)	592
Office equipment	1,203	-	-	(1,201)	2
Computer Equipment and software(website)	25,035	-	-	(25,033)	2
	28,015	-	-	(27,417)	598

### 4. Trade and other receivables

Trade debtors	831,830	556,149
Allowance for credit losses	(366,645)	(30,933)
Value Added Taxation	393,924	440,073
	<u>859,109</u>	<u>965,289</u>

# LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA

(Registration Number NPO 009-577)

Annual Financial Statements for the year ended 31 December 2016

## Notes to the Annual Financial Statements

Figures in R	2016	2015
<b>5. Cash and cash equivalents</b>		
<b>Favourable cash balances</b>		
Bank balances and Cash	1,751,827	1,512,800
Short term bank deposits	4,300,861	2,339,153
	<u>6,052,688</u>	<u>3,851,953</u>
<b>Overdraft</b>		
Business Credit Card	<u>1,440</u>	<u>310</u>
Current assets	6,052,688	3,851,953
Current liabilities	<u>(1,440)</u>	<u>(310)</u>
	<u>6,051,248</u>	<u>3,851,643</u>
<b>6. Bank balance transfer from branches and interest groups</b>		
RETIG	4,425	-
	<u>4,425</u>	<u>-</u>

LIASA Representative Council approved the proposal to relieve those branches and interest groups that are interested, of the burden of maintaining a bank account. On closing of the bank account, the funds are transferred to the LIASA combined account. Should any expenses be incurred by the branch or interest group, LIASA National will pay for these expenses with the funds that was deposited. No cash payments will be made, only EFT's.

## 7. Trade and other payables

Trade creditors	23,843	43,875
EBSCO funds	62,248	55,662
Nett Salaries LIASA	-	1,735
SARS (PAYE & UIF)	-	17,302
Accounts refundable	62,705	58,205
	<u>148,796</u>	<u>176,779</u>

EBSCO funds were received and might need to be refunded.

Accounts refundable relate to deposits received for which origin/reason for receipt not yet confirmed.

# LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA

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Annual Financial Statements for the year ended 31 December 2016

## Detailed Income Statement

Figures in R	2016	2015
<b>Gross Revenue</b>		
Membership Fees	857,848	945,026
Annual Conference/Gala Dinner	4,789,164	(290,856)
DAC Grants (IFLA Conference, Annual Conference & SALW)	1,500,000	4,735,683
IFLA 2015	626,352	379,728
LIT	104,687	109,956
LOY Sponsorship	70,000	(12,000)
NGPL Grant	-	(983,561)
Other income	3,139	3,180
SAJLIS	61,465	76,759
SALW	69,789	-
Training	167,895	76,228
	<u>8,250,339</u>	<u>5,040,143</u>
<b>Cost of Sales</b>		
Annual Conference/Gala Dinner	3,152,239	(21,842)
DAC Grants (IFLA Conference, Annual Conference & SALW)	1,356,426	3,815,817
IFLA 2015	-	1,259,672
LIT Publication	237,387	212,612
NGPL Grant	5,000	937,355
Public Relations/Promotions (LOY)	49,472	60,000
SAJLIS Honoraria	10,000	-
SAJLIS Publication	11,000	15,000
SALW	60,306	75,525
Training	65,023	164,459
US Embassy Grant	-	3,091
	<u>4,946,853</u>	<u>6,521,689</u>
<b>Gross Profit</b>	<u><b>3,303,486</b></u>	<u><b>(1,481,546)</b></u>
<b>Other Income</b>		
Donation Income (IGBIS)	-	9,800
Investment income	208,626	176,555
	<u>208,626</u>	<u>186,355</u>
	<u><b>3,512,112</b></u>	<u><b>(1,295,191)</b></u>

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



# LIBRARY AND INFORMATION ASSOCIATION OF SOUTH AFRICA

(Registration Number NPO 009-577)

Annual Financial Statements for the year ended 31 December 2016

## Detailed Income Statement

Figures in R	2016	2015
<b>Expenditure</b>		
AFLIA Conference Expense	-	20,908
Allowance for credit losses	(30,933)	-
Auditors' remuneration	15,065	13,100
Depreciation - Tangible assets	591	27,417
Finance costs	32	413
IFLA Conference Expense	51,413	(1,547)
Loss due to fraudulent transaction	27,500	-
Loss on disposal of fixed assets	1	-
Management Costs - Accommodation - Exco & Rep Council Meeting	27,937	14,907
Management Costs - Exco & Rep Council Meeting	36,196	144,388
Management Costs - LIASA Roadshows	-	26,674
Management Costs - Travelling Exco	121,356	67,073
Management Costs - Travelling Rep Council Meetings	60,611	87,937
Office Expenditure - Accounting fees	142,713	158,081
Office Expenditure - Advertising	17,036	-
Office Expenditure - Affiliation fees	17,454	3,002
Office Expenditure - Bank charges	30,104	35,615
Office Expenditure - BBBEE Certificate	1,260	1,093
Office Expenditure - Cleaning Services	1,082	1,410
Office Expenditure - Compensation Commissioner	1,943	1,488
Office Expenditure - Computer Expenses	14,318	20,310
Office Expenditure - Copier Leasing costs	15,745	17,150
Office Expenditure - Election Runner	8,471	-
Office Expenditure - Gifts	1,440	430
Office Expenditure - Insurance	7,982	7,508
Office Expenditure - Legal expense	-	6,933
Office Expenditure - Office Support	20,177	20,162
Office Expenditure - Online Communication	39,301	75,726
Office Expenditure - Postage, Printing & Stationery	58,062	40,035
Office Expenditure - Salaries	689,693	713,681
Office Expenditure - Small balance write offs	36	38
SCESAL Conference Expense	19,135	-
	<u>1,395,721</u>	<u>1,503,932</u>
<b>Surplus/(deficit) for the year</b>	<b><u>2,116,391</u></b>	<b><u>(2,799,123)</u></b>

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