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### ACRONYMS AND ABBREVIATIONS

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<th>Acronym</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>AC</td>
<td>Advisory Committee</td>
</tr>
<tr>
<td>AAC</td>
<td>Accreditation Approvals Committee</td>
</tr>
<tr>
<td>AFRAC</td>
<td>African Accreditation Cooperation</td>
</tr>
<tr>
<td>AGM</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>ASCOLAB</td>
<td>Association Congolaise des Laboratoires</td>
</tr>
<tr>
<td>BURS</td>
<td>Botswana Unified Revenue Services</td>
</tr>
<tr>
<td>BWP</td>
<td>Botswana Pula</td>
</tr>
<tr>
<td>CBAP – MS</td>
<td>Management Systems Certification Bodies Accreditation Programme</td>
</tr>
<tr>
<td>CBAP – Prod</td>
<td>Product Certification Bodies Accreditation Programme</td>
</tr>
<tr>
<td>CBAP – Pers</td>
<td>Personnel Certification Bodies Accreditation Programme</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CLAP</td>
<td>Calibration Laboratories Accreditation Programme</td>
</tr>
<tr>
<td>CPD</td>
<td>Continuous Professional Development</td>
</tr>
<tr>
<td>DRC</td>
<td>Democratic Republic of Congo</td>
</tr>
<tr>
<td>EDF</td>
<td>European Development Fund</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FRAC</td>
<td>Finance, Risk and Audit Committee</td>
</tr>
<tr>
<td>GCP</td>
<td>Good Clinical Practice</td>
</tr>
<tr>
<td>GLP</td>
<td>Good Laboratory Practice</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resources</td>
</tr>
<tr>
<td>HRRC</td>
<td>Human Resources and Remuneration Committee</td>
</tr>
<tr>
<td>IAF</td>
<td>International Accreditation Forum</td>
</tr>
<tr>
<td>IBAP</td>
<td>Inspection Bodies Accreditation Programme</td>
</tr>
<tr>
<td>ICT</td>
<td>Information Communications Technology</td>
</tr>
<tr>
<td>IEC</td>
<td>International Electrotechnical Commission</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards</td>
</tr>
<tr>
<td>ILAC</td>
<td>International Laboratory Accreditation Cooperation</td>
</tr>
<tr>
<td>ISO</td>
<td>International Organization for Standardization</td>
</tr>
<tr>
<td>MLAP</td>
<td>Medical Laboratories Accreditation Programme</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>MRA</td>
<td>Mutual Recognition Arrangement</td>
</tr>
<tr>
<td>MV &amp; MU</td>
<td>Method Validation and Measurement Uncertainty</td>
</tr>
<tr>
<td>NAFP</td>
<td>National Accreditation Focal Point</td>
</tr>
<tr>
<td>NSSA</td>
<td>National Social Security Authority Zimbabwe</td>
</tr>
<tr>
<td>PR</td>
<td>Public Relations</td>
</tr>
<tr>
<td>PT</td>
<td>Proficiency Testing</td>
</tr>
<tr>
<td>QMS</td>
<td>Quality Management System</td>
</tr>
<tr>
<td>REIS</td>
<td>Regional Economic Integration Support</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern African Development Community</td>
</tr>
<tr>
<td>SADCA</td>
<td>Southern African Development Community Cooperation in Accreditation</td>
</tr>
<tr>
<td>SADCAS</td>
<td>Southern African Development Community Accreditation Service</td>
</tr>
<tr>
<td>SQAM</td>
<td>Standardization, Quality Assurance, Accreditation and Metrology</td>
</tr>
<tr>
<td>TBT</td>
<td>Technical Barriers to Trade</td>
</tr>
<tr>
<td>TLAP</td>
<td>Testing Laboratories Accreditation Programme</td>
</tr>
<tr>
<td>VLAP</td>
<td>Veterinary Laboratory Accreditation Programme</td>
</tr>
<tr>
<td>WAD</td>
<td>World Accreditation Day</td>
</tr>
</tbody>
</table>
VISION, MISSION AND MANDATE

VISION
SADCAS vision is to be a sustainable accreditation body at the cutting edge of credible accreditation service delivery.

MISSION
SADCAS mission is to provide credible, cost effective, accreditation services for SADC Member States aimed at supporting trade, enhance the protection of consumers and the environment, and improve the competitiveness of SADC products and services in both the voluntary and regulatory areas.

MANDATE
SADCAS draws its mandate from Article 15 B of the Technical Barriers to Trade (TBT) Annex to the SADC Protocol on Trade. SADCAS is recognized by the SADC Council of Ministers as a subsidiarity institution of SADC. The relationship between SADCAS and SADC is formalized through a Memorandum of Understanding (MOU) on general cooperation. The objects, powers and rules for the operation of SADCAS are set out in the Memorandum and Articles of Association lodged with the Registrar of Companies, Botswana.
COMPANY VALUES & VALUE PROPOSITION

COMPANY VALUES
In its service provision SADCAS upholds the following six core values:

**Impartiality**
We are organized and operate so as to safeguard objectivity and impartiality of our services.

**Transparency**
We are dedicated to provide complete transparency in our work by communicating effectively with our clients.

**Non-discrimination**
We treat our clients fairly and in an equitable manner.

**Integrity**
We act with honesty and integrity.

**Innovation**
We generate new ideas and utilize creative approaches to problems for continuous improvement.

**Diversity**
We respect the diversity of our clients and ensure balance of interest in representation.

VALUE PROPOSITION
Delivering confidence
Assuring competency
The Southern African Development Community Accreditation Services (SADCAS) is a multi-economy accreditation body established in terms of Article 15 B of the Technical Barriers to Trade (TBT) Annex to the SADC Protocol on Trade with the primary purpose of ensuring that conformity assessment service providers operating in those SADC Member States which do not have national accreditation bodies are subject to an oversight by an authoritative body. Within the SADC region only South Africa and Mauritius have national accreditation bodies. The remaining 13 countries namely: Angola; Botswana; Democratic Republic of Congo (DRC); Lesotho; Madagascar; Malawi; Mozambique; Namibia; Seychelles; Swaziland; Tanzania; Zambia; and Zimbabwe do not have national accreditation bodies hence serviced by SADCAS.

By assuring technical competence through accreditation, SADCAS plays a key role towards the achievement of SADC goals in trade facilitation and in the protection of health, safety and the environment.

SADCAS was registered in 2005 as a not for profit company limited by guarantee under the Botswana Companies Act, 2003 (Act No. 32 of 2004). SADCAS was approved by the SADC Council of Ministers in August 2007 as a Subsidiarity Institution of SADC. The relationship between SADCAS and SADC is formalized through a Memorandum of Understanding (MOU) on General Cooperation. SADCAS Headquarters are situated at Gaborone, Botswana.

SADCAS is governed by a General Assembly which comprises of:

- Subscribers to the Memorandum and Articles of Association;
- Members of the Board of Directors;
- Appointed representatives of National Accreditation Focal Points (NAFPs) in each SADC Member State using the service of SADCAS; and
- Individuals or organizations who apply for admission as members of SADCAS.

Governance

Drawn out of the General Assembly is the Board of Directors which oversees the running of SADCAS and fulfills any function that the SADCAS General Assembly may delegate to it. The SADCAS Chief Executive Officer (CEO) who reports to the Board of Directors leads the company and is responsible for the day-to-day operation of SADCAS.
SADCAS Organization

SADCAS is composed of three functional units. The technical unit is responsible for the overall management of the accreditation process. The corporate services unit provides support services to internal and external business interests and is responsible for Information Communication Technology (ICT), marketing and public relations, business development and administration of training services. The finance and administration unit is responsible for financial management, human resources management and general administration of the company.

In order to achieve its mandate and in line with international best practice, accreditation assessments are undertaken, on behalf of SADCAS, by a pool of registered assessors who make recommendations for accreditation decision by the SADCAS Accreditation Approvals Committee (AAC). Advisory Committees (AC) are being set up as necessary to advise SADCAS on technical matters.

National Accreditation Focal Points (NAFPs) established in SADC Member States using the services of SADCAS serve as the administrative link between SADCAS and clients/potential clients in Member States and are mainly responsible for promoting accreditation and marketing SADCAS service offering in their respective countries. SADCAS is a lean organization staffed by a small group of highly qualified and experienced people.

Accreditation services

SADCAS offers accreditation programmes for:

- Calibration laboratories in accordance with ISO/IEC 17025;
- Testing laboratories in accordance with ISO/IEC 17025;
- Medical laboratories in accordance with ISO 15189;
- Management systems certification bodies in accordance with ISO/IEC 17021-1;
- Inspection bodies in accordance with ISO/IEC 17020;
- Product certification bodies in accordance with ISO/IEC 17065; and
- Personnel certification bodies in accordance with ISO/IEC 17024.

SADCAS will broaden its scope of accreditation as needs arise.
Training Services

SADCAS offers training on accreditation related courses. Training can be conducted in-house or as open courses.

SADCAS offers the following training courses:

- One-day awareness training courses on the various key accreditation standards. The objective of the one day awareness training courses is to create awareness on the benefits and importance of accreditation and the requirements of the respective accreditation standards.

- Five-day requirements, implementation and internal auditing standards whose objective is to provide an insight into the respective system standards requirements, implementation as well as to guide conformity assessment bodies’ personnel on how to prepare and carry out an internal audit so as to monitor compliance with the system standard.

- Three-day internal auditing courses whose objective is to impart internal auditing knowledge and skills so that conformity assessment bodies are able to monitor compliance with the respective key accreditation standards.

- Five-day intensive course on Method Validation and Measurement Uncertainty covers statistical fundamentals and advanced concepts of statistical techniques that are used in both method validation/verification and in calculating measurement uncertainty of test results.

Besides the above courses, SADCAS can also offer other accreditation related courses depending on needs. The training courses are conducted on behalf of SADCAS by a pool of qualified and registered Trainers who have hands on and up to date experience on accreditation matters. The training courses are designed to create awareness on the benefits and importance of accreditation and to promote an understanding of the requirements of the key accreditation standards. In order not to compromise its impartiality principles and status in training service delivery, SADCAS does not give specific advice for the development of an organization’s operations. Furthermore the training delivered or facilitated by SADCAS are not a pre-condition of accreditation neither do they guarantee accreditation by SADCAS.

SADCAS Regional and International Connections

SADCAS is

- A full member of the International Laboratory Accreditation Cooperation (ILAC).
- An accreditation body member of the International Accreditation Forum (IAF).
- An arrangement member of the African Accreditation Cooperation (AFRAC).
- An ordinary member of SADC Cooperation in Accreditation (SADCA).
BOARD OF DIRECTORS

Mr Steven Bruce Sidney
CHAIRMAN

Ms Verily Kearoma Molatedi
VICE CHAIRMAN

Ms Boitumelo Gofhamodimo
MEMBER

Mr Emmanuel Jinda
MEMBER

Mr Alfredo Filipe Sitoe
MEMBER

Mr Davlin Moyenda
Damaziel Chokazinga
MEMBER

Mrs Maureen Primrose Mutasa
CHIEF EXECUTIVE OFFICER
MEMBER

Mr Sadwick Mtonakutha
MEMBER
During the 2016/17 financial year, the SADCAS Board of Directors held five meetings, one of which was a special Board meeting. The records of attendance to these meetings are shown in Table 1.

### Table 1 – Record of Attendance to Board Meetings Held During the 2016/17 Financial Year

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
<th>Meeting Dates</th>
<th>2016-05-12</th>
<th>2016-09-05</th>
<th>2016-11-23</th>
<th>2017-02-16</th>
<th>2017-03-15 (Special)</th>
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</thead>
<tbody>
<tr>
<td>Mr Steven Bruce Sidney Munich</td>
<td>Non-Executive Director</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Ms Verily Kearoma Molatedi</td>
<td>Non-Executive Director</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>Apology</td>
</tr>
<tr>
<td>Mr Emmanuel Jinda</td>
<td>Non-Executive Director</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Ms Boitumelo Gofhamodimo</td>
<td>Non-Executive Director</td>
<td>Apology</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Retired</td>
</tr>
<tr>
<td>Mr Alfredo Filipe Stoe</td>
<td>Non-Executive Director</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>-</td>
<td>✓</td>
<td>Apology</td>
</tr>
<tr>
<td>Mr Davlin Moyenda Damaziel Chokazinga</td>
<td>Non-Executive Director</td>
<td>Apology</td>
<td></td>
<td>✓</td>
<td>-</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Mr Manuel Mutale</td>
<td>Non-Executive Director</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>-</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Mr Sadwick Mtonakutha</td>
<td>Non-Executive Director</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
<td>Apology</td>
</tr>
<tr>
<td>Mrs Maureen Primrose Mutasa</td>
<td>Executive Director</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Dr Lineo Lomikhosi</td>
<td>SADC Secretariat</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
GENERAL INFORMATION

Bankers
First National Bank of Botswana
Ground Floor, Capitol Building
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Tel: +267 395 9422
Fax: +267 391 2596

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RDC Mpingo
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Tel: +267 391 6650/391 6659

Company Secretary
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Fax: +267 390 6860

SADCAS Registration Number – 2005/6912

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Mobile: +267 7125 0042
Email: info@sadcas.org
Website: www.sadcas.org
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Mobile: +261 32 02 205 00
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Email: patriciankondowe@mbsmw.org
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Fax: +258 21 304206
Email: nhampulo_gui@yahoo.com.br / gnhampuo@mic.gov.mz

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Fax: +248 4373 826
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Titlealways20042003@yahoo.co.uk

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Fax: +268 2404 4711/+268 2404 3055
Email: sybilsthembiso@gmail.com

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Mobile: +263 774 648 850
Fax: +263 4 793 461
Email: rchibanda2011@gmail.com
ORGANIZATIONAL STRUCTURE

SADC Member States National Governments

General Assembly

Board of Directors

C.E.O

P.A TO C.E.O

Appeal Committee

Finance Risk and Audit Committee

Human Resources and Remuneration

AC

AAC

Technical Manager

Programme Coordinator CLAP & Verification

Programme Coordinator TLAP PT & VLAP

Programme Coordinator MLAP GLP GCP and Pharmaceuticals

Programme Coordinator IBAP & CBAP- Prod CBAP - MS

Quality Manager

Finance & Admin Manager

Finance Officer

HR Officer

Business Dev Officer

Comms. & PR Officer

Training Admin.

ICT Officer

Admin Assistant

Cleaner/Messenger

Pool of Trainers

Pool of Assessors

Accreditation Administrators

Corporate Services Manager

SADCAS ANNUAL REPORT • 2016/17

Human Resources and Remuneration
NATIONAL ACCREDITATION
FOCAL POINTS

Mrs Indira Coelho Verissimo E Costa
NAFP - Angola

Mr Edward Mmatli
NAFP - Botswana

Mrs Apauleine Matata Feza
NAFP - Democratic Republic of Congo

Mr Azael Motsjoka Makara
NAFP - Lesotho

Mr Séraphin Andrianantararivo Razafimahafaly
NAFP - Madagascar

Mr Patrician Kondowe
NAFP - Malawi

Rafialena Andriamihalalina
NAFP - Madagascar

Mrs Guilhermina Nhampulo
NAFP - Mozambique

Mr Peter Toivo Munyandi
NAFP - Namibia

Mrs Mariam Cissoko Kante
NAFP - Seychelles

Mrs Sthembiso Sybil Dlamini
NAFP - Swaziland

Ms Stella Mrosso
NAFP - Tanzania

Mr Hans Yamba
NAFP - Zambia

Ms Riyana Chibanda
NAFP - Zimbabwe
CHAIRMAN’S STATEMENT

On behalf of the SADCAS Board of Directors, management and staff, it is my pleasure and honour to present the 2016/17 Annual report, the ninth published annual report for SADCAS. The report provides a summary of the activities carried out by SADCAS during the period beginning 1 April 2016 and ending 31 March 2017. This being the final year of the second strategic period, the report also reviews how SADCAS has responded to the program set out in the 2012 to 2017 Strategic Plan.

Generally, promotional and marketing activities have been undertaken as scheduled and planned. This has contributed to increasing awareness on the importance and benefits of accreditation. Visibility of SADCAS has also increased significantly, not only regionally but also internationally, with other regions benchmarking on our unique model which optimizes resources. SADCAS has indeed brought accreditation issues to the forefront in the SADC region. Uptake of accreditations continues to grow steadily not only in terms of field and scope of accreditation but also in terms of geographical and sector coverage albeit below target. By 31 March 2017, SADCAS had issued 81 accreditation certificates to 60 accredited facilities in 9 SADC Member States compared to eight (8) accreditation certificates issued to six (6) accredited facilities in four (4) SADC countries by 31 March 2012. Training activities also increased over the period both in terms of scope and geographical coverage. By 31 March 2017, SADCAS had successfully conducted 122 training courses on accreditation associated activities in all the SADC Member States it services. Although operational income continues to grow, the number of accreditations are not yet sufficient to achieve break-even on operational costs.

The pool of registered assessors who undertake assessments on behalf of SADCAS also continues to grow with a further 16 assessors having been registered during the financial year. The total number of Technical Assessors has increased from 68 to 79, whilst Lead Assessors have increased from 34 to 37. The pool of Trainers who conduct training on accreditation matters on behalf of SADCAS remained at 17. The Trainers are drawn from 8 out of the 13 SADC Member States serviced by SADCAS and cover all 3 official languages used in the region.

Turning to governance issues, during the period under review, the SADCAS Board of Directors held five (5) meetings in May, September, November 2016, February and March 2017 with the latter having been held to finalize preparations for the 12th Annual General meeting (AGM). During the meetings the Board considered and approved the 2016/17 annual implementation plan, the SADCAS risk profile, the audited financial statements for the year ended 31 March 2016, the 2016/17 annual report and the 2017/18 budget. The Board also discussed strategic issues and in particular measures to improve inflows from Government contributions and closely monitored the cash flow, a challenge carried over from September 2015 to the 2016/17 financial year. During these Board meetings, the Chief Executive Officer reported on the activities of SADCAS thus enabling the Board to monitor progress on the implementation of the 2016/17 annual implementation and activity plans.

In September 2016, in conjunction with the September meetings, the Board held a strategic planning session to prepare the 2017 to 2022 five year strategic plan which was subsequently approved during the November 2016 Board meeting. The Board Committees namely the Finance, Risk and Audit Committee, the Human Resources and Remuneration Committee each met three times respectively to discuss matters relating to their scope as defined in their respective Terms of Reference and as reported under the respective chairs reports.

Board members, Mr Alfredo Filipe Sitoe, Ms Verily Kearoma Molatedi and myself were re-elected during the 12th SADCAS Annual General Meeting and are serving our respective 2nd terms of office. Ms Boitumelo Gofhamodimo, the then Director Trade, Industry, Finance and Investment (TIFI) at the SADC Secretariat was appointed to the Board in August 2012 to represent the SADC Secretariat. She was then elected in 2013 to serve the initial term of 3 years. Ms Gofhamodimo retired from the SADC Secretariat and consequently from the
SADCAS Board. Following Ms Gofhamodimo’s retirement, Mr Sadwick Mtonakutha, who was co-opted on the SADCAS Board of Directors in February 2017 to represent the SADC Secretariat, was subsequently elected member at the 12th AGM held on 15 March 2017.

SADCAS is now in the first year of the 3rd strategic period. Despite the challenges faced we recognize that SADCAS has a lot of work to do both during 2017 and in the future. With the achievements so far and confidence in our business following the achievement of international recognition, the commitment and dedication towards goal achievement, we are confident that we will continue to make good progress in service delivery and building a sustainable accreditation body at the cutting edge of credible accreditation service delivery in line with the SADCAS vision. It is imperative that Governments of SADC Member States serviced by SADCAS play their part in ensuring SADCAS sustainability and continuity by meeting their financial obligation towards this cost effective multi-economy accreditation body. All SADC Member States stand to benefit from SADCAS services through trade facilitation as well as economic and social development thus contributing to the SADC ultimate goal of achieving economic growth, alleviating poverty and enhancing the standard and quality of the life of its people.

I commend this annual report to SADCAS stakeholders and the region at large. This report gives a transparent insight into what was achieved by SADCAS in 2016/17 and over the past years since the establishment of SADCAS.

Steven Bruce Sidney
CHAIRMAN SADCAS BOARD OF DIRECTORS
Summary

The past financial year beginning 1 April 2016 to 31 March 2017 has seen further developments in SADCAS and marks the final year of the second SADCAS strategic plan covering the period 2012 to 2017. During this 2nd strategic period, SADCAS, the first multi economy accreditation body in the world was on 4 November 2015 accepted as a signatory to the International Laboratory Accreditation Mutual Recognition Arrangement (ILAC MRA) for the testing and calibration laboratories accreditation programs having already been accepted into the African Accreditation Cooperation Mutual Arrangement (AFRAC MRA) on 8 October 2015. Consequently SADCAS membership in ILAC and AFRAC was upgraded to Full member and Arrangement member in the respective Arrangements. SADCAS also applied for scope extension of its AFRAC and ILAC MRA signatory status to inspection in accordance with ISO/IEC 17020 and medical testing in accordance with ISO 15189 with the extraordinary peer evaluation scheduled for May 2017. SADCAS business continues to grow not only in terms of field and scope of accreditation but also in terms of sector and geographical coverage with the mining sector registering the highest growth of 50% over the 2015/16 figures. The following is a summary of the achievements in each of the five key result areas agreed for the 2016/17 financial year.

Consolidate, Streamline and Enhance Delivery of Accreditation Service to the Target Population

By 31 March 2017 SADCAS had issued 81 accreditation certificates to 60 accredited facilities in 9 SADC Member States namely; Botswana (16), Democratic Republic of Congo (1), Mozambique (1), Namibia (5), Seychelles (2), Swaziland (2), Tanzania (14), Zambia (3) and Zimbabwe (16). A 20% growth was witnessed in new accreditations whilst growth in all accreditations including scope extensions was at 21%. Most of the accredited facilities (53%) fall under the Testing Laboratories Accreditation Programme (TLAP), followed by 25% under the Medical Laboratories Accreditation Programme (MLAP), 15% under the Calibration Laboratories Accreditation Programme (CLAP) and 7% under the Inspection Bodies Accreditation Programme (IBAP). At the same time SADCAS had 36 accreditation applications from 11 countries under process of which 10 are from SADC countries namely; Botswana (5); Zimbabwe (7); DRC (5); Tanzania (8); Zambia (1); Namibia (4); Mozambique (2); Angola (1); Swaziland (1); Madagascar (1) and one from non SADC country Ghana (1), at various stages of processing. Refer to Figures 1 to 6. A further 18 expressed interests in accreditation were being handled.

Figure 1 - Cumulative Number of Accreditations by Country
Figure 2 - Cumulative Number of Accreditations

Figure 3 - Accreditations by Field

Legend:
- CLAP (15%)
- TLAP (53%)
- MLAP (25%)
- IBAP (7%)
Figure 4 - Number of Accreditation Applications by Country

- Angola: 1
- Botswana: 5
- DRC: 5
- Madagascar: 1
- Mozambique: 2
- Namibia: 4
- Tanzania: 8
- Swaziland: 1
- Zambia: 1
- Zimbabwe: 7
- Ghana: 1

Figure 5 - Accreditation Applications by Field

- CLAP (3)
- TLAP (17)
- MLAP (10)
- IBAP (2)
- CBAP - Prod (1)
- CBAP - MS (3)
Training activities also increased over the period both in terms of scope and geographical coverage. As at 31 March 2017 SADCAS had cumulatively held 122 training courses in 14 SADC MS with SADCAS holding its first courses in Angola and Madagascar during the period under review when a total of 18 training courses were held. Training courses are generic and designed to promote accreditation and an understanding of the accreditation requirements. Most of the training courses held during the year were on ISO/IEC 17025 and ISO 15189 bringing the cumulative training courses held by standard, to ISO/IEC 17025 (78), ISO 15189 (19), ISO/IEC 17020 (18), ISO/IEC 17021-1 (4), Method Validation & Measurement Uncertainty (MV & MU) (2) and other (1). Training activities grew by 17% boosted mainly by the 8 training courses held in Angola, DRC, Namibia and Zimbabwe under phase 2 of the PTB Germany funded project for the mining and mineral processing sectors. Refer to Figures 7 to 9. Over 1900 participants have benefited from the SADCAS training courses. Training is undertaken by a pool of 17 registered trainers who cover the 3 official languages in the region, English, French and Portuguese.
Figure 7 - Cumulative Number of Training Courses

Figure 8 - Training Courses by Country
During the period under review the Advisory Committee (AC) for inspection bodies in Zimbabwe held its 6th meeting during which the members undertook a systematic review of ISO/IEC 17020, considered extending scope of accreditation to lifts, escalators and passenger conveyors and reviewed inspection signatories’ requirements. The general feeling from members was that the standard should not be revised as members were still getting to grip with its implementation a position which SADCAS then presented to the ILAC Inspection Committee at its meeting held in New Delhi on 29 October 2016. The SADCAS ACs for the TLAP and CLAP which were set up in 2015 met for the first time on 9 December 2016 and were attended by 11 and 14 members respectively with cost of attendance being met by PTB Germany under the PTB Germany/SADC SQAM Support Project on Strengthening Quality Infrastructure for Trade Enhancement, Competitiveness and Consumer Protection in SADC. Being the first meetings of the Committees members were taken through SADCAS AP 11: Terms of Reference and Registration and Responsibilities of Advisory Committee Members. The Committees appointed their chairmen with Mr Willy Muyila from Malawi and Mr Victor Rodreck Mundembe from Namibia being appointed Chairmen of the TLAP and CLAP Advisory Committees respectively. The Committees also identified future work items.

During the year 37 Quality Management System (QMS) documents were revised and 12 new documents developed so as to ensure suitability in service delivery. In order to monitor the
effectiveness and suitability of the SADCAS QMS and compliance of its systems with ISO/IEC 17011. An internal audit was undertaken in April 2016. Two management reviews were undertaken in June 2016 and March 2017 during which positive conclusions were made on the suitability and effectiveness of the system reaffirming the results of the customer satisfaction survey undertaken during the 2016/17 year of which 94% rated overall SADCAS services from good to excellent with 78% rating from very good to excellent. One complaint on assessor behavior/ performance was received during the period under review bringing the cumulative number of complaints handled by 31 March 2017 to 6. Refer to Figures 10 and 11.

A total of 89 enquiries were handled during the year compared to 55 for the 2015/16 year an increase of 62%. Most of the enquiries handled were on accreditation 63 (71%) followed by training at 25 (28%) and other 1 (1) %. A total of 23 i.e. 28% of the enquiries resulted in business of which 15 were for accreditation business and 8 for training business and one other. The breakdown of enquiries by countries were as follows: Angola (1); Botswana (19); DRC (6); Lesotho (2); Madagascar (1); Malawi (2); Mozambique (1); Namibia (5); Seychelles (2); Swaziland (7); Tanzania (8); Zambia (5); Zimbabwe (10) and other (20) from South Africa, India, Iran. Refer to Figures 12 and 13.
Enhance Global Acceptance of SADC Products and Services

SADCAS was on 4 November 2015 accepted as a signatory to the ILAC MRA. Following the achievement of signatory status for the testing and calibration laboratories accreditation programmes, and has been working towards the same status for the MLAP and the IBAP. SADCAS applied for scope extension of the AFRAC and ILAC MRA to inspection in accordance with ISO/IEC 17020 and medical testing in accordance with ISO 15189 with the extraordinary peer evaluation scheduled for in May 2017. Meanwhile SADCAS is gathering the necessary competence of the management systems and product certification bodies accreditation schemes for which it aims to undergo peer evaluation in 2019 when SADCAS undergoes re-evaluation.

In April 2016, SADCAS was admitted as a Full Member of the International Accreditation Forum
Effectively Promote and Market the Benefits and Importance of Accreditation and SADCAS Services

SADCAS’ thrust during the period under review has continued to be on promoting the benefits and importance of accreditation and marketing SADCAS’ services with 74 targeted marketing visits in the SADC Member States serviced by SADCAS being undertaken by SADCAS and National Accreditation Focal Points, presentations being made to stakeholders at national, regional and international meetings/workshops/seminars of which 9 were made by SADCAS. Three editions of the Pioneer March, July and November 2016 and the 8th SADCAS 2015/16 annual report were published during the period under review. A total of 19 news releases on the accredited facilities and developments in SADCAS and 2 announcements were published and uploaded on the SADCAS website. SADCAS promotional materials were revised and an additional pamphlet on accreditation timelines was produced all of which are yet to be uploaded on the SADCAS website. The SADCAS website was maintained throughout the period of review with new articles being posted under latest news and the directory of accredited facilities being updated upon accreditation of facilities. Visitation statistics continue to indicate an increasing interest in the SADCAS website not only by number of visitations but also by the number of countries visiting the website. Refer to Figure 14.

SADCAS continues to use World Accreditation Day (WAD) as a promotional tool for accreditation and also to market SADCAS services. In 2016 commemoration activities in the region ranged from seminars/conferences to press releases, television to radio interviews and street marches to targeted marketing visits. World Accreditation Day conferences were held in 5 countries namely: Botswana; Lesotho; Swaziland; Zambia and Zimbabwe.

As part of its stakeholder engagement SADCAS signed an MOU with the Association Congolaise des Laboratoires (ASCOLAB) of the DRC. The objective of the MOU is to inform and support future cooperation of their activities.

All these promotional and marketing activities have positively contributed to the growing awareness in accreditation and the growth in SADCAS business.
Build Capacity and Capability of SADCAS

The total staff compliment remained at 8. As part of the continuous professional development (CPD) program during the period under review, SADCAS staff attended various training programs including a training course on invoicing, front office management, financial modelling, method validation and measurement uncertainty, attachments training at SANAS etc.

The pool of registered assessors who undertake assessments on behalf of SADCAS continues to grow with 16 assessors registered during the period under review. The pool of Technical Assessors increased from 68 to 79 whilst the pool of Lead Assessors increased from 34 to 37. During the period under review 59 experts were trained as ISO 15189, ISO/IEC 17020 and ISO/IEC 17021-1 assessors and 16 assessors were trained on method validation and measurement uncertainty all under the auspices of the SADC EU EDF 10 REIS Programme. The pool of registered assessors is set to grow as more and more experts are trained and qualified as assessors for the various accreditation programmes, taking into account anticipated scopes of demand, the language and geographical diversity. The pool of Trainers who conduct training on accreditation matters on behalf of SADCAS remained at 17 from 8 out of the 13 SADC Member States serviced by SADCAS and covering all the 3 official languages used in the region. Refer to Figures 15 to 18.
Figure 16 - Breakdown of Technical Assessors by Programme

- MLAP (15)
- CLAP (19)
- IBAP (9)
- TLAP (33)
- CBAP (5)

Figure 17 – Breakdown of Assessors by Language Diversity

- English: 72
- French: 30
- Portuguese: 1
On 8 December 2016 SADCAS held its 2nd assessor conclave in Pretoria, South Africa and attended by 80 assessors, SADCAS staff and facilitators. This being the 1st Assessor Conclave attended by all assessors, a series of presentations and discussions were held on the various assessor issues with sometime being spent going through each of the Clauses of the draft SADCAS Assessor/Expert Information and Guidance Handbook which was subsequently published early in 2017. The assessors also discussed programme specific issues during the breakout sessions. Assessor conclaves are a means of communication between SADCAS and the pool of assessors who undertake assessments on behalf of SADCAS and upon whom the credibility of SADCAS accreditation services hinges. Continuous communication between SADCAS and the pool of assessors is key in ensuring consistency, integrity and continuous improvement of SADCAS services.

Strengthen NAFPs Effectiveness

During the period under review the overall performance by NAFPs was generally good with average estimate realization for the 2016/17 financial year being 73% marginally lower than the average of 75% for the previous financial year. The 2017 awards recipients were:

1. Most Effective NAFP – Swaziland
2. Most Improved NAFP – Angola

Two NAFP meetings were held in 2016 with the 9th NAFP being held on 22 April 2016 during which the NAFPs developed the 2016/17 SADCAS marketing plan framework utilizing the knowledge gained from the marketing and communication workshop and experiences from attendance to the ILAC and IAF Marketing and Communications Committees meeting held from 19 to 21 April 2016. The 10th NAFP meeting was held on 6 December 2016 during which the 5 year SADCAS Strategic Plan covering the period 2017 to 2022 was presented and the NAFPs were requested to pre -sensitize their respective Governments of the indicative levels of contributions to SADCAS ahead of the SADC Committee of Ministers of Trade meeting scheduled to be held in August 2017. The NAFPs also developed the 2017/18 SADCAS Marketing Plan framework.
Grow the Company’s Own Generated Revenue and Develop SADCAS into a Sustainable and Dynamic Organization at the Cutting Edge of Accreditation Service Delivery

SADCAS business continues to grow steadily not only in terms of field and scope of accreditation but also in terms of sector and geographical. Over the past 5 financial years of the 2nd strategic plan period, operational income has been increasing. The financial year 2016/17 saw a 28% increase in income from operations with accreditation income constituting 78% and training 22% of the operational income. Government dependency reduced to 20%. Refer to Figures 19 to 21.

Figure 19 - Trends in Income from Operations Over the Past 5 years
Figure 20 - Trends in Income from Operations since 2012/13 - Training and Accreditation

Figure 21 - Total Operating Income BWP 7,633,629

CHIEF EXECUTIVE OFFICER'S REPORT CONTINUED
Aggressively Pursue Outstanding Governments Contributions towards SADCAS Sustainability

Governments of SADC Member States that are serviced by SADCAS are funding SADCAS operational budget deficit of US$ 1.171 million for the period 2012 to 2017. As at 31 March 2017 US$ 762,448 i.e. 65% had been contributed by Zimbabwe, Mozambique, Namibia, Lesotho, Seychelles, Botswana, Swaziland, Angola and Madagascar who have fully paid their contribution, with Malawi (44.5%) and DRC (34%) having partially paid their contribution. Thus US$ 408,799 i.e. 35% was still outstanding from:

- DRC (US$ 51,839)
- Malawi (US$ 44,465)
- Tanzania (US$158 198)
- Zambia (US$ 152 339).

Malawi and the DRC subsequently fully paid their contributions.

Looking ahead

SADCAS is now in the first year of the 2017 to 2022 strategic period and the economic situation in SADC region is generally stable with most countries experiencing improved growth. The framework for the implementation of the industrialization roadmap has been set. SADCAS has a lot of work to do in 2017 and beyond. With the achievements so far and confidence in our business following the achievement of international recognition, the commitment and dedication towards goal achievement, we are confident that we will continue to make good progress in service delivery and building a sustainable accreditation body at the cutting edge of credible accreditation service delivery in line with the SADCAS vision. Governments of SADC Member States serviced by SADCAS have to play their part in ensuring SADCAS sustainability and continuity by meeting their financial obligation towards this cost effective multi-economy accreditation body.

Mrs Maureen Primrose Mutasa
Chief Executive Officer
Mrs Maureen Mutasa poses for a photo with Mr Tom Arnold after receiving the IAF MoU in April 2016

Delegates at the ILAC MCC and IAF CMC Meeting hosted by SADCAS in April 2016
Advisory Committees members TLAP and CLAP pose for a group photo after the meetings in December 2016.

Part of the audience during the Botswana 2016 WAD workshop.

Her Excellency Ms NBK Néfertiti Ngudianza Bayokisa Kisula, the DRC Minister of Trade cutting the ribbon to mark the official opening of the new OCC laboratory as part of on 2016 WAD.
SADCAS ACTIVITIES
IN PICTURES 2016/17
CONTINUED

2016 WAD conference in session in Lesotho

2016 WAD conference in session in Swaziland
Twatasha Dance Group performing on the 2016 World Accreditation Day in Zambia

Some of the participants at WAD commemorations in Zimbabwe following the march around Harare city center with the Police Band playing

Honourable Dr Mahmoud Thabit Kombo, Minister of Health and Honourable Mrs Harusi Said Suleiman, Deputy Minister of Health and guests

Dr Marijani, Laboratory Director and Dr Ali, Executive Director Mnazi Mmoja Hospitals and guests

SADCAS Management with Doubletime Management and Inspectors
SADCAS ACTIVITIES
IN PICTURES 2016/17

CONTINUED

Mrs Eva Muronda, SADCAS Programme Coordinator MLAP 2nd from Right during a targeted marketing visit at Tasakhataa Hospital in Zanzibar, Tanzania

From Left to Right: Mr Sidney; Mrs Mutasa; Mr Viki Mbuya Kanama President of ASCOLAB; and Mr John Wilson Vice Chairman of NLA SA

Displaying the signed MOU
Participants at the Lesotho Awareness ISO/IEC 17025 Training Course

From left to right: Mrs Mutasa, Mrs S Dlamini NAFP- Swaziland, Mr Steve Sidney, SADCAS Board Chairman Ms Neto NAFP –Angola and Mr Jinda SADCAS Chairman HRRC

Participants at the 5 days ISO/IEC 17025 training course for mining and mineral processing laboratories held at Cresta Lodge in Harare pose for a photo with the Trainer Mr Benson Gabi

Participants at the Assessor Conclave in December 2016

NAFPs at the April 2016 meeting
REPORT OF THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

Roles and Responsibilities of the Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee (HRRC) is pleased to present its report for the financial year ended 31 March 2017. The Committee operates within defined terms of reference as set out in SADCAS BP 02: Terms of Reference of the Human Resources and Remuneration Committee (HRRC) of the SADCAS Board. The main objective of the HRRC is to develop and implement a comprehensive human resources policy and strategy which will ensure that SADCAS is able to attract, develop and retain the best possible skills required to support credible services to its clients.

Duties of the Human Resources and Remuneration Committee

The main duties of the HRRC are to:

• Develop and review terms and conditions of staff to ensure continued alignment and compliance with legal requirements and industrial standards.
• Consider and make recommendations to the Board on the recruitment, performance and dismissal of senior management.
• Review staff salaries and performance reward payments in line with market trends and make recommendations to the Board.
• Review staff benefits and packages in line with market trends and make recommendations to the Board.
• Ensure the creation of a conducive working environment and equitable management of industrial relations.
• Ensure the provision of meaningful support and appropriate education and training to employees.
• Develop and monitor a succession plan for senior management.
• Ensure the enhancement of SADCAS performance through innovative Performance and Remuneration Management.

Membership of the Human Resources and Remuneration Committee

In line with good corporate governance practice the HRRC comprised of three non-executive directors, Messrs Emmanuel Jinda, Davlin Moyenda Damaziel Chokazinga and Alfredo Filipe Sitoe. Mr Sitoe is the Finance, Risk and Audit Committee (FRAC) representative on the Committee. The Chief Executive Officer attends all the HRRC meetings by invitation.

Attendance at Meetings of the Human Resources and Remuneration Committee

The terms of reference of the HRRC require the Committee to meet at least twice a year. During the year, the HRRC met three times and reported to the Board accordingly. The records of attendance to these meetings are shown in Table 2.

Table 2 – Record of Attendance to HRRC Meetings

<table>
<thead>
<tr>
<th>Name</th>
<th>Status</th>
<th>Meeting Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Emmanuel Jinda (Chairman)</td>
<td>Non - Executive Director</td>
<td>✓</td>
</tr>
<tr>
<td>Mr Alfredo Filipe Sitoe</td>
<td>Non - Executive Director</td>
<td>✓</td>
</tr>
<tr>
<td>Mr Davlin Moyenda Damaziel Chokazinga</td>
<td>Non - Executive Director</td>
<td>Apology</td>
</tr>
<tr>
<td>By Invitation: Mrs Maureen Primrose Mutasa</td>
<td>SADCAS Chief Executive Officer</td>
<td>✓</td>
</tr>
</tbody>
</table>
Summary of Activities Undertaken During the Year

During the year under review the following activities, among others, were carried out:

- Reviewed staff remuneration;
- Set the CEO and Board’s Key Performance Indicators (KPIs) for the 2016/17 financial year;
- Reviewed the HRRC Terms of Reference (BP 02);
- Reviewed Board performance for the 2015/16 financial year;
- Reviewed of HRRC membership;
- Reviewed BP 07: Part 2 Board of Directors Expertise Matrix.
- Considered staff performance for the 2015/16 financial year;
- Considered implementation of the job grading and salary structuring report and recommendations;
- Reviewed various proposed policies and procedures;
- Considered 2017 NAFP certificate of recognition;
- Considered the 2017/18 personnel plan; and
- Reviewed SADCAS Board expertise.

In all the above activities recommendations were made to the Board.

The staff complement remained at eight (8) during the year under review but is expected to increase to nine (9) in the 2017/18 financial year with the recruitment of a Training Administrator.

The pool of registered assessors who undertake assessments on behalf of SADCAS continues to grow with 16 assessors registered during the period under review. The pool of Technical Assessors increased from 68 to 79 whilst the pool of Lead Assessors increased from 34 to 37. The pool of Trainers who conduct training on accreditation matters on behalf of SADCAS remained at 17 from 8 out of the 13 SADC Member States serviced by SADCAS and covering all the 3 official languages used in the region.

The HRRC considered the proposed 2017 NAFP Certificate of Recognition awards recipients and made recommendations to the Board. The 2017 awards recipients were:

<table>
<thead>
<tr>
<th>Award</th>
<th>Recipient</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Most Effective NAFP</td>
<td>NAFP – Swaziland</td>
</tr>
<tr>
<td>4. Most Improved NAFP</td>
<td>NAFP – Angola</td>
</tr>
</tbody>
</table>

The HRRC congratulates both NAFPs on the achievement and encourages all NAFPs to continue to promote accreditation and to market SADCAS service offerings in their respective countries.

Training and Development

SADCAS utilizes the performance management system to identify staff development needs which are then incorporated into the annual Staff Training and Development Plan. During the year under review, staff participated in a number of staff development programmes with staff managing to attend 70% of the planned professional development programmes. All those programmes that were for one reason or another not attended have been carried over into the 2017/18 financial year.

During the period under review 59 experts were trained as ISO 15189, ISO/IEC 17020 and ISO/IEC 17021-1 assessors under the auspices of the SADC EU EDF 10 REIS Programme and 16 assessors were trained on method validation and measurement uncertainty here again under the auspices of the SADC EU EDF 10 REIS Programme. The pool of registered assessors is set to grow as more and more experts are trained and qualified as assessors for the various accreditation programmes, taking into account anticipated scopes of demand, the language and geographical diversity.

The HRRC developed a number of policies and procedures which were subsequently approved by the Board and published in September 2016 such as APP 08: SADCAS Balanced Scorecard which provides guidance in implementing the performance management system and APP 07 SADCAS Job Evaluation Policy and Procedure whose purpose is to establish a fair, transparent and equitable job evaluation process that ensures jobs are properly evaluated thereby maintaining consistency, professionalism and objectivity in job evaluation. Development of the SADCAS remuneration policy and procedure was initiated during the 2016/17 financial year and is set to be published by October 2017.
Remuneration

The total staff costs for the year were BWP 4,904,604. Implementation of the recommendations of the Job Evaluation and Remuneration Restructuring report had to be deferred to 2017/18 due to cash flow challenges. The HRRC endeavors to implement the recommended remuneration to ensure that SADCAS is able to attract, develop and retain the best possible skills required to support credible services to its clients.

The remuneration of Non - Executive directors was considered adequate for their services and remained as follows:

<table>
<thead>
<tr>
<th>Fee/ meeting</th>
<th>Chairman of the Board</th>
<th>Non - Executive Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$</td>
<td>US$ 360</td>
<td>US$ 300</td>
</tr>
</tbody>
</table>

The fees for the Non-Executive directors are recommended by the HRRC to the Board who in turn recommends the fees to the General Assembly for approval at the Annual General Meeting. Director’s remuneration was last approved by the General Assembly at the 12th Annual General Meeting held on 15 March 2017.

Mr Emmanuel Jinda
Chairman Human Resources
And Remuneration Committee
Roles and Responsibilities of the Finance, Risk and Audit Committee

The Finance, Risk and Audit Committee (FRAC) is pleased to present its report for the financial year ended 31 March 2017. The Committee operates within defined terms of reference as set out in SADCAS BP 01: Terms of Reference of the Finance, Risk and Audit Committee (FRAC) of the SADCAS Board and the Botswana Companies Act. The main duties of the FRAC are:

- To review and challenge, where necessary, the actions and judgments of management, in relation to the company’s financial statements, operating and financial review, interim reports, preliminary announcements and related formal statements before submission to, and approval by the Board, and before clearance by the external auditors;
- To exercise oversight of the internal financial controls of the company;
- To review the company’s procedures for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff can, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control and other matters;
- To consider annually whether there is a need for an internal audit function where no such functions exists;
- To consider and make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the terms of engagement for the external auditor;
- To oversee the company’s relations with the external auditor;
- To consider budget proposals and make recommendations to the Board.

Membership of the Finance, Risk and Audit Committee

The FRAC comprises of three independent, non-executive directors with appropriate qualification and experience, nominated by the Board.

<table>
<thead>
<tr>
<th>Name of Committee Member</th>
<th>Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms Verily Molatedi</td>
<td>BCom; ACCA</td>
</tr>
<tr>
<td>Mr Alfredo Filipe Sitoe</td>
<td>BSc Econ; PGD Financial Economics</td>
</tr>
<tr>
<td>Mr Manuel Mutale</td>
<td>BSc Chemistry; MBA; ACCA</td>
</tr>
</tbody>
</table>

Attendance at Meetings

The terms of reference of the FRAC require the Committee to meet at least four times a year and its meetings are attended by the Chief Executive Officer and the Financial Administrator by invitation from the FRAC.

During the year under review, the FRAC only met three times due to budget constraints and reported to the Board accordingly. The records of attendance to these meetings are shown in Table 3 below.
Annual Financial Statements

The FRAC reviewed the annual financial statements for the year ended 31 March 2016 and ensured that they comply, in all material aspects, with the requirements of the Companies Act and appropriate International Financial Reporting Standards. The Committee therefore recommended the annual financial statements for approval to the Board. The Board subsequently approved the financial statements at the September 2016 meeting.

Internal Control and Risk Management

The FRAC has been delegated responsibility by the Board for the ongoing monitoring of the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks and the effectiveness of the internal controls. The Committee reviewed the company’s overall risk profile including a register of all the identified key risks, the likely impact that those risks, their likely impact and the control measures that have been put into place to mitigate the risks identified.

Summary of Activities Undertaken During the Year

Internal Auditor

The FRAC, taking into account the size of the Company, decided and recommended that there is no need for an internal audit function.

External Auditors

The FRAC considered the external auditor’s fees and terms of engagement and found them to be acceptable to undertake the financial audit for the year ending 31 March 2017. The FRAC recommended to the Board the engagement of Baker Tilly whose appointment was ratified by SADCAS General Assembly at its 12th Annual General Meeting held on 15 March 2017.

The FRAC is satisfied that the external auditors were independent of the company.

Budgets

On 6 September 2016 SADCAS held a strategic planning session providing management with the strategic direction to draft the 3rd five-year plan for the period beginning 1 April 2017 to 31 March 2022. The resultant 3rd Strategic Plan whose theme is ‘Towards Continual Sustainability’ was subsequently approved on 23 November 2016. In February 2017, the FRAC reviewed the 2017/18 budget proposals for the 1st year of the new strategic period.
**REPORT OF THE FINANCE, RISK AND AUDIT COMMITTEE**

**CONCLUDED**

**Going Concern**

The FRAC assessed and agreed that despite the fact that the company’s total liabilities exceeded its total assets by P2,495,373, the going concern assumption is appropriate for these financial statements on the basis that the SADC Member States have pledged their support to finance the company.

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**Verily Molatedi**  
CHAIRMAN FINANCE, RISK AND AUDIT COMMITTEE

**Discharge of Responsibilities**

In light of the above the FRAC is satisfied that during the year under review, it fulfilled its responsibilities as set in the terms of reference and any other statutory requirements.
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
Directors’ Responsibilities and Approval

The directors are required in terms of the Companies Act (Chapter 42:01) to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements. The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors 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 company and all employees are required to maintain the highest ethical standards in ensuring the company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company’s financial statements. The financial statements have been examined by the company’s external auditors and their report is presented on pages 48 to 50.

The financial statements set out on pages 51 to 74, which have been prepared on the going concern basis, were approved by the board of directors on 2017/08/31 and were signed on their behalf by:

Director

[Signature]

Director
INDEPENDENT AUDITOR’S REPORT

To the members of Southern African Development Community Accreditation Service Limited

Opinion

We have audited the Financial Statements of Southern African Development Community Accreditation Service Limited set out on pages 51 to 74, which comprise the Statement of Financial Position as at 31 March 2017, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Funds and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of Southern African Development Community Accreditation Service Limited as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act (Chapter 42:01).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 16 in the Financial Statements, which indicates that the company incurred a net loss of P1,572,266 during the year ended 31 March 2017 and, as of that date, the company’s total liabilities exceeded its total assets by P2,495,373. As stated in note 16, these events or conditions, along with other matters as set forth in note 16, indicate that a material uncertainty exists that may cast significant doubt on the company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises other details included in the annual report. Other information does not include the Financial Statements and our auditor’s report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
Other matter

The financial statements of Southern African Development Community Accreditation Service Limited for the year ended 31 March 2016 were audited by another auditor who expressed an unmodified opinion on those financial statements on 27 September 2016.

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act (Chapter 42:01), and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the
INDEPENDENT AUDITOR’S REPORT

audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue 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.

• We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly
Chartered Accountants
Practicing Member: Samuel N. Njanji
Registered Auditor: 20140132

Date

11/09/2017

Plot 50668, Tholo
Office Park
Unit 3B, RDC Mpingo,
Fairgrounds
Gaborone
Botswana
### Statement of Financial Position

As at 31 March 2017

<table>
<thead>
<tr>
<th>Note(s)</th>
<th>2017 P</th>
<th>2016 P</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>3</td>
<td>217,140</td>
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<tr>
<td>Deferred tax asset</td>
<td>4</td>
<td>4,611</td>
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<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>5</td>
<td>1,280,422</td>
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<tr>
<td>Current tax receivables</td>
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<td>7,289</td>
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<tr>
<td>Cash and cash equivalents</td>
<td>6</td>
<td>761,512</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>2,049,223</td>
</tr>
<tr>
<td><strong>FUNDS AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated loss</td>
<td></td>
<td>(2,495,373)</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital grant</td>
<td>7</td>
<td>217,139</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>8</td>
<td>4,439,391</td>
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<tr>
<td>Deferred Income</td>
<td>9</td>
<td>109,817</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td>4,549,208</td>
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<tr>
<td>Total Funds and Liabilities</td>
<td></td>
<td>4,766,347</td>
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<tr>
<td><strong>TOTAL FUNDS AND LIABILITIES</strong></td>
<td></td>
<td>2,270,974</td>
</tr>
<tr>
<td>Note(s)</td>
<td>2017 P</td>
<td>2016 P</td>
</tr>
<tr>
<td>---------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>Revenue</td>
<td>10 9,757,684</td>
<td>8,549,631</td>
</tr>
<tr>
<td>Direct costs</td>
<td>(4,078,231)</td>
<td>(3,299,804)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>5,679,453</td>
<td>5,249,827</td>
</tr>
<tr>
<td>Other operating income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>586</td>
<td>7,785</td>
</tr>
<tr>
<td>Sundry income</td>
<td>643,739</td>
<td>124,054</td>
</tr>
<tr>
<td></td>
<td>644,325</td>
<td>131,839</td>
</tr>
<tr>
<td>Other operating gains (losses)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains on disposal of assets</td>
<td>714</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange (losses) gains</td>
<td>(8,596)</td>
<td>48,914</td>
</tr>
<tr>
<td></td>
<td>(7,882)</td>
<td>48,914</td>
</tr>
<tr>
<td>Expenses (Refer to page 53)</td>
<td>(7,619,434)</td>
<td>(6,274,179)</td>
</tr>
<tr>
<td>Deficit before taxation</td>
<td>(1,303,538)</td>
<td>(843,599)</td>
</tr>
<tr>
<td>Tax expense/(credit)</td>
<td>11 (268,728)</td>
<td>268,458</td>
</tr>
<tr>
<td>Deficit for the year</td>
<td>(1,572,266)</td>
<td>(575,141)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive deficit for the year</td>
<td>(1,572,266)</td>
<td>(575,141)</td>
</tr>
</tbody>
</table>
### Other operating expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit fees</td>
<td>65,009</td>
<td>92,500</td>
</tr>
<tr>
<td>Bad debts</td>
<td>55,909</td>
<td>-</td>
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<tr>
<td>Bank charges</td>
<td>46,179</td>
<td>40,593</td>
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<tr>
<td>Cleaning</td>
<td>24,206</td>
<td>14,160</td>
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<tr>
<td>Accounting fees</td>
<td>10,750</td>
<td>4,628</td>
</tr>
<tr>
<td>Assessor conclave</td>
<td>620,681</td>
<td>-</td>
</tr>
<tr>
<td>Consulting and twinning fees</td>
<td>51,533</td>
<td>217,567</td>
</tr>
<tr>
<td>Depreciation</td>
<td>93,420</td>
<td>87,343</td>
</tr>
<tr>
<td>Employee costs</td>
<td>4,904,604</td>
<td>4,032,808</td>
</tr>
<tr>
<td>Entertainment</td>
<td>12,600</td>
<td>12,078</td>
</tr>
<tr>
<td>General expenses</td>
<td>35,252</td>
<td>29,816</td>
</tr>
<tr>
<td>Governance expenses</td>
<td>302,467</td>
<td>305,497</td>
</tr>
<tr>
<td>Hosted back-up</td>
<td>10,800</td>
<td>12,258</td>
</tr>
<tr>
<td>Internal audit fees</td>
<td>42,083</td>
<td>-</td>
</tr>
<tr>
<td>International participation</td>
<td>153,174</td>
<td>190,058</td>
</tr>
<tr>
<td>Internet</td>
<td>37,680</td>
<td>38,057</td>
</tr>
<tr>
<td>Insurance</td>
<td>66,712</td>
<td>59,382</td>
</tr>
<tr>
<td>Lease rentals on operating lease</td>
<td>234,573</td>
<td>364,210</td>
</tr>
<tr>
<td>Levies</td>
<td>20,152</td>
<td>7,214</td>
</tr>
<tr>
<td>Marketing expenses</td>
<td>187,262</td>
<td>104,254</td>
</tr>
<tr>
<td>Network support</td>
<td>69,612</td>
<td>66,365</td>
</tr>
<tr>
<td>NAFP annual meeting</td>
<td>14,915</td>
<td>-</td>
</tr>
<tr>
<td>Peer evaluation</td>
<td>-</td>
<td>101,428</td>
</tr>
<tr>
<td>Printing, postage and stationery</td>
<td>150,313</td>
<td>112,050</td>
</tr>
<tr>
<td>Relocation of offices</td>
<td>-</td>
<td>63,210</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>4,843</td>
<td>6,625</td>
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<tr>
<td>Security monitoring</td>
<td>8,045</td>
<td>589</td>
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<tr>
<td>Secretarial fees</td>
<td>3,100</td>
<td>6,520</td>
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<tr>
<td>Staff training</td>
<td>77,760</td>
<td>64,220</td>
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<tr>
<td>Telephone and fax</td>
<td>77,223</td>
<td>69,898</td>
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<tr>
<td>Translation costs</td>
<td>73,610</td>
<td>-</td>
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<tr>
<td>Travel</td>
<td>113,321</td>
<td>130,451</td>
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<tr>
<td>Utilities</td>
<td>33,646</td>
<td>22,400</td>
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<tr>
<td>Website maintenance</td>
<td>18,000</td>
<td>18,000</td>
</tr>
</tbody>
</table>

**Total:** 7,619,434  6,274,179
## STATEMENT OF CHANGES IN FUNDS

<table>
<thead>
<tr>
<th></th>
<th>Total equity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Balance at 1 April 2015</td>
<td>(347,966)</td>
<td>(347,966)</td>
</tr>
<tr>
<td>Deficit for the year</td>
<td>(575,141)</td>
<td>(575,141)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive deficit for the year</strong></td>
<td>(575,141)</td>
<td>(575,141)</td>
</tr>
<tr>
<td>Balance at 1 April 2016</td>
<td>(923,107)</td>
<td>(923,107)</td>
</tr>
<tr>
<td>Deficit for the year</td>
<td>(1,572,266)</td>
<td>(1,572,266)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive deficit for the year</strong></td>
<td>(1,572,266)</td>
<td>(1,572,266)</td>
</tr>
<tr>
<td>Balance at 31 March 2017</td>
<td>(2,495,373)</td>
<td>(2,495,373)</td>
</tr>
</tbody>
</table>
### STATEMENT OF CASH FLOWS

#### Cash flows from operating activities

<table>
<thead>
<tr>
<th>Note(s)</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Cash used in operations</td>
<td>12</td>
<td>(1,107,960)</td>
</tr>
<tr>
<td>Tax received</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td></td>
<td>(1,107,960)</td>
</tr>
</tbody>
</table>

#### Cash flows from investing activities

<table>
<thead>
<tr>
<th>Note(s)</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>3</td>
<td>(10,181)</td>
</tr>
<tr>
<td>Sale of property, plant and equipment</td>
<td></td>
<td>714</td>
</tr>
<tr>
<td><strong>Net cash from investing activities</strong></td>
<td></td>
<td>(9,467)</td>
</tr>
</tbody>
</table>

#### Cash flows from financing activities

<table>
<thead>
<tr>
<th>Note(s)</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Capital grant received</td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

**Total cash movement for the year**

<table>
<thead>
<tr>
<th>Note(s)</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Cash at the beginning of the year</td>
<td></td>
<td>1,887,535</td>
</tr>
<tr>
<td>Effect of exchange rate movement on cash balances</td>
<td>6</td>
<td>(8,596)</td>
</tr>
<tr>
<td><strong>Total cash at end of year</strong></td>
<td></td>
<td>761,512</td>
</tr>
</tbody>
</table>
1. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1. Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards (“IFRS”) and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations issued and effective at the time of preparing these financial statements and the Companies Act (Chapter 42:01).

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Pula, which is the company’s functional currency.

These accounting policies are consistent with the previous period.

1.2. Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Trade receivables

The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

The impairment (or loss allowance) for trade receivables is calculated on a portfolio basis, except for individually significant trade receivables which are assessed separately. The impairment test on the portfolio is based on historical loss ratios, adjusted for national and industry specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.
1.2 Significant judgements and sources of estimation uncertainty (continued)

Useful lives or property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in a note.

1.3 Property, plant and equipment

Property, plant and equipment is tangibly measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset’s carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset’s economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.
1.3 Property, plant and equipment (Continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Depreciation method</th>
<th>Average useful life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and fixtures</td>
<td>Straight line</td>
<td>10 years</td>
</tr>
<tr>
<td>Office equipment</td>
<td>Straight line</td>
<td>6.67 years</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>Straight line</td>
<td>4 years</td>
</tr>
</tbody>
</table>

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

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

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4. Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

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

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.
1.4 Financial instruments (continued)

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset’s recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available for sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.
1.4 Financial Instruments (continued)

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5. Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6. Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.7. Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period tests goodwill acquired in a business combination for impairment annually.

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

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

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.
1.7. Impairment of assets (continued)

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

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8. Employee benefits

Short-term employee benefits

The cost of short term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non accumulating absences, when the absence occurs.

The expected cost of profit 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.

1.9. Provisions and contingencies

Provisions are recognised when:

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

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

• has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented.

• has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities
1.9. Provisions and contingencies (continued)

recognised in business combinations that are recognised separately are subsequently measured at the higher of:

• the amount that would be recognised as a provision;
  and
• the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in a note.

1.10. Revenue

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and when specific criteria have been met for each of the company’s activities as described below.

Grant Income

Grants and donations are accounted for on confirmation from the donor. Grants received under the respective agreements are recognised at fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Grants shall be recognised as income over the periods necessary to match them with the related costs which they intend to compensate, on a systematic basis.

Sale of services – accreditation fees and training income.

Accreditation fees and training income are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

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

Interest is recognised, in profit or loss, using the effective interest rate method.

1.11. Direct costs

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.12. Translation of foreign currencies

A foreign currency transaction is recorded, on initial recognition in Pula, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

• foreign currency monetary items are translated using the closing rate;
• non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
• non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.
2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company’s accounting periods beginning on or after 1 April 2017 or later periods:

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the company are as follows:

Company as lessee:
• Lessees are required to recognise a right of use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
• The cost of the right of use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
• The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
• The right of use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re measurement of the lease liability. However, right of use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right of use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right of use asset may be measured on the revaluation model.
• The lease liability is subsequently increased by interest, reduced by lease payments and re measured for reassessments or modifications.
• Re-measurements of lease liabilities are affected against right of use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
• The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
• The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
• Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re measures the lease liability by making a corresponding adjustment to the right of use asset.
2. New Standards and Interpretations (continued)

- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right of use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

Company as lessor:
- Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.
- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.
- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.
- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor’s financial statements.
- Sale and leaseback transactions:
  - In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset.
  - If the transfer meets the requirements to be recognised as a sale, the seller lessee must measure the new right of use asset at the proportion of the previous carrying amount of the asset that relates to the right of use retained. The buyer lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16.
  - If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The buyer lessor recognises a financial asset equal to the transfer proceeds.

The effective date of the standard is for years beginning on or after 1 January 2019.

The company expects to adopt the standard for the first time in the 2020 financial statements. It is unlikely that the standard will have a material impact on the company’s financial statements.

Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers

The amendment provides clarification and further guidance regarding certain issues in IFRS 15. These items include guidance in assessing whether promises to transfer goods or services are separately identifiable; guidance regarding agent versus principal considerations; and guidance regarding licenses and royalties.
2. New Standards and Interpretations (continued)

The effective date of the amendment is for years beginning on or after 1 January 2018.

The company expects to adopt the amendment for the first time in the 2019 financial statements.

It is unlikely that the amendment will have a material impact on the company’s financial statements.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:
- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.
2. New Standards and Interpretations (continued)

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an “economic relationship”. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 1 January 2018.

The company expects to adopt the standard for the first time in the 2019 financial statements. It is unlikely that the standard will have a material impact on the company’s financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 1 January 2018.

The company expects to adopt the standard for the first time in the 2019 financial statements. It is unlikely that the standard will have a material impact on the company’s financial statements.

Amendments to IAS 7: Disclosure initiative

The amendment requires entities to provide additional disclosures for changes in liabilities arising from financing activities. Specifically, entities are now required to provide disclosure of the following changes in liabilities arising from financing activities:

- changes from financing cash flows;
- changes arising from obtaining or losing control of subsidiaries or other businesses;
- the effect of changes in foreign exchanges;
- changes in fair values; and
- other changes.

The effective date of the amendment is for years beginning on or after 1 January 2017.

The company expects to adopt the amendment for the first time in the 2018 financial statements.
It is unlikely that the amendment will have a material impact on the company’s financial statements.

**Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses**

In terms of IAS 12 Income Taxes, deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The following amendments have been made, which may have an impact on the company:

If tax law restricts the utilisation of losses to deductions against income of a specific type, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type.

Additional guidelines were prescribed for evaluating whether the company will have sufficient taxable profit in future periods. The company is required to compare the deductible temporary differences with future taxable profit that excludes tax deductions resulting from the reversal of those deductible temporary differences. This comparison shows the extent to which the future taxable profit is sufficient for the entity to deduct the amounts resulting from the reversal of those deductible temporary differences.

The amendment also provides that the estimate of probable future taxable profit may include the recovery of some of an entity’s assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.

The effective date of the amendment is for years beginning on or after 1 January 2017.

The company expects to adopt the amendment for the first time in the 2018 financial statements.

It is unlikely that the amendment will have a material impact on the company’s financial statements.
### 3. Property, plant and equipment

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<tr>
<th></th>
<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td></td>
<td>Cost or Carrying Value</td>
<td>Cost or Carrying Value</td>
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<tr>
<td>Furniture and fixtures</td>
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Reconciliation of property, plant and equipment - 2017

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<th>Opening balance</th>
<th>Additions</th>
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<tr>
<td>Furniture and fixtures</td>
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<td>92,786</td>
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<td>Office equipment</td>
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Reconciliation of property, plant and equipment - 2016

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<tr>
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<td>19,570</td>
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<td>Compture equipment</td>
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<table>
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<th>Additions</th>
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<tr>
<td></td>
<td>254,413</td>
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</table>
4. Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,611</td>
<td>273,339</td>
</tr>
</tbody>
</table>

Reconciliation of deferred tax asset / (liability)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>At beginning of year</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>273,339</td>
<td>4,881</td>
</tr>
<tr>
<td>Taxable / (deductable) temporary difference movement on tangible fixed assets</td>
<td>(268,728)</td>
<td>268,458</td>
</tr>
<tr>
<td></td>
<td>4,611</td>
<td>273,339</td>
</tr>
</tbody>
</table>

Unrecognised deferred tax asset

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unused tax losses not recognised as deferred tax assets</td>
<td>552,921</td>
<td>274,301</td>
</tr>
</tbody>
</table>

5. Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>1,176,570</td>
<td>548,101</td>
</tr>
<tr>
<td>Prepayments</td>
<td>46,782</td>
<td>71,170</td>
</tr>
<tr>
<td>Deposits</td>
<td>38,080</td>
<td>62,391</td>
</tr>
<tr>
<td>VAT</td>
<td>4,454</td>
<td>29,552</td>
</tr>
<tr>
<td>Withholding Tax</td>
<td>14,536</td>
<td>6,516</td>
</tr>
<tr>
<td></td>
<td>1,280,422</td>
<td>717,730</td>
</tr>
</tbody>
</table>

6. Cash and cash equivalents

Cash and cash equivalents consist of:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td></td>
<td>171</td>
</tr>
<tr>
<td>Bank balances</td>
<td>761,512</td>
<td>1,887,364</td>
</tr>
<tr>
<td></td>
<td>761,512</td>
<td>1,887,535</td>
</tr>
</tbody>
</table>
7. Capital grant

At 1 April 2016
Capital grants transferred
Capital grants amortised during the year
At 31 March 2017

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Capital grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2016</td>
<td>300,379</td>
<td>254,414</td>
</tr>
<tr>
<td>Capital grants transferred</td>
<td>10,181</td>
<td>133,308</td>
</tr>
<tr>
<td>Capital grants amortised during the year</td>
<td>(93,420)</td>
<td>(87,343)</td>
</tr>
<tr>
<td>At 31 March 2017</td>
<td>217,140</td>
<td>300,379</td>
</tr>
</tbody>
</table>

8. Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>748,593</td>
<td>482,701</td>
</tr>
<tr>
<td>Sundry suppliers</td>
<td>229,108</td>
<td>160,097</td>
</tr>
<tr>
<td>Other payables</td>
<td>131,889</td>
<td>113,931</td>
</tr>
<tr>
<td>Payroll accruals</td>
<td>1,822,854</td>
<td>1,251,874</td>
</tr>
<tr>
<td>Deposits received</td>
<td>1,506,947</td>
<td>1,690,580</td>
</tr>
<tr>
<td></td>
<td>4,439,391</td>
<td>3,699,183</td>
</tr>
</tbody>
</table>

9. Deferred income

At 01 April 2016
Grant income received
Transferred to income statement
Transferred to capital grant
At 31 March 2017

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Deferred income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 01 April 2016</td>
<td>109,816</td>
<td>1,026,947</td>
</tr>
<tr>
<td>Grant income received</td>
<td>2,040,815</td>
<td>1,724,568</td>
</tr>
<tr>
<td>Transferred to income statement</td>
<td>(2,030,634)</td>
<td>(2,641,699)</td>
</tr>
<tr>
<td>Transferred to capital grant</td>
<td>(10,181)</td>
<td>-</td>
</tr>
<tr>
<td>At 31 March 2017</td>
<td>109,816</td>
<td>109,816</td>
</tr>
</tbody>
</table>

10. Revenue

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Service revenue</td>
<td>7,633,629</td>
<td>5,953,897</td>
</tr>
<tr>
<td>Government funding</td>
<td>2,124,055</td>
<td>2,595,734</td>
</tr>
<tr>
<td></td>
<td>9,757,684</td>
<td>8,549,631</td>
</tr>
</tbody>
</table>

This amount included in service revenue are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Accreditation services</td>
<td>5,955,266</td>
<td>4,284,028</td>
</tr>
<tr>
<td>Training services</td>
<td>1,678,363</td>
<td>1,669,869</td>
</tr>
<tr>
<td></td>
<td>7,633,629</td>
<td>5,953,897</td>
</tr>
</tbody>
</table>
11. Taxation

Major components of the tax expense

Deferred
Originating and reversing temporary differences 268,728 (268,458)

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense
Accounting loss (1,303,538) (843,599)
Tax at the applicable tax rate of 22% (2016: 22%) (286,778) (185,592)
Tax effect of adjustments on taxable income
Expenses not deductible for tax purposes - 439,652
Income not subject to tax - (522,518)
(286,778) (268,458)

12. Cash used in operations

Loss before taxation (1,303,538) (843,599)
Adjustments for:
Depreciation and amortisation 93,420 87,343
Gains on disposal (714) -
Losses (gains) on foreign exchange 8,596 (48,914)
Capital grants amortised during the year (93,420) (87,343)
Transfer from deferred income (2,030,634) (2,641,699)
Changes in working capital:
Trade and other receivables (562,692) (349,187)
Trade and other payables 740,207 1,646,858
Capital grant 2,040,815 1,724,568
(1,107,960) (511,973)
13. Commitments

Capital commitments

There were no capital commitments as at the year.

Operating leases - as lessee (expense)

Minimum lease payments due
within one year

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of five years and rentals are fixed for an average of three years. No contingent rent is payable.

14. Comparative figures

Certain comparative figures have been reclassified to achieve fair presentation.

15. Risk management

Financial risk management

Liquidity risk

The company’s risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.
Foreign exchange risk

The company does not hedge exchange fluctuations.

16. Going concern

We draw attention to the fact that at 31 March 2017, the company had accumulated losses of P (1,572,266) (2016: P575,142) and that the company’s total liabilities exceed its assets by P 2,495,373 (2016: P923,109). The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

16. Going concern (continued)

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that SADCAS continues to receive support for the operational budget deficit from the 13 Southern African Development Community (SADC) Member states serviced by the company.

17. Liability of the members

The company is registered as a company limited by guarantee and therefore the maximum liability of the members is limited to P200 (Two Hundred Pula) per member.