

ANNUAL REPORT 20¹⁹ 20



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ACRONYMS AND ABBREVIATIONS

AAC	Accreditation Approvals Committee
AC	Advisory Committee
AFCFTA	African Continental Free Trade Area
AFRAC	African Accreditation Cooperation
AGM	Annual General Meeting
BP	Board Procedure
BWP	Botswana Pula
CBAS – MS	Management Systems Certification Bodies Accreditation Scheme
CBAS – Prod	Product Certification Bodies Accreditation Scheme
CBAS - Pers	Personnel Certification Bodies Accreditation Scheme
CEO	Chief Executive Officer
CLAS	Calibration Laboratories Accreditation Scheme
CPD	Continuous Professional Development
DRC	Democratic Republic of Congo
FRAC	Finance, Risk and Audit Committee
FSMS	Food Safety Management Systems
GA	General Assembly
GCP	Good Clinical Practice
GLP	Good Laboratory Practice
HR	Human Resources
HRRC	Human Resources and Remuneration Committee
IAF	International Accreditation Forum
IBAS	Inspection Bodies Accreditation Scheme
ICT	Information Communications Technology
IEC	International Electro-technical Commission
IESBA Code	International Ethics Standards Board of Accountants Code of Ethics for Professional Accountants
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards

IIOC	Independent International Organization for Certification
ILAC	International Laboratory Accreditation Cooperation
IQNET	International Certification Network
ISO	International Organization for Standardization
ISO CASCO	ISO Committee on Conformity Assessment
LMAS	Legal Metrology Accreditation Scheme
MIAS	Medical Imaging Accreditation Scheme
MLA	Multi-lateral Agreement
MLAS	Medical Laboratories Accreditation Scheme
MOU	Memorandum of Understanding
MRA	Mutual Recognition Arrangement
MV & MU	Method Validation and Measurement Uncertainty
NABCB	National Accreditation Board of Certification Bodies (India)
NAFP	National Accreditation Focal Point
NLA-SA	National Laboratory Association of South Africa
PM	Policy Manual
PR	Public Relations
PT	Proficiency Testing
QMS	Quality Management System
SADC	Southern African Development Community
SADCA	Southern African Development Community Cooperation in Accreditation
SADCAS	Southern African Development Community Accreditation Service
SANAS	South African National Accreditation System
SRLA	SADC Regional Laboratory Association
TBT	Technical Barriers to Trade
TLAS	Testing Laboratories Accreditation Scheme
UKAS	United Kingdom Accreditation Service
VLAS	Veterinary Laboratory Accreditation Scheme
WAD	World Accreditation Day

VISION | MISSION | MANDATE | COMPANY VALUES | VALUE PROPOSITION



SADCAS Vision

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



SADCAS 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.



SADCAS Mandate

SADCAS draws its mandate from Article 15 B of the Technical Barriers to Trade (TBT) Annex to the Southern African Development Community (SADC) Protocol on Trade. The SADC Accreditation Service (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 Constitution of SADCAS Ltd lodged with the Registrar of Companies, Botswana.

SADCAS Company Values

SADCAS in its service provision 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.

SADCAS Value Proposition

- Delivering confidence
- Assuring competency



CORPORATE PROFILE

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. SADCAS services the accreditation needs of 14 countries namely: Angola; Botswana; Comoros; Democratic Republic of Congo (DRC); Eswatini; Lesotho; Madagascar; Malawi; Mozambique; Namibia; Seychelles; Tanzania; Zambia; and Zimbabwe. 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 is registered as a not for profit company limited by guarantee under the Botswana Companies Act, 2003 (Act No. 32 of 2004). SADCAS is 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.

Governance

SADCAS is governed by a General Assembly (GA) 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.

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) 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 team of highly qualified and experienced personnel.

SADCAS Services

SADCAS provides accreditation services and training in accreditation associated activities.

Accreditation services

SADCAS offers accreditation schemes for:

- Calibration laboratories in accordance with **ISO/IEC 17025 (CLAS)**;
- Testing laboratories in accordance with **ISO/IEC 17025 (TLAS)**;
- Veterinary laboratories in accordance with **ISO/IEC 17025 (VLAS)**;
- Legal Metrology in accordance with **ISO/IEC 17025 (LMAS)**;
- Medical laboratories in accordance with **ISO 15189 (MLAS)**;
- Management systems certification bodies in accordance with **ISO/IEC 17021-1 (CBAS-MS)**;
- Inspection bodies in accordance with **ISO/IEC 17020 (IBAS)**;
- Product certification bodies in accordance with **ISO/IEC 17065 (CBAS-MS)**; and
- Personnel certification bodies in accordance with **ISO/IEC 17024 (CBAS-Pers)**.

SADCAS will broaden its scope of accreditation as needs arise.

SADCAS is signatory to the African Accreditation Cooperation (AFRAC) and the International Laboratory Accreditation (ILAC) Mutual Recognition Arrangements (MRA) for the testing and calibration laboratories accreditation schemes in accordance with ISO/IEC 17025 achieved in November 2015, and medical testing in accordance with ISO 15189 and inspection in accordance with ISO/IEC 17020 achieved in October 2017. SADCAS is also signatory to the AFRAC MRA and the International Accreditation Forum's Multi-lateral Arrangement (IAF MLA) under the Main scope Management Systems achieved in November 2019. Hence the accreditation certificates issued by SADCAS for testing/calibration/medical laboratories, inspection bodies' and management systems certification bodies' accreditation schemes are internationally recognized.

Training services

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

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 on the key accreditation 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 training courses on the requirements and implementation of the key accreditation standards whose objective is to provide an insight into the respective system standards requirements and implementation thereof.
- 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 arrangement member of SADC Cooperation in Accreditation (SADCA).



BOARD OF DIRECTORS

From left to right

Mrs Maureen Primrose Mutasa
Chief Executive Officer

Mr Emmanuel Jinda
Member

Ms Verily Kearoma Molatedi
Vice Chairman

Mr Steven Bruce Sidney
Chairman

Mr Davlin Moyenda
Damaziel Chokazinga
Member

Dr Lineo Lomkhosi
Mkhonta-Gama
Member

Mr Alfredo Filipe Siteo
Member

Mrs Mmatlala Dube
Member

BOARD OF DIRECTORS' MEETINGS ATTENDANCE

During the 2019/20 financial year, the SADCAS Board of Directors held four meetings. The records of attendance to these meetings are shown in Table 1.

Table 1 – Record of Attendance to Board Meetings Held During the 2019/20 Financial Year

Name	Status	Meeting Dates			
		2019-05-16	2019-08-29	2019-11-25	2020-02-18
Mr Steven Bruce Sidney <i>Chairman</i>	Non-Executive Director	✓	✓	✓	✓
Ms Verily Kearoma Molatedi <i>Vice Chairman</i>	Non-Executive Director	✓	✓	Apology	Apology
Mr Emmanuel Jinda	Non-Executive Director	✓	✓	✓	✓
Mr Alfredo Filipe Siteo	Non-Executive Director	✓	✓	✓	✓
Mr Davlin Moyenda Damaziel Chokazinga	Non-Executive Director	✓	✓	✓	✓
Mr Manuel Mutale	Non-Executive Director	✓	✓	✓	✓
Dr Lomkhosi Lineo Mkhonta - Gama	Non-Executive Director	✓	✓	✓	✓
Mrs Maureen Primrose Mutasa	Executive Director	✓	✓	✓	✓

The overall attendance for Board meetings held during the year was 94%.

GENERAL INFORMATION

Bankers

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Company Secretary

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SADCAS Registration Number – UIN BW00000969150

SADCAS Registered Office

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National Accreditation Focal Points Offices

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BOTSWANA



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National Accreditation Focal Points Offices (continued)

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ZAMBIA

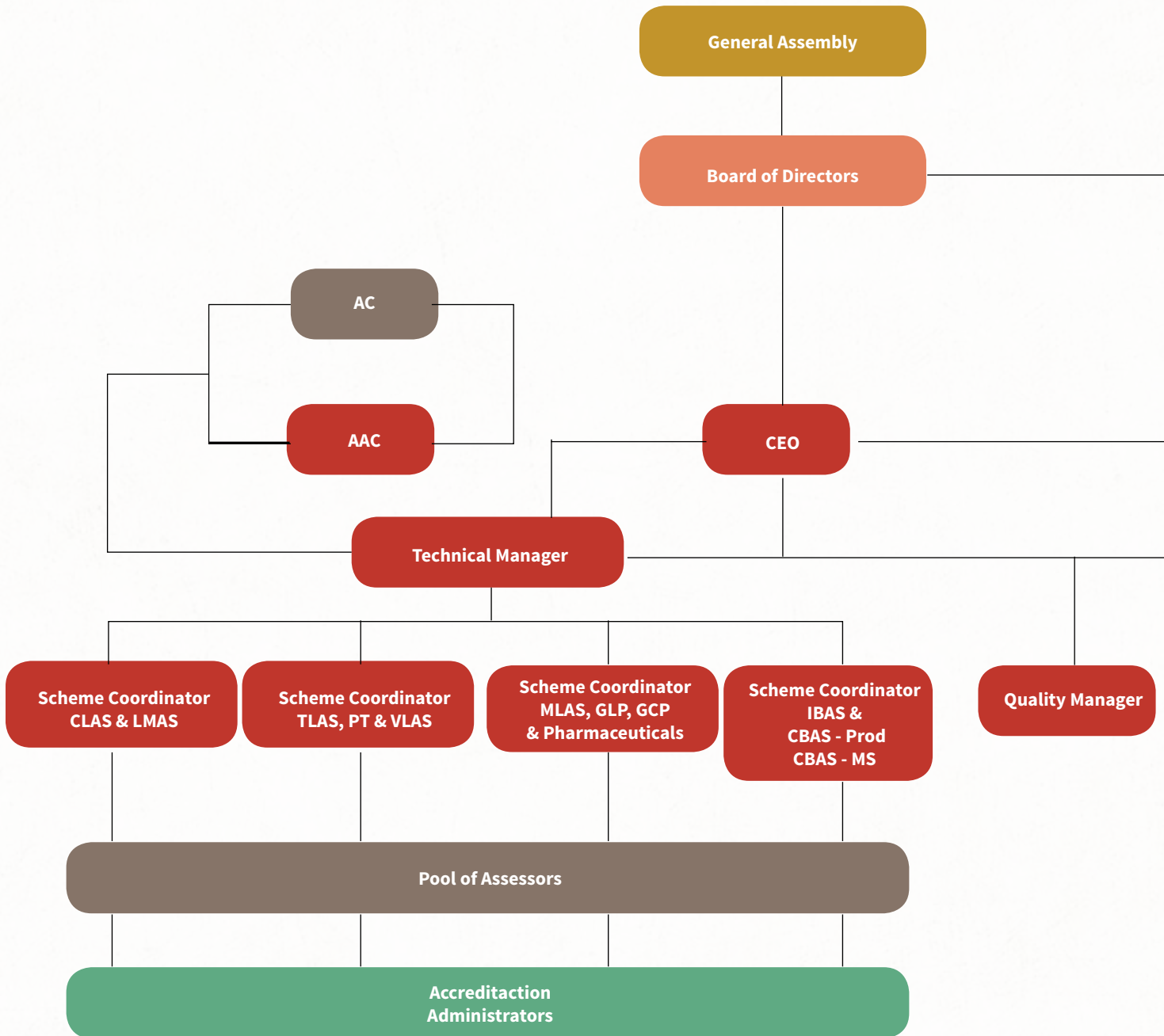
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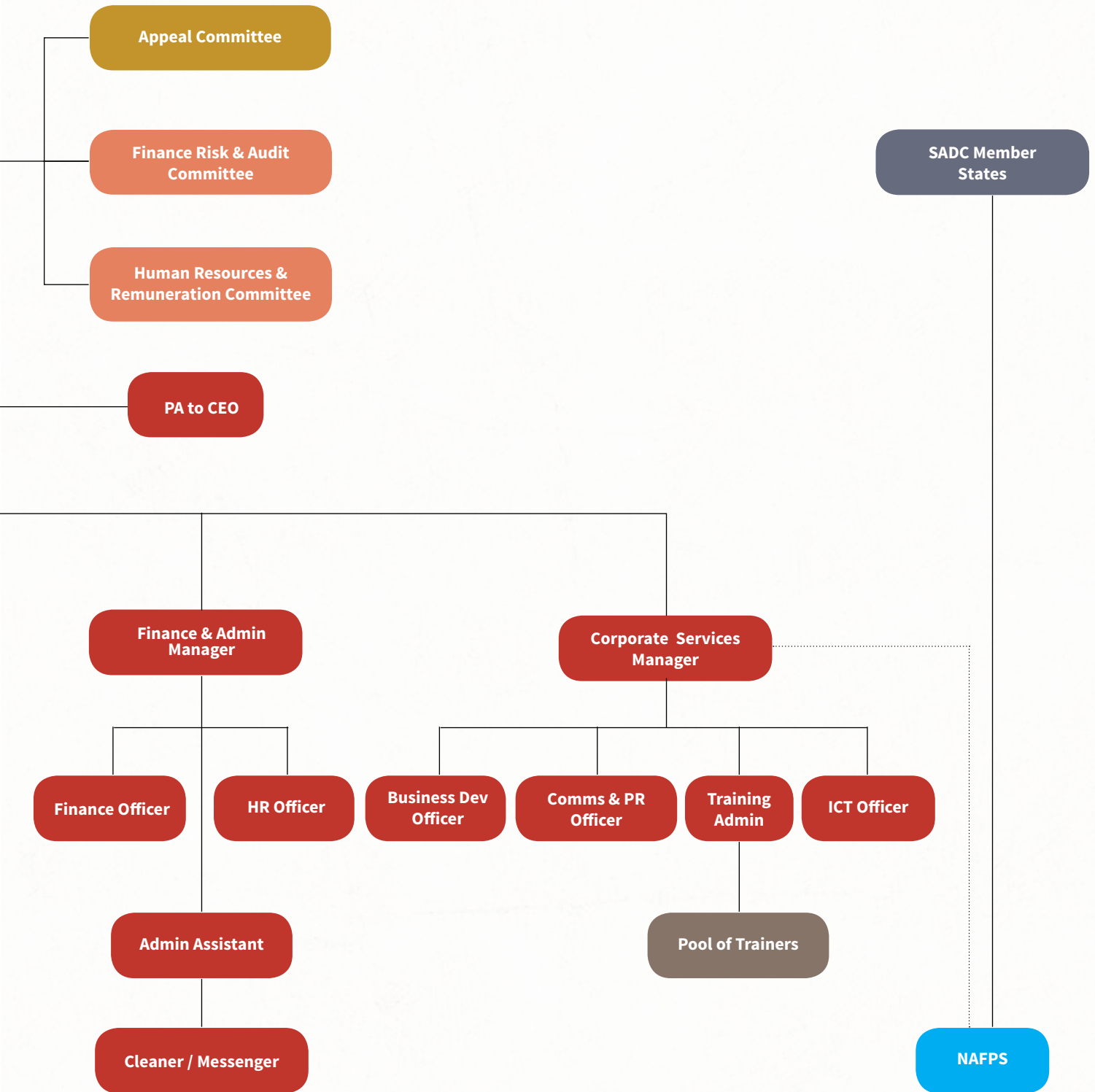
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ORGANIZATIONAL STRUCTURE





MANAGEMENT AND STAFF



**Mrs Maureen
Primrose Mutasa**
Chief Executive Officer



**Ms Jeanne Francoise
Ranorovelo**
Technical Manager



**Mrs Lauren Rutendo
Gudo**
Financial and Administration Manager



**Mr Xavier
Mugari**
Quality Manager



**Mrs Pinkie
Malebe**
Scheme Coordinator
TLAP, PT and VLAS



**Mrs Eva
Muronda**
Scheme Coordinator
MLAS, GLP, GCP and Pharmaceuticals



**Mr Victor
Mundembe**
Scheme Coordinator IBAS, LMAS,
CBAS-MS and CBAS-Prod



**Ms Varsah
Gungoa**
Assessor French



**Ms Linda
Dirorimwe**
Training Administrator



**Mrs Tsitsi
Mazibuko**
Accreditation Administrator



**Mr Mogae
Molaoa**
Accreditation Administrator



**Ms Tsholofelo
Segomotso Kobe**
Administrative Assistant

NATIONAL ACCREDITATION FOCAL POINTS



Mr. Joaquim Jose Pequeno
NAFP-Angola



Mr Edward Mmatli
NAFP-Botswana



Mr Boinali Mohamed
NAFP-Comoros



Mrs Apauline Matata Feza
NAFP-Democratic Republic of
Congo



Mrs Sybil Sthembiso Dlamini
NAFP- Eswatini



Mr Azael Motjoka Makara
NAFP-Lesotho



Mr Séraphin
Andrianantarivo
Razafimahafaly
NAFP-Madagascar

NATIONAL ACCREDITATION FOCAL POINTS



Mr Masautso Ngamwane
NAFP-Malawi



Mrs Guilhermina Nhampulo
NAFP-Mozambique



Mr Peter Toivo Munyandi
NAFP-Namibia



Dr Sreekala Nair
NAFP-Seychelles



Ms Stella Mrosso
NAFP-Tanzania



Mr Hans Yamba
NAFP-Zambia



Ms Riyana Chibanda
NAFP-Zimbabwe



CHAIRMAN'S STATEMENT

Steven Bruce Sidney

I am pleased to report on the further progress made during the 2019/20 financial year in fulfilling SADCAS's mandate. Following the international re-evaluation of SADCAS in May 2019, the Organization successfully transitioned to the 2017 version of the ISO/IEC 17011, maintained its international recognition and at the same time extended its international recognition to the main scope Management Systems Certification (ISO/IEC 17021-1,) sub-scope Quality Management Systems (ISO/IEC 17021-3), QMS (ISO 9001:2015). With this achievement six (6) out of the eight (8) accreditation schemes offered by SADCAS are internationally recognized. This means that the certificates issued by SADCAS accredited calibration/testing/veterinary/medical laboratories, and certification and inspection bodies are recognized worldwide, thus remove the need for repetitive conformity assessment checks. Effectively this means that through internationally recognized accreditation SADC Member States serviced by SADCAS have better access to 103 foreign markets – A truly global reach.

SADCAS business continues to grow in terms of field and scope of accreditation, sectorial coverage and also in terms of geographical diversity having accredited facilities in Lesotho and Côte d'Ivoire and having accredited its first meter verification laboratory from Eswatini during the financial year. By 31 March 2020, SADCAS had issued 168 accreditation certificates to 136 accredited facilities in 13 SADC Member States and 2 non-SADC countries namely; Ghana; and Côte d'Ivoire. This represents a remarkable 39% growth in accreditations including scope extensions and a 35% growth in new accreditations over the 2018/19 figures. At the same time, SADCAS also had 40 accreditation applications from 10 SADC Member States under process. By 31 March 2020, SADCAS had cumulatively conducted 189 training courses in 13 SADC Member States that are serviced by SADCAS. A detailed report of the activities undertaken during the period under review is contained in the Chief Executive Officer's (CEO) report.

On governance issues, the General Assembly (GA), the governing body of SADCAS met virtually in March 2020 due to the COVID-19 pandemic. Following their attendance to the 14th Annual General Meeting (AGM), the SADC Regional Laboratory Association (SRLA) was admitted as a member of the GA bringing the total membership to 39.

The SADCAS Board of Directors which is drawn out of the GA oversees the running of SADCAS and fulfills any function that the SADCAS General Assembly may delegate to it. The Board of Directors which currently comprises of 7 Non-Executive members and one Executive member held four (4) meetings during the 2019/20 financial year in May, August and November 2019, and February 2020. During the meetings, the Board considered and approved the following:

- The 2019/20 annual implementation plan;
- The audited financial statements for the year ended 31 March 2020;
- The SADCAS risk profiles;
- The 2018/19 annual report;
- The 2020/21 budget which was ratified at the 15th SADCAS AGM; and
- Tender for external financial audit.

The Board also monitored progress with the re-registration of SADCAS via the new Botswana Companies' and Intellectual Property Authority (CIPA) Online Business Registration System (OBRS) and I am delighted to report

that SADCAS was successfully re-registered on 28 October 2019 with a new Certificate of incorporation number UIN BW00000969150 and at the same time SADCAS registered a change in address to the new Offices. This was done well ahead of the deadline of 31st May 2020. Noting that some aspects critical to SADCAS operation as an accreditation body and international recognition that are embodied into the Memorandum of Association (MoA) which was revoked through the re-registration process, it became inevitable for SADCAS to come up with a Constitution which was subsequently approved at the 15th AGM following which the approved Constitution was registered on 16 April 2020.

The Board also discussed strategic issues and in particular measures to improve Government contributions inflows, regularly reviewed the 2019/20 budget and monitored implementation of the transition plans and policies. 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 2019/20 annual implementation and activity plans. The Board Committees namely; the Finance, Risk and Audit Committee; and the Human Resources and Remuneration Committee each met four times respectively to discuss matters relating to their scopes as defined in their respective Terms of Reference. As no appeals were received on accreditation decisions during the financial year, the Board did not have the need to constitute an Appeal Committee.

Regarding Board membership, Mrs Mmatlala Dube, a Fellow Member of the Association of Chartered Certified Accountant UK and Botswana Institute of Chartered Accountants and a holder of a Master of Business Administration majoring in Finance was co-opted on the SADCAS Board on 8 July 2019 to provide expertise on financial matters. Mrs Dube is a member of the Finance Risk and Audit Committee.

As SADCAS approaches the final year of the 2017 to 2022 strategic period, the key challenge of cash resourcing remains. This is as a result of the slow inflow of Governments contributions towards SADCAS' operational budget deficit of US\$ 2.38 million for the period 2017 to 2022 and exacerbated by the COVID-19 pandemic, which could result in the delay of the Organization achieving sustainability as envisaged for this strategic period.

However, despite the challenges faced, we recognize that SADCAS has a lot of work to do. With the signing of the African Continental Free Trade Area (AfCFTA) by 52 countries and ratification by 24 countries, technically the AfCFTA is now in force unlocking a market of 1.3 billion people across African Borders. Accreditation is poised to play an even greater role as a transparent and nondiscriminatory means of assuring technical competence of conformity assessment service providers.

Please join me once again in thanking all who have contributed to the continued success of SADCAS especially SADCAS Management and staff who have worked tirelessly over the financial year. I have no doubt that SADCAS will continue to make good progress in service delivery.



Steven Bruce Sidney
Chairman SADCAS Board of Directors



CHIEF EXECUTIVE OFFICER'S REPORT

Mrs Maureen Primrose Mutasa

Summary

This report covers the period 1 April 2019 up to 31 March 2020 and summarizes the achievements in each of the eight (8) key result areas agreed for the 2019/20 financial year namely:

- Continue to promote the benefits of accreditation and the international arrangements and market SADCAS services;
- Ensure continued credibility of SADCAS services;
- Improve cost effectiveness of processes and enhance service delivery;
- Prioritize and develop new accreditation schemes based on current demand and anticipated demand;
- Maintain and achieve international recognition for the TLAS, CLAS, MLAS and IBAS to ISO/IEC 17011: 2017. Achieve international recognition of the CBAS-MS sub-scope Quality Management Systems (QMS). Work towards international recognition of all the CBAS -Prod.
- Develop, recruit and retain our most important asset the intellectual capital, skills, knowledge and expertise of staff, assessors and trainers so as to deliver world class accreditation services;
- Continue to strengthen the effectiveness of National Accreditation Focal Points (NAFPs); and
- Ensure sustainability of SADCAS beyond 2017.

The following is a summary of the achievements in each of the agreed eight (8) key result areas for the 2019/20 financial year.

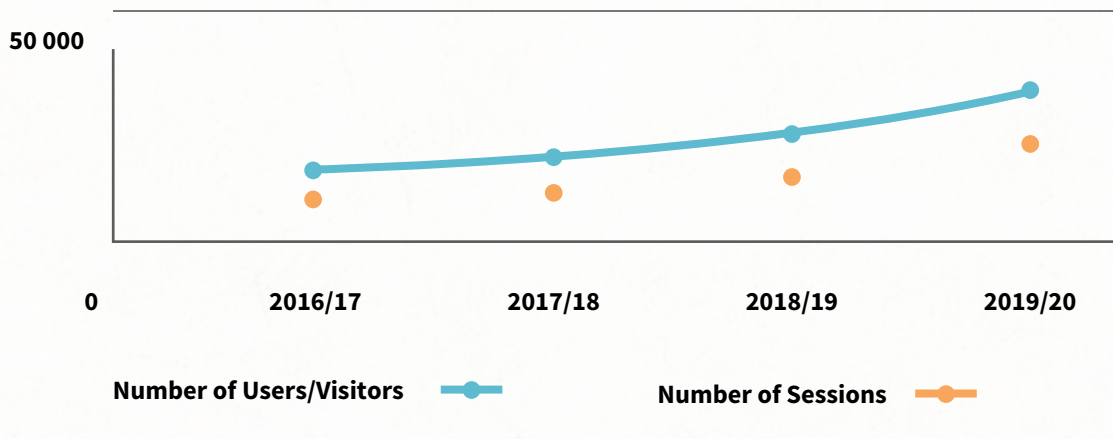
Continue to Promote the Benefits of Accreditation and the International Arrangements and Market SADCAS Services

During the financial year under review, SADCAS' thrust continued to be on promoting the benefits and importance of accreditation and marketing SADCAS' services with the following activities being undertaken:

- 94 targeted marketing visits were undertaken in the SADC Member States serviced by SADCAS;
- 98 presentations were made to stakeholders at national, regional and international meetings/workshops/seminars by SADCAS and NAFPs who undertook promotional and marketing activities in their respective countries as per their main responsibility.
- Three (3) editions of the Pioneer March, July and November 2019 and the 11th SADCAS 2018/19 annual report were published. All newsletters were published electronically whilst limited copies of the annual report were printed. The three (3) editions of the Pioneer were distributed through the NAFPs' network.
- Revised and published the SADCAS Corporate and Identity Manual which now incorporates a design of a flag issued to accredited conformity assessment bodies to publicize their accreditation. By 31 March 2020 five (5) flags had been issued with a number of applications under consideration.
- All SADCAS promotional material were revised to align to the revised ISO/IEC 17011 and ISO/IEC 17025 both of which were published in 2017. New promotional materials were also developed.

- A total of 30 articles and 31 announcements on the accredited facilities, published accreditation documents as well as developments in SADCAS and accreditation regionally, continentally and internationally were uploaded on the SADCAS website.
- The SADCAS website was maintained throughout the period of review with new articles being posted under latest news, announcements flashed on the home page and the directory of accredited facilities being updated upon accreditation of facilities. Website visitation statistics continue to increase with total number of users/visitors being 15,859 and total number of sessions/visits being 23,663 i.e. 54% and 57% over the 2018/19 financial year statistics. Refer to Figure 1.

Figure 1 - Website Statistics - Number of Users vs Session over the past 4 Years



The theme for 2019 World Accreditation Day (WAD) was **“Accreditation: Adding value to supply chains”** and commemoration activities in the region ranged from conferences /workshops to press releases. World Accreditation Day conferences were held in 6 countries namely: Botswana; DRC; Eswatini; Tanzania; Zimbabwe; and Seychelles with the latter also issuing a press release prior to the conference. The ILAC/IAF/ISO/IIOC public sector assurance site and Business benefits of Standards and Accreditation are all continuously publicized in the Pioneer as well as during WAD celebrations.



Part of the delegates attending the 2019 WAD Celebrations in Mahe, Seychelles



Delegates attending 2019 WAD conference in Dar es Salam, Tanzania

World Accreditation Day (WAD) continues to provide a platform for promoting accreditation, marketing accreditation services and also promoting international recognition.

SADCAS efforts in promoting accreditation and marketing are bearing fruit as indicated by the growing numbers of enquiries handled, applications under process and accreditations. A total of 115 enquiries were handled during the period under review of which NAFPs handled 57 [Angola (13); Botswana (9); DRC (15); Eswatini (11); Malawi (5); Zambia (1); and Zimbabwe (3)] whilst SADCAS Office handled 58.

Ensure Continued Credibility of SADCAS Services.

SADCAS maintained international recognition following a re-evaluation undertaken from 27 May to 1 June 2019 during which SADCAS also successfully transitioned to the revised ISO/IEC 17011: 2017. At the same time, SADCAS extended its international recognition in the AFRAC MRA to the Main Scope Management Systems Certification (ISO/IEC 17021-1,) Sub-scope QMS (ISO/IEC 17021-3), (ISO 9001:2015). Following this achievement, SADCAS was admitted as a signatory to the International Accreditation Forum Multi-lateral Arrangement (IAF MLA).

By the end of the financial year, SADCAS had established 7 Advisory Committees (AC) to advise SADCAS on technical matters with three (3) new ACs being established during the period under review namely:

- Advisory Committee for CBAS (AC.05) which comprises of 15 members from 14 SADC Member States;
- Advisory Committee for IBAS Regional (AC.06) which comprises of 15 members from 15 the SADC Member States; and
- Advisory Committee for the Medical Imaging Accreditation Scheme (MIAS) (AC.07) which comprises of seven (7) members from seven (7) SADC Member States.

During the period under review all the seven (7) ACs met with the new ACs holding their first meetings on 29 November 2019. The previously established ACs advanced their work whilst the new ACs identified the areas where SADCAS needs supporting technical documents. The MIAS AC focused on identifying areas requiring technical supporting documents for the new accreditation scheme under development. Attendance level to the November 2019 CLAS and TLAS ACs meetings was notably improved with meetings having been brought forward to November as recommended by members. Many thanks to the nominating organizations for sponsoring the attendance of their respective representatives on the ACs.

Improve cost effectiveness of processes and enhance service delivery

The SADCAS quality management system (QMS) documents were continuously reviewed, revised and published throughout the period under review to improve cost effectiveness of processes and enhance delivery of service. A total of 23 QMS documents and 11 forms were developed/revised, published and uploaded on the SADCAS network/website. Prioritized QMS documents were translated into French and Portuguese, published and also uploaded on the SADCAS network and website.

A total of 107 assessments were undertaken. By 31 March 2020, SADCAS had issued 168 accreditation certificates to 136 accredited facilities in 13 SADC Member States and 2 non-SADC countries Ghana and Côte d'Ivoire compared to 121 accreditation certificates issued to 101 accredited facilities in 12 SADC Member States and one non-SADC country by 31 March 2020, representing a 35% growth in new accreditations during the year and 39% growth in all accreditations including scope extensions. Between 1 April 2019 and 31 March 2020, SADCAS accredited 40 new facilities, three (3) scope extensions within same scope, seven (7) scope extensions outside those already accredited. During the period under review SADCAS accredited its first facility in Lesotho and its first facility in Côte d'Ivoire. SADCAS also accredited its first allergology laboratory and first verification laboratory. Four (4) facilities' accreditations were withdrawn during the year and there was one scope reduction. Refer to Figures 2, 3 and 4.

Figure 2 - Cumulative Number of Accreditations to 31 March 2020

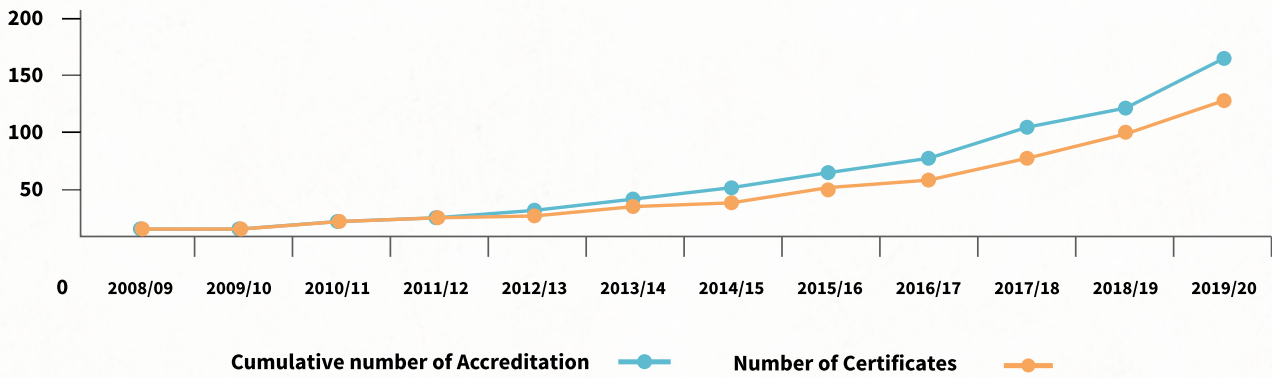


Figure 3 - Accreditation by Country as at 31 March 2020 compared to 2017/18 and 2018/19

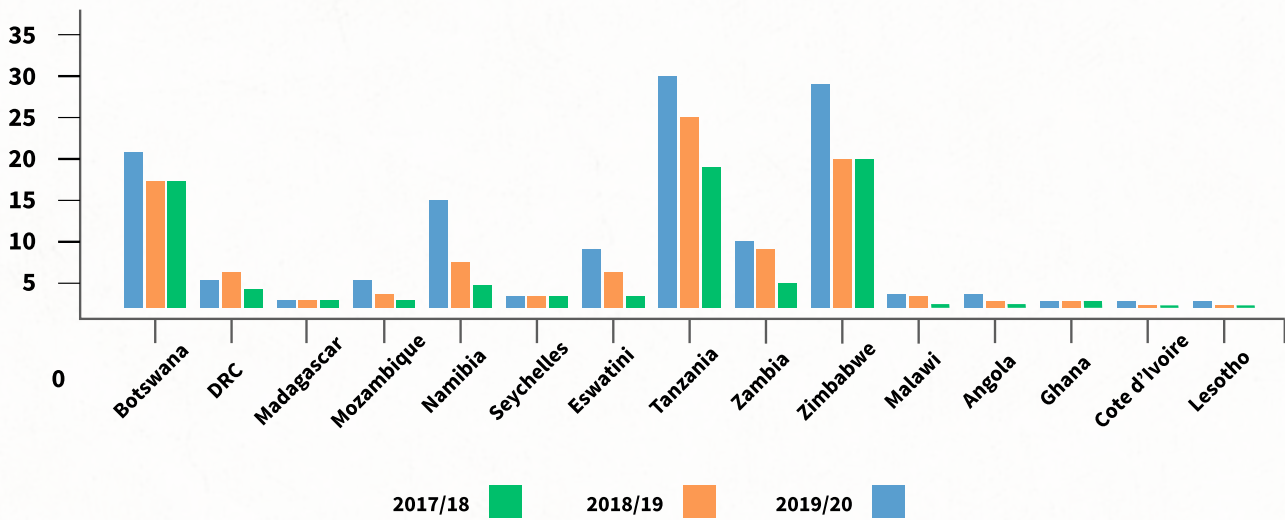
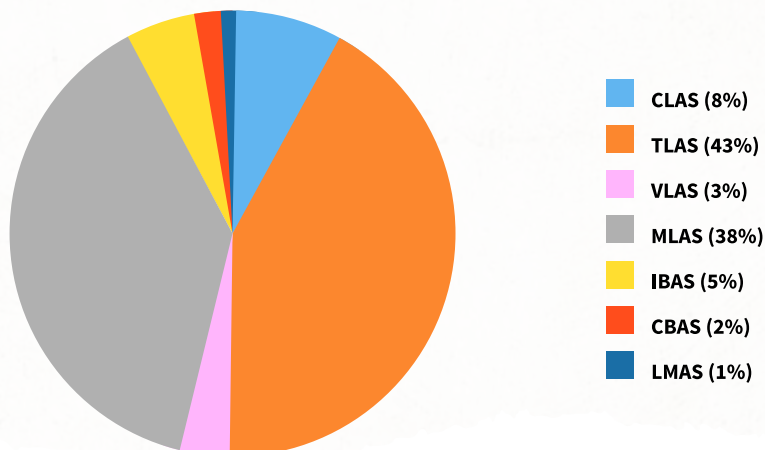
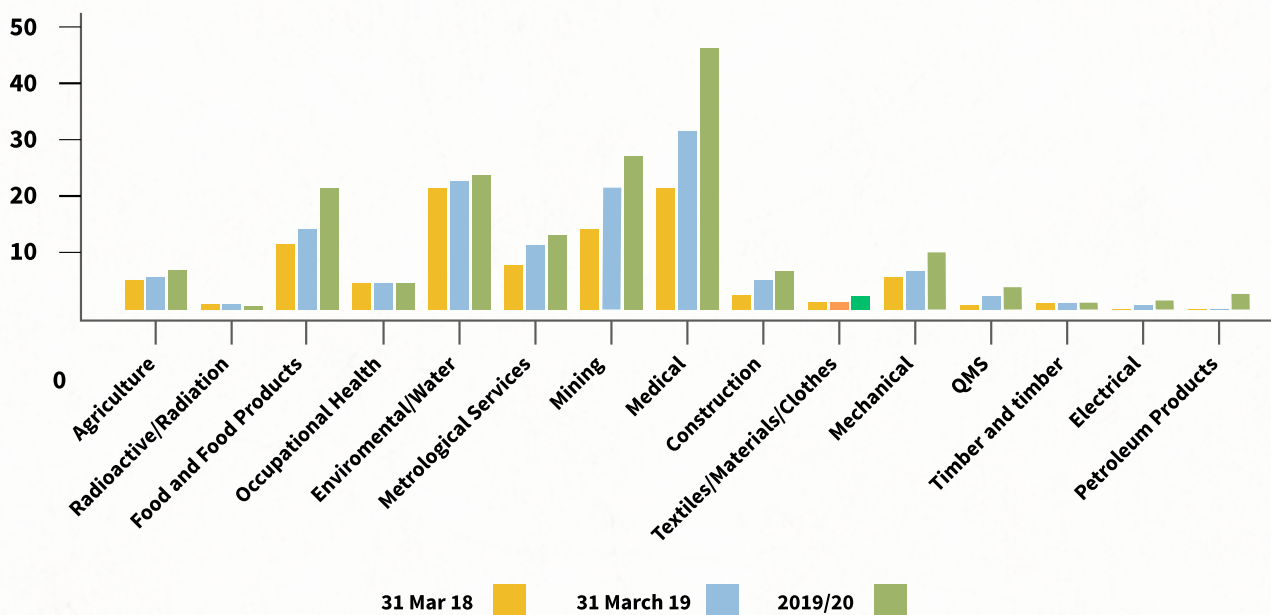


Figure 4 - Accreditations by Field as at 31 March 2020



The highest growth in accreditations in terms of numbers was witnessed under the medical sector (+15), mining and mineral processing (+7), food and food products (+4), mechanical (+3), construction sector (+2), metrological services (+2), QMS, electrical, textiles/materials/clothes, environmental/water and agriculture growing by one (1) each. SADCAS also accredited in the new sector of petroleum products (3). Refer to Figure 5.

Figure 5 - Accreditation Facilities by Sector as at 31 March 2020



As at 31 March 2020, the total number of accreditation applications under process was 40 from 10 SADC Member States namely; Tanzania (11); Malawi (8); Zimbabwe (5); Botswana (4); Namibia (4); Zambia (3); Madagascar (2); Mozambique (1); Eswatini (1); and DRC (1) at various stages of processing. Two (2) of the applications under process are being handled in French of which one (1) falls under CLAS and one (1) under TLAS. Out of the 40 applications under process, nine (9) were at Completeness check stage; 10 at Approval of quotation stage; six (6) at Documentation Review stage; 13 at initial assessment stage; and two (2) at Accreditation Approvals Committee stage. Refer to Figures 6, 7 and 8. At the same time, SADCAS was handling 14 expressed interests in accreditation.

Figure 6 - Number of Accreditation Applications by Country as at 31 March 2020

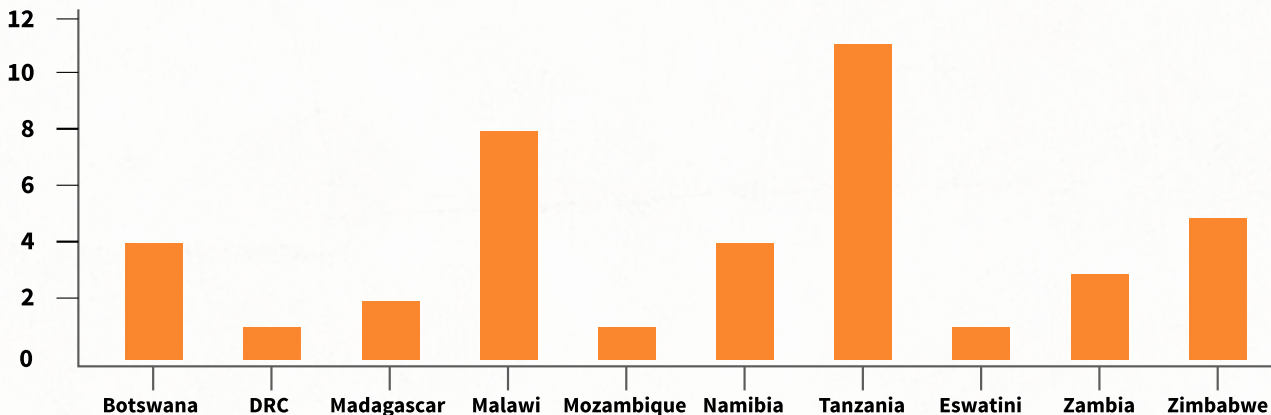


Figure 7 - Accreditations Applications by Field as at 31 March 2020

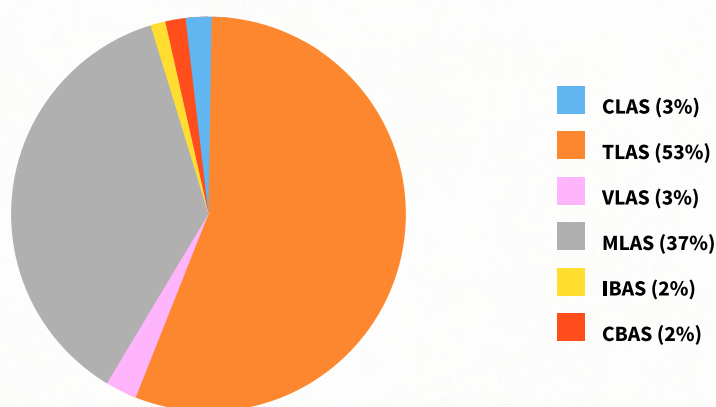
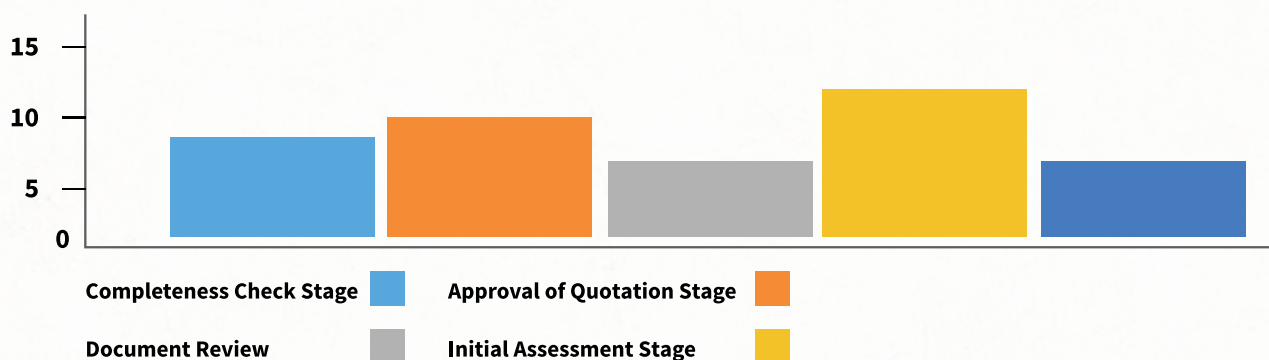


Figure 8 - Applications by stage of processing



By 31 March 2020, SADCAS had cumulatively undertaken 189 training courses in all SADC Member States serviced by SADCAS. Training courses are generic and designed to promote accreditation and an understanding of the accreditation requirements. Over 3,000 participants have benefited from the SADCAS training courses which are undertaken by a pool of 22 registered trainers who cover the three (3) official languages in the region, English, French and Portuguese. Training activities were boosted mainly by Phase 2 of the PTB Germany funded training of laboratories from the pharmaceutical sector in eight (8) SADC Member States namely: DRC; Madagascar; Malawi; Namibia; Seychelles; Tanzania; Zambia; and Zimbabwe. The pharmaceutical sector which develops, produces, and markets drugs/medicinal plant materials for use as medications is identified in the SADC Industrial Policy as one of the priority sectors for development in selected value chains. The objective of the project was to train management and staff of testing laboratories involved in the pharmaceutical sector including drugs regulatory authorities on ISO/IEC 17025, the key accreditation standard applicable to testing laboratories including those which operate in the pharmaceutical sector in order to prepare them for accreditation. Thus, contribute to the strengthening of regulatory as well as manufacturing capacities and enhance the competitiveness and integration into the world markets. Phase 2 training courses were held during the 2019/20 financial year in DRC, Madagascar, Namibia and Zambia.

Most of the training courses held during the year were on ISO/IEC 17025 bringing the cumulative training courses held by standard, to ISO/IEC 17025 (124), ISO 15189 (29), ISO/IEC 17020 (20), ISO/IEC 17021-1 (8), Method Validation & Measurement Uncertainty (MV & MU) (6), ISO/IEC 17065 (1) and other (1). Refer to Figures 9, 10 and 11.



Participants at the one-day ISO/IEC 17025:2017 Awareness Course held in Windhoek, Namibia pose for a photo with the Trainer



Participants at the 5-day ISO/IEC 17025:2017 Requirements, Implementation and Internal Auditing Course held in Lusaka, Zambia pose for a photo with the Trainer

Figure 9 - Cumulative Number of Training Courses as at 31 March 2020

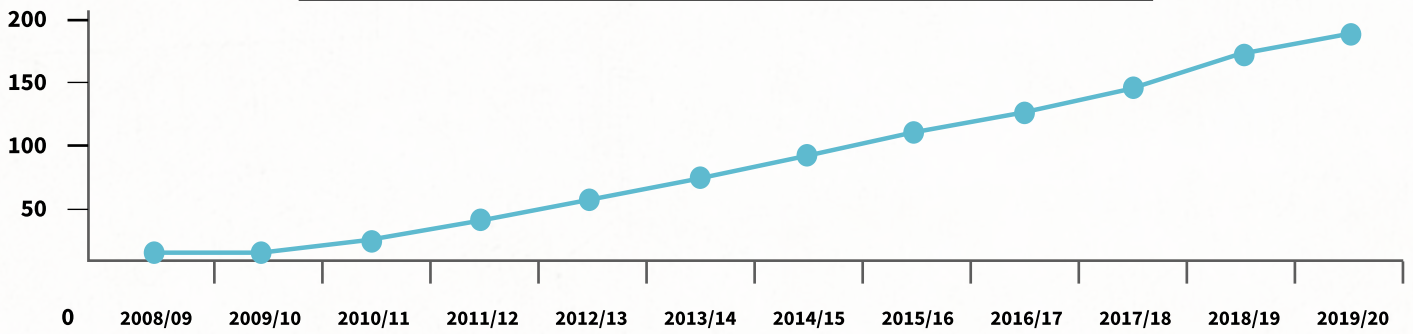
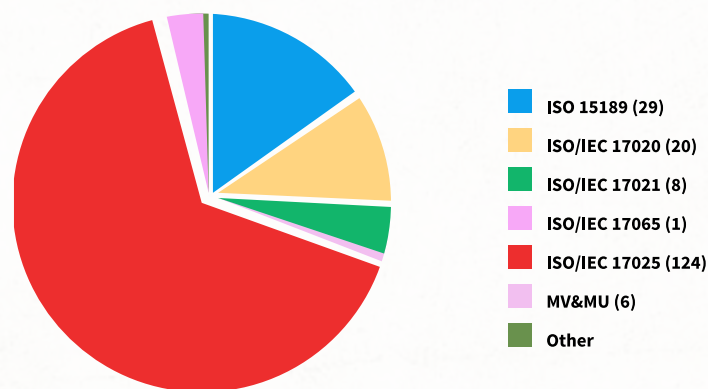


Figure 10 - Training Courses by Country as at 31 March 2020



Figure 11 - Training Courses by Field as at 31 March 2020



The results of the customer satisfaction survey undertaken during the 2019/20 financial year showed that generally, customers were satisfied with all aspects of the accreditation process. Refer to Figure 12. SADCAS take seriously the feedback received from clients and has put in place a system that investigates all concerns expressed, identifies corrective action and implement the corrective action for continuous improvement. During the year under review three (3) complaints were received and resolved bringing the cumulative number of complaints handled to 13. Most of the complaints were on accreditation timelines (5), followed by assessor behavior (3), disputes on findings raised (3), communication (1) and other (1). Refer to Figure 13.

Figure 12 - Overall Satisfaction on Service Received 2019/20

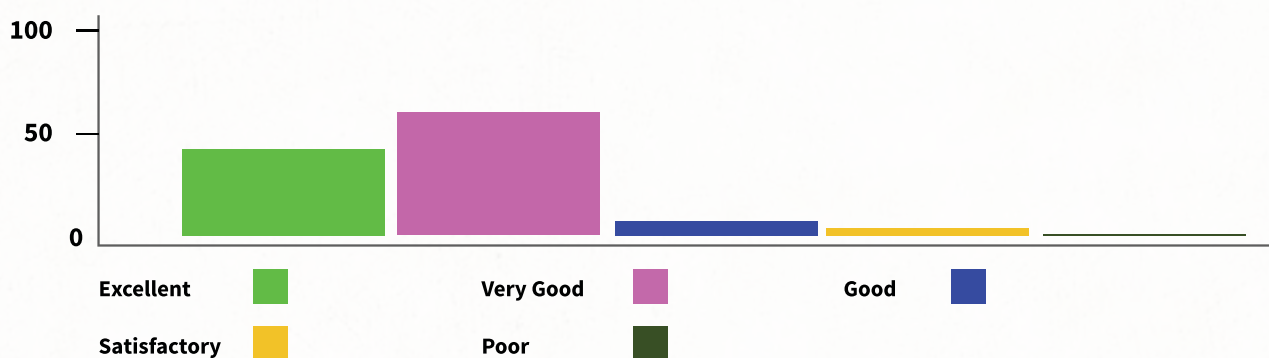
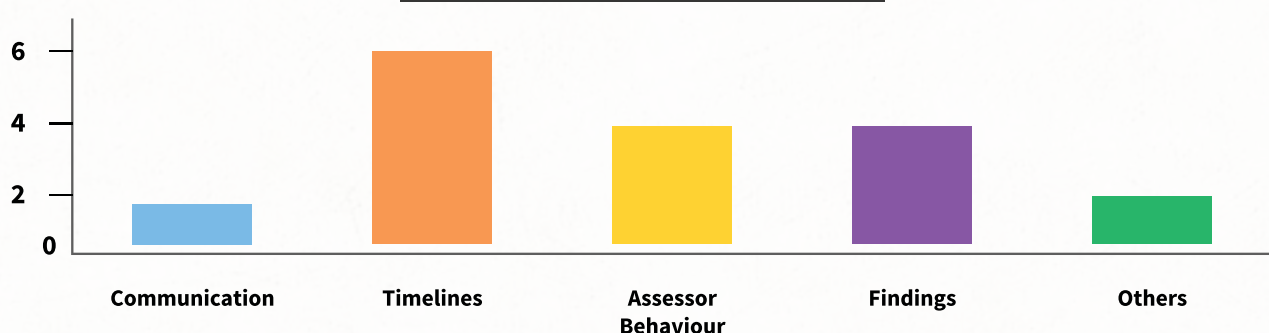


Figure 12 - Nature of Complaints



Prioritize and develop new accreditation schemes based on current demand and anticipated demand

Development of the medical imaging accreditation scheme is underway with the Scheme Coordinator MLAS having gone on attachment at UKAS to explore their medical imaging scheme. An AC for medical imaging was established during the year under review and held its first meeting to consider the available criteria documents as well as to initiate the development of criteria documents for the scheme. Drafting of criteria documents for ultra sound and general X Ray is underway.

Maintain and achieve international recognition for the TLAS, CLAS, MLAS and IBAS to ISO/IEC 17011: 2017. Achieve international recognition of the CBAS-MS sub-scope QMS. Work towards international recognition of all the CBAS-Prod.

Following the re-evaluation in May 2019, SADCAS successfully transitioned to the 2017 version of the ISO/IEC 17011, maintained its international recognition and at the same time, SADCAS extended its international recognition to the main scope Management Systems Certification (ISO/IEC 17021-1,) sub-scope Quality Management Systems (ISO/IEC 17021-3), QMS (ISO 9001:2015). With this achievement seven (7) out of the eight (8) accreditation schemes offered by SADCAS are internationally recognized. The next re-evaluation will be a full evaluation, 4 years from the last day of the last evaluation, i.e. 1 June 2023.

During the period under review SADCAS participated in the following regional and international accreditation meetings:

- IAF ILAC mid - term meetings held in Mexico City, Mexico in April 2019;
- AFRAC mid - term meetings held in Nairobi, Kenya in April/May 2019;
- The 10th AFRAC General Assembly held in Abidjan, Côte d'Ivoire; and
- The 2019 joint annual meetings of the ILAC IAF held in Frankfurt, Germany in October 2019.

Having completed the registration of the ILAC MRA mark in Botswana; Eswatini; Lesotho; Madagascar; Mozambique; and Zambia, registration applications were filed in the rest of the SADC Member States serviced by SADCAS except in the Comoros where SADCAS has not yet accredited. The ILAC R 7 was updated and shows that registration of ILAC MRA mark in all the countries serviced by SADCAS has been filed hence allowing the use of the ILAC MRA mark in 13 SADC Member States serviced by SADCAS. SADCAS also actively participated in the revision and development of new documents by IAF, ILAC, AFRAC and SADCA registering above voting threshold values in all organizations.

Develop, Recruit and Retain our Most Important Asset the Intellectual Capital, Skills, Knowledge and Expertise of Staff, Assessors and Trainers so as to Deliver World Class Accreditation Services

As part of the continuous professional development (CPD) program during the period under review, SADCAS staff and assessors attended various training workshops and attachment training including:

- Internal Auditing to ISO/IEC 17011:2017 held from 2 to 4 April 2019 in Gaborone, Botswana;
- Assessor refresher training courses held in Johannesburg, South Africa from 25 to 29 November 2019;
- NLA-SA Annual conference held from 16-18 September 2019 in Johannesburg, South Africa;
- Attachments at internationally reputable accreditation bodies;
 - Scheme Coordinator TLAS at United Kingdom Accreditation Service (UKAS) in October 2019;
 - Quality Manager at South African National Accreditation System (SANAS) in December 2019; and
 - Scheme Coordinator CLAS, LMAS, CBAS-MS and CBAS-Prod at National Accreditation Board of Certification Bodies (NABCB), India in January 2020.
- Finance for Non-Finance Managers held in February 2020 in Gaborone, Botswana;
- Training of NAFPs on the revised SADCAS QMS; and
- Website training held in December 2019.



Mrs Malebe during a break-away session for the Certification Assessors – Food Sector at UKAS



Participants at the ISO/IEC 17025 refresher and assessment techniques training course

Sadly, during the period under review SADCAS lost one of its founding staff Ms Linda Dirorimwe who passed away suddenly in October 2019.

The pool of assessors who undertake assessments on behalf of SADCAS grew marginally and by 31 March 2020 SADCAS had registered 117 technical assessors, 41 team leaders and six (6) technical experts. Mentoring of these assessors was hampered due to the COVID-19 pandemic which resulted in assessments being either cancelled or rescheduled to the 2020/21 financial year. Refer to Figures 14, 15 and 16.

Figure 14 - Registered Technical Assessors by 31 March 2020

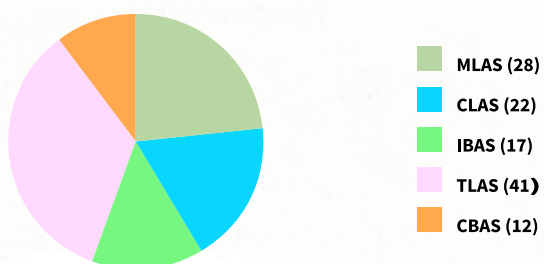


Figure 15 - Registered Team Leaders by 31 March 2020

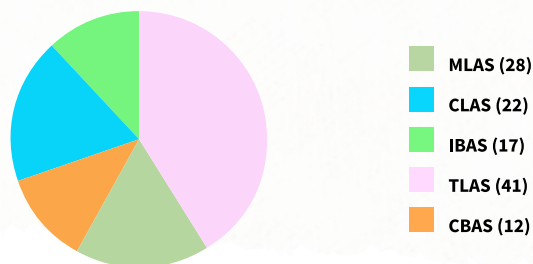
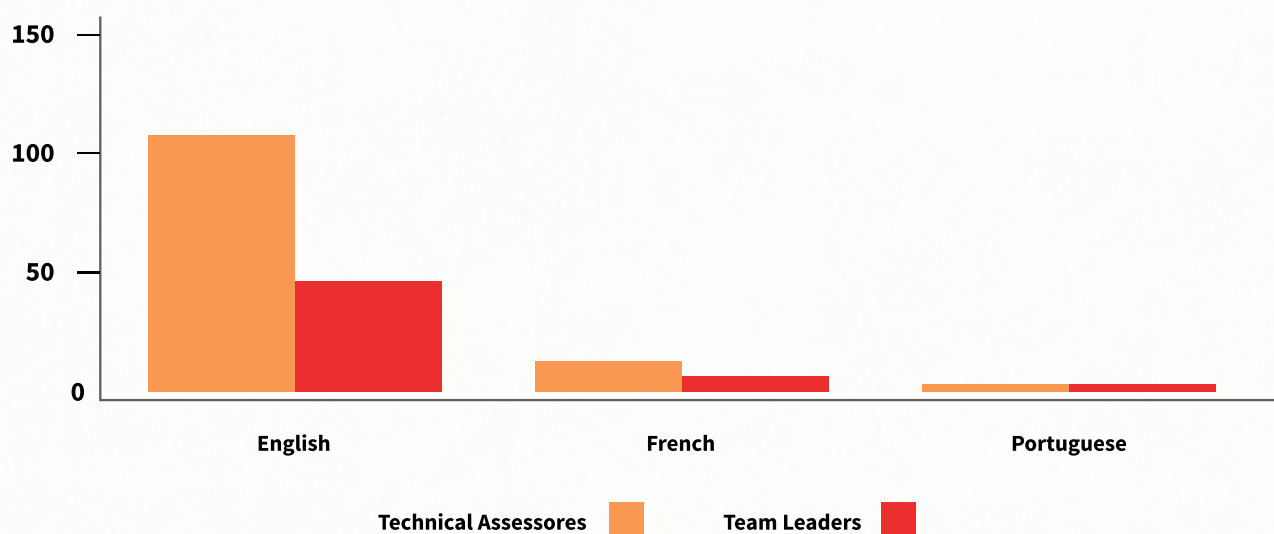


Figure 12 - Assesors by Language Diversity by 31 March 2020



The pool of Trainers who conduct training on accreditation matters on behalf of SADCAS increased from 20 to 22 from ten (10) SADC Member States and covering the three (3) SADC official languages namely English, Portuguese and French.

Continue to strengthen the effectiveness of National Accreditation Focal Points

The NAFPs DRC and Seychelles scooped the 2020 NAFP Awards with NAFP-DRC scooping the Most Effective NAFP Award whilst NAFP-Seychelles scooped the Most Improved NAFP Award. The decision to award the 2020 certificates of recognition to NAFPs DRC and Seychelles was made at the 63rd SADCAS Board of Directors meeting held on 18 February 2020.

The 13th NAFP Annual meeting was held at The Aviator Hotel OR Tambo in Johannesburg, South Africa on 26 November 2019 and was attended by 12 NAFPs and 4 SADCAS staff. NAFPs from Angola (1); Botswana (2), DRC (1), Eswatini (1), Lesotho (2), Madagascar (1), Malawi (1), Namibia (1), and Zimbabwe (2). The main output of the meeting was the framework for the 2020/21 marketing plan which formed the basis upon which the 2020/21 Marketing Plan was developed. NAFPs were also trained on the revised SADCAS QMS and the Corporate Identity Manual and appraised on the SADCAS accreditation fee structure.

Regarding NAFP appointments, on 16 September 2019, Mr Masautso Ngamwane was nominated 1st Officer of the NAFP for Malawi replacing Mr Patrician Kondowe who retired from Malawi Bureau of Standards and on 18 October 2019. The Union of the Comoros appointed Mr Boinali Mohamed as the NAFP.

Generally, NAFPs continue to function effectively with average estimate realization of 71% for 2019.

Ensure sustainability of SADCAS beyond 2017

SADCAS business continues to grow steadily in numbers and also in terms of field and scope of accreditation, and geographical and sector coverage. Over the past six (6) financial years, operational income has been increasing albeit marginally in 2019/20 as both accreditation and training income were below target as assessments were cancelled or deferred due to non-payments, voluntary suspensions and also due to COVID-19 pandemic. Training targets were revised downwards following the passing of the Training Administrator. Accreditation income contributed 87% and training 13% towards the operational income. Government dependency increased to 29% due to increased overheads. Refer to Figures 17, 18 and 19.



NAFPs pose for a photo during the 13th NAFP meeting with SADCAS Staff

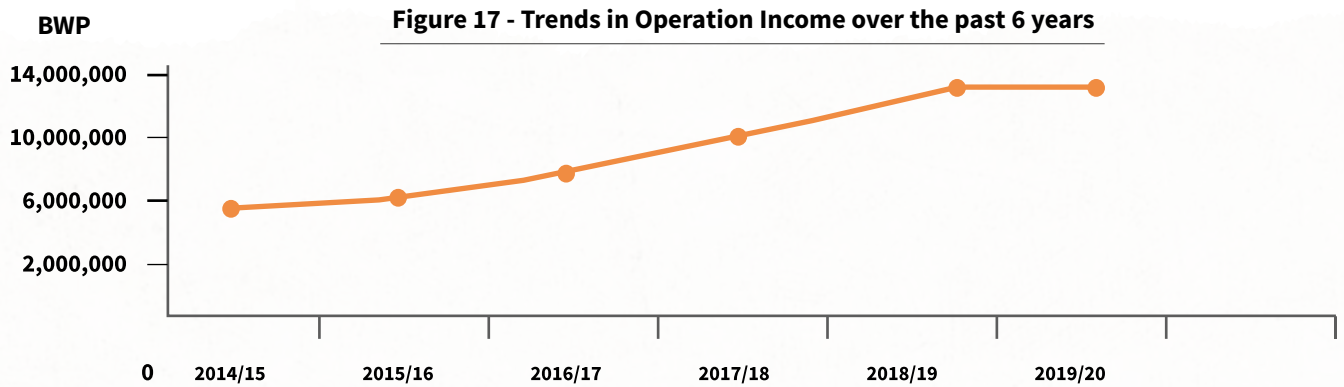


Figure 18 - Trends in Operation Income over the past 6 years, Training and Accreditation

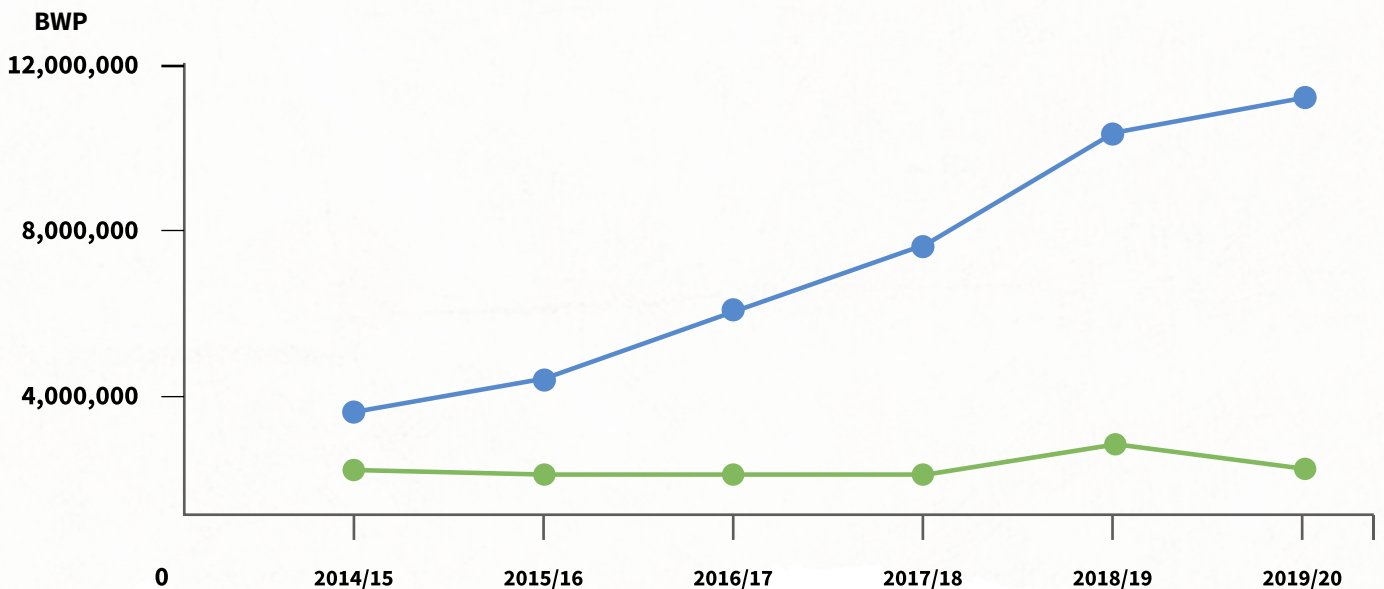


Figure 19 - Breakdown of Operational Income for the Financial Year 2019/20

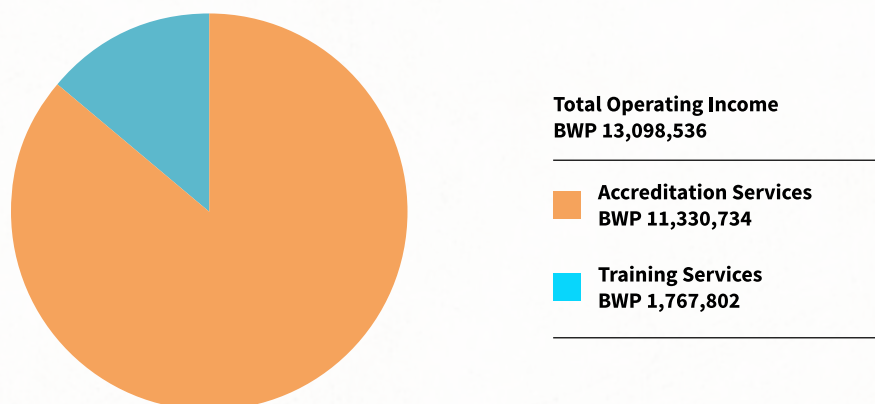
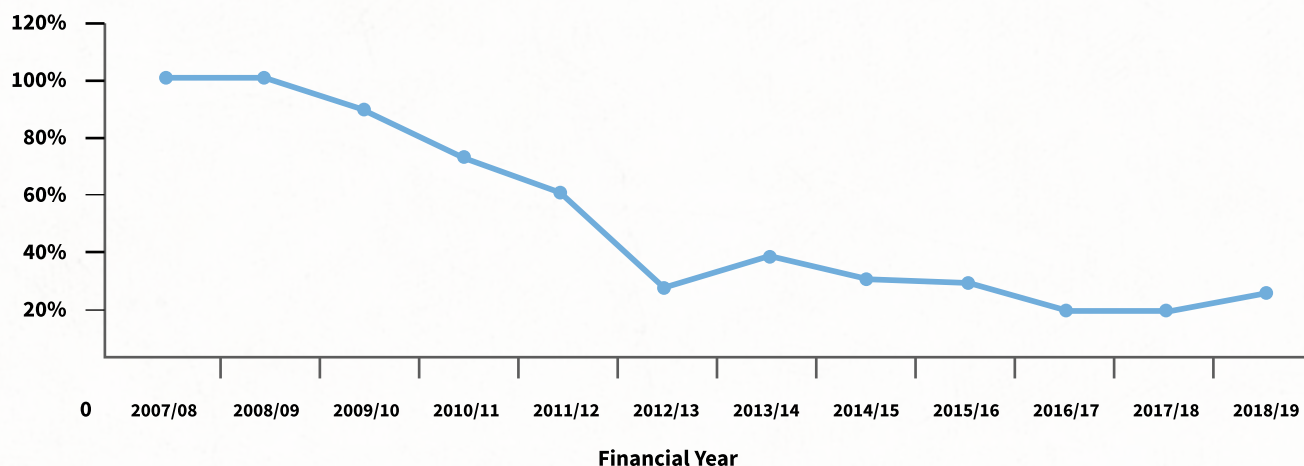


Figure 20 - Governments/ Donor Dependency



Looking Ahead

With accreditation poised to play an even greater role as a transparent and nondiscriminatory means of assuring technical competence of conformity assessment service providers following the signing of the African Continental Free Trade Area (AfCFTA), SADCAS has a lot of work to do. Although we have leveraged on our technical capabilities through remote assessments to support our core service of accreditation and will shortly launch online training services amidst the COVID-19 pandemic, we must strengthen our capacity for business continuity under the current operating environment which is now expected to persist for a longer time than initially anticipated especially that some countries are already experiencing a second wave of the pandemic. We are impressed with the way our customers and society at large have adapted to the challenges faced over the past eight (8) months. The dynamism and responsiveness demonstrated by SADCAS Management, staff and assessors in such a challenging operating environment are encouraging. Measures have been put in place to ensuring a safe working environment for our staff and equally safe business environment for our customers. SADCAS will closely follow the development of COVID-19 pandemic in order to take any further action when needed.

Maureen P Mutasa (Mrs)
Chief Executive Officer



REPORT OF THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

Mr Emmanuel Jinda

Chairman - HRRC

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 2020. 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.

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 Siteo. Mr Siteo is the Finance, Risk and Audit Committee (FRAC) representative on the HRRC. 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 four times and reported to the Board accordingly. The records of attendance to these meetings are shown in Table 2.



Record of Attendance to HRRC meetings.

Name	Status	Meeting Dates			
		2019-05-16	2019-08-29	2019-11-25	2020-02-18
Mr Emmanuel Jinda (Chairman)	Non-Executive Director	✓	✓	✓	✓
Mr Alfredo Filipe Siteo	Non-Executive Director	✓	✓	✓	✓
Mr Davlin Moyenda Damaziel Chokazinga	Non-Executive Director	✓	✓	✓	✓
By Invitation Mrs. Maureen Primrose Mutasa	SADCAS Chief Executive Officer	✓	✓	✓	✓

The overall attendance for the HRRC meetings held during the year was 100%.

Summary of Activities Undertaken During the Year

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

- Considered employees' long service awards;
- Set the CEO and Board's performance contracts for the 2019/20 financial year;
- Reviewed Board and staff performance for the 2018/19 financial year;
- Reviewed the HRRC Terms of Reference (BP 02);
- Reviewed the HRRC membership;
- Reviewed the staff conditions of service;
- Reviewed progress with recruitments;
- Considered the 2020/21 human resources plan; and
- Reviewed BP 07: Part 2 Board of Directors Expertise Matrix;

In all the above activities recommendations were made to the Board

Sadly, during the year SADCAS lost one of the founding members of staff, Ms Linda Dirorimwe, who passed away suddenly in October 2019. Ms Dirorimwe joined SADCAS in July 2008 as an Accreditation Administrator and Personal Assistant to both the Chief Executive Officer and Technical Manager and had been promoted to Training Administrator in June 2018, a position she held at the time of her death.

The staff complement as at 31 March 2020 was 11 including the Scheme Coordinator Calibration, Legal Metrology, Inspection and Certification Bodies Accreditation Schemes, Quality Manager and Assessor French who all took position in SADCAS during the 2019/20 financial year. The Assessor Portuguese who had been recruited during the financial year failed to secure a work permit from the host Government of Botswana. The recruitment of Technical Manager was also concluded during the 2019/20 financial year and incumbent was appointed 1st as designate Technical Manager effective 1 April 2020 for a smooth handover of the functions before the retirement of the current Technical Manager end of September 2020. Following the approval of the 2020/21 Human Resources Plan at the February 2020 Board meetings, the recruitment for four (4) positions namely: Scheme Coordinator; Accreditation Administrator; Personal Assistant to the CEO; and a full time Assessor conversant in Portuguese was initiated.

In line with best practice accreditation assessments, are undertaken on behalf of SADCAS by a pool of registered assessors. By 31 March 2020 SADCAS had registered 41 Team Leaders, 117 technical assessors and six (6) technical experts. The pool of Trainers who conduct training on accreditation matters on behalf of SADCAS increased from 20 to 22 i.e. 10% growth. The Trainers are from 10 of the 14 SADC Member States serviced by SADCAS and cover all the three (3) official languages used in the region.

2020 NAFP certificate of recognition

The HRRC considered the proposed 2020 NAFP Certificate of Recognition awards recipients and made recommendations to the Board. The 2020 awards recipients were:

1. Most Effective NAFP NAFP – Democratic Republic of Congo
2. Most Improved NAFP NAFP – Seychelles

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 not attended have been carried over into the 2020/21 financial year.

During the period under review 26 trainee assessors from nine (9) SADC Member States (Angola, Botswana, Democratic Republic of Congo, Eswatini, Madagascar, Malawi, Mozambique, Namibia, and Zimbabwe) attended the refresher and assessment techniques training courses which were held in English with simultaneous translation to French and Portuguese for the benefit of participants from those Member States where the business language is French or Portuguese. Five (5) assessors were mentored out of a target of 24 due to a lack of mentoring opportunities caused by the COVID-19 pandemic.

Remuneration

In line with the SADCAS policies remuneration of the Board and staff is reviewed annually and the HRRC makes recommendations based on local and regional benchmarks.

The HRRC's remuneration philosophy is aimed to position SADCAS to attract, motivate and retain high performing employees through the provision of market related remuneration. In an effort to improve staff welfare, a medical aid benefit of the employee, spouse and up to four (4) children below 18 years of age was introduced. The total staff costs for the year were BWP 8,819,866.

The HRRC recommended that the remuneration of Non - executive Directors be maintained at:

	Fee/meeting
Chairman of the Board	US\$ 360
Non - Executive Directors	US\$ 300

SADCAS pays for all the travel and accommodation expenses in respect of Board and committee meetings held face to face.

Director's remuneration was approved by the General Assembly at the 15th Annual General Meeting (AGM) held virtually in March 2020.

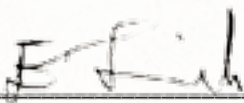
Board Performance

The HRRC is also mandated to evaluate on an annual basis the effectiveness of the Board and its members. The Board's performance for the 2019/20 financial year fully met the standards expected in all aspects of governance.

Succession planning

The Board is committed to forward thinking succession planning to ensure SADCAS sustainability and continuity thus reduce disruptions to SADCAS business. The Board ensures that it has robust succession plans that take into consideration the current and future needs at all levels of the organization.

Looking ahead and in the immediate future the HRRC will need to undertake a holistic review of the SADCAS Staff Conditions of Service so as to ensure alignment to legislation and industrial standards.



Mr Emmanuel Jinda

Chairman Human Resources and Remuneration Committee



REPORT OF THE FINANCE, RISK AND AUDIT COMMITTEE

Ms Verily Kearoma Molatedi
Chair FRAC

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 2020. 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 Committee's objective is to assist the Directors to discharge their duties relating to the safeguarding of assets, the operation of adequate systems and controls, and the assessment of going concern status, ensuring the relevant compliance and risk management processes are in place, to review the work performed by the External Financial Auditors and assess the need for an Internal Audit function, and to review financial information.

Membership of the Finance, Risk and Audit Committee

The FRAC comprises of three (3) independent non - executive Directors, namely: Ms Verily Molatedi, Mr Alfredo Filipe Siteo and Mrs Mmatlala Dube who was appointed as a member of the FRAC on 8 July 2019. The Chief Executive Officer and the Finance and Administration Manager attend all the FRAC meetings by invitation.



Meetings of the Finance, Risk and Audit Committee

The terms of reference of the FRAC require the Committee to meet at least four (4) times a year. During the year under review, the FRAC met four (4) times and reported to the Board accordingly. The records of attendance to these meetings are shown in Table 3 below.

Table 3 - Record of Attendance to FRAC Meetings

Name	Status	Meeting Dates			
		2019-05-16	2019-08-29	2019-11-25	2020-02-17
Ms Verily Molatedi (Chairman)	Non - Executive Director	✓	✓	Apology	✓
Mr Alfredo Filipe Siteo	Non-Executive Director	✓	✓	✓	✓
Mrs Mmatlala Dube (Appointed on 8 July 2020)	Non - Executive Director	—	✓	✓	✓
By Invitation Mrs Maureen Primrose Mutasa	SADCAS Chief Executive Officer	✓	✓	✓	✓
Mrs Laureen Rutendo Gudo	SADCAS Finance and Administration Manager	✓	Apology	✓	✓

The overall attendance for the FRAC meetings held during the year was 89%.

Summary of Key Activities Undertaken During the Year

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

- Reviewed the monthly management accounts and ascertained that expenditure was adequately budgeted for, controlled and monitored against operating income generation;
- Monitored capital adequacy levels throughout the year;
- Monitored the quality and effectiveness of the external financial audit process;
- Reviewed and commented on the annual financial statements and the accounting policies;
- Reviewed the external financial auditor's Report to Management;
- Reviewed the external financial auditor performance;
- Met with the external financial auditors;
- Reviewed progress on Governments' and other funding of SADCAS;
- Reviewed the Company's risk profiles (BP 06 and BP 09) quarterly;
- Reviewed the FRAC's Terms of Reference (BP 01) for adequacy;
- Reviewed and revised FPP 03: Finance and Accounting Policies and procedures and developed new finance procedures;
- Reviewed tender submission for external financial auditors and recommended the appointment and the approval of fee;
- Reviewed the 2020/21 budget proposals; and
- Reviewed the service fees for 2020/21.

The appropriate recommendations were made to the Board.

Annual Financial Statements

The FRAC has reviewed the annual financial statements for the year ended 31 March 2020 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 2020 meeting.

Internal Auditor

The FRAC taking into account the size of the Company decided that there is no need for an Internal Audit function.

Risk Management and Internal Control

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, their likely impact and the control measures that have been put into place to mitigate the risks identified.

Going Concern

The FRAC assessed and agreed that the use of 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's operational budget deficit.

External Auditors

The SADCAS General Assembly at its 15th Annual General Meeting held virtually for the 1st time from 24 to 31 March 2020, appointed Baker Tilly as the External Financial Auditors for a second term of 3 years starting with the financial audit for the year ending 31 March 2020.

Budgets

In February 2020, the FRAC reviewed the 2020/21 budget proposals for the 4th year of the third strategic period 2017 to 2022 and determined that the minimum contribution required from Governments of SADC Member States serviced by SADCAS was BWP 6,916,211. This figure was subsequently reviewed and revised taking into account the impacts of COVID on operations.

Continuously assessing the impacts of COVID-19 pandemic on SADCAS operations and ensuring SADCAS is adequately funded will be key in the 2020/21 financial year.



Verily Molatedi
Chairman Finance, Risk and Audit Committee

2019/20 SADCAS
FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



Directors' Responsibilities and Approval

The Directors are required by the Companies Act (CAP 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 the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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 page 45 to 47.

The financial statements set out on pages 48 to 60 which have been prepared on the going concern basis, were approved by the Board of Directors on 03/09/2020 and were signed on its behalf by:

Approval of financial statements



Director



Director



Certified Auditors
Unit 3B, Tholo Office Park
RDC Mpingo, Plot 50668
Fairgrounds
Gaborone, Botswana

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Independent Auditor's Report

To the members of Southern African Development Community Accreditation Service Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Southern African Development Community Accreditation Service Limited (the company) set out on pages 48 to 60, which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive income, statement of changes in equity 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 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act (CAP 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements 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.

Independent Auditor's Report

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 (CAP 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 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.

Independent Auditor's Report

Report on other legal and regulatory requirements

As required by the Companies Act (Cap 42:01) we report to you, based on our audit, that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- In our opinion proper books of accounts have been kept by the company, so far as appears from our examination of those books and the company's statement of financial position and profit and loss account are in agreement with the books of accounts.

Baker Tilly

Baker Tilly

Chartered Accountants

Practicing Member: Samuel N. Njanji

Registered Auditor: 20140132

06/10/2020

Date

Unit 3B, Tholo Office Park

Plot 50668, RDC Mpingo

Gaborone

Statement of Financial Position as at 31 March 2020

	Note(s)	2020 P	2019 P
Assets			
Non-Current Assets			
Property, plant and equipment	2	714,514	272,299
Current Assets			
Trade and other receivables	4	2,761,008	1,882,963
Current tax receivable		1,342	7,289
Cash and cash equivalents	5	4,843,958	5,916,152
		7,606,308	7,806,404
Total Assets		8,320,822	8,078,703
Equity and Liabilities			
Equity			
Accumulated loss		(954,965)	(954,965)
Liabilities			
Non-Current Liabilities			
Capital grant	7	714,514	272,296
Current Liabilities			
Trade and other payables	6	6,173,527	6,184,441
Deferred Income	8	2,387,746	2,576,931
		8,561,273	8,761,372
Total Liabilities		9,275,787	9,033,668
Total Equity and Liabilities		8,320,822	8,078,703

Statement of Comprehensive Income

	Note(s)	2020 P	2019 P
Revenue	9	18,292,940	17,531,010
Cost of sales			
Direct costs		(6,187,315)	(6,655,494)
Gross profit		12,105,625	10,875,516
Other income			
Interest received		39,058	38,584
Sundry income		308,522	131,204
		347,580	169,788
Expenses (Refer to page 50)		(12,762,334)	(10,423,698)
Operating (loss) profit		(309,129)	621,606
Foreign exchange gain		309,129	923,413
Profit before taxation		-	1,545,019
Taxation	10	-	(12,459)
Profit for the year		-	1,532,560
Other comprehensive income		-	-
Total Comprehensive income for the year		-	1,532,560

Statement of Comprehensive of Income

	Note(s)	2020 P	2019 P
Other operating expenses			
Accounting fees		18,209	7,597
Advisory committees		211,824	105,055
Assessor conclave		-	98,269
Auditors remuneration		68,700	71,190
Bad debts		46,715	49,760
Bank charges		29,024	36,006
Cleaning		26,847	26,847
Consulting and twinning fees		155,453	131,830
Depreciation, amortisation and impairments		100,492	80,203
Employee costs		8,819,866	6,880,143
Entertainment		8,726	13,860
General expenses		29,426	11,517
Governance expenses		374,360	423,260
ICT Expenses		195,527	166,925
Insurance		81,884	67,547
Internal audit fees		-	38,932
International participation		506,994	521,018
Levies		45,236	24,432
Loss on disposal of assets		7,181	-
Marketing expenses		175,175	339,248
NAFP annual meeting		43,156	6,239
Operating lease rentals		517,031	295,300
Peer evaluation		260,206	50,529
Policies and procedures		106,682	97,113
Printing and stationery		156,102	193,351
Registration of ILAC Mark		15,538	80,031
Relocation expenses		-	91,863
Repairs and maintenance		4,238	6,982
Secretarial fees		23,618	7,840
Security		6,373	8,131
Staff travel		44,049	49,702
Staff welfare and training		373,831	287,885
Telephone and fax		101,618	108,002
Trademark registration		112,299	-
Utilities		95,954	47,091
		12,762,334	10,423,698

Statement of Changes in Equity

	Accumulated Deficit P	Total equity P
Balance at 1 April 2018	(2,487,525)	(2,487,525)
Profit for the year	1,532,560	1,532,560
Other comprehensive income	-	-
Total comprehensive income for the year	1,532,560	1,532,560
Balance at 1 April 2019	(954,965)	(954,965)
Balance at 31 March 2020	(954,965)	(954,965)

Note(s)

Statement of Cash Flows

	Note(s)	2020 P	2019 P
Cash flows from operating activities			
Cash (used in) generated from operations	11	(1,279,600)	1,324,670
Foreign exchange movements		309,129	923,413
Tax received		5,947	-
Net cash from operating activities		(964,524)	2,248,083
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(553,178)	(185,178)
Sale of property, plant and equipment	2	3,290	-
Net cash from investing activities		(549,888)	(185,178)
Cash flows from financing activities			
Net movement of other financial liabilities		442,218	104,974
Net cash from financing activities		442,218	104,974
Total cash movement for the year		(1,072,194)	2,167,879
Cash at the beginning of the year		5,916,152	3,748,273
Total cash at end of year	5	4,843,958	5,916,152

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act (CAP 42:01). The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Pula.

1.1. Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date.

Impairment testing

The company reviews and tests the carrying value of property, plant and equipment 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.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

Trade and 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.

1.2. Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost

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

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 period in which they are incurred.

Accounting Policies

1.2 Property, plant and equipment (continued)

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

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.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Office equipment	Straight line	6.67 years
Computer equipment	Straight line	4 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

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.

1.3. Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Accounting Policies

1.3 Financial instruments (continued)

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

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.

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.

1.4. 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.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

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.

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.

Accounting Policies

1.4 Tax (continued)

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

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis.

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

1.6 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 leave pay 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.

1.7 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses

1.8 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 are accounted for when received from the donor or Member States. 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.

Accounting Policies

1.8 Revenue (continued)

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.

1.9. Direct costs

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

1.10. Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

The foreign exchange component of a non-monetary item is recognised consistently with any other gains or losses on those items, in other comprehensive income or in profit or loss.

All transactions in foreign currencies are initially recorded in Pula, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

Accounting Policies

	2020 P	2019 P
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2. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying Value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	832,222	(279,887)	552,335	463,738	(277,302)	186,436
Office equipment	133,793	(97,973)	35,820	112,247	(91,727)	20,520
Computer	410,489	(284,130)	126,359	374,713	(309,370)	65,343
Total	1,376,504	(661,990)	714,514	950,698	(678,399)	272,299

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	186,436	423,243	(10,471)	(46,873)	552,335
Office equipment	20,520	21,546	-	(6,246)	35,820
Computer	65,343	108,389	-	(47,373)	126,359
Total	272,299	553,178	(10,471)	(100,492)	714,514

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	60,668	149,651	(23,883)	186,436
Office equipment	10,311	13,167	(2,958)	20,520
Computer	96,345	22,360	(53,362)	65,343
Total	167,324	185,178	(80,203)	272,299

3. Deferred tax

Reconciliation of deferred tax asset / (liability)

At beginning of year	-	12,459
Recognised in profit or loss:		
Increase (decrease) in tax loss available for set off against future taxable income	-	(16,634)
Movement in temporary differences on property, plant and equipment	-	(24,534)
Movement in temporary differences on prepayments	-	28,709
	-	(12,459)
At end of year	-	-

Unrecognised deferred tax asset

Calculated tax losses carried forward that have not been recognised as deferred tax assets (before applying the applicable tax rate)

Tax losses available for offset against future taxable income	958,834	1,034,953
Tax losses not recognised as deferred tax assets are analysed as follows:		
Expiry between two and five years	958,834	1,034,953

No deferred tax assets have been recognised for the unutilised tax losses and deductible temporary differences as it is not expected that the company will make sufficient taxable profits to utilise them before they expire.

Notes to the Financial Statements

	2020 P	2019 P
4. Trade and other receivables		
Trade receivables	2,645,614	1,657,943
Prepayments	9,369	130,499
Deposits	83,181	38,080
VAT	930	20,258
Interest receivable	1,411	28,235
Other receivable	20,503	7,948
	2,761,008	1,882,963
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	987	1,145
Bank balances	4,842,971	5,915,007
	4,843,958	5,916,152
6. Trade and other payables		
Trade payables	360,291	738,792
Deposits received	1,199,541	1,915,677
Sundry suppliers	68,700	71,190
Other payables	215,970	534,807
Leave and severance accruals	4,329,025	2,923,975
	6,173,527	6,184,441
7. Capital grant		
At 1 April	272,296	167,322
Capital grants transferred	542,710	185,177
Capital grants amortised during the year	(100,492)	(80,203)
	714,514	272,296
8. Deferred income		
At 01 April	2,576,931	2,491,267
Government contributions received	5,447,437	4,667,297
Transferred to income statement	(5,093,912)	(4,396,456)
Transferred to capital grant	(542,710)	(185,177)
	2,387,746	2,576,931
9. Revenue		
Service revenue	13,098,536	13,054,351
Government funding	5,194,404	4,476,659
	18,292,940	17,531,010
10. Taxation		
Major components of the tax expense		
Deferred taxation		
Local deferred tax - current year	-	12,459

Notes to the Financial Statements

	2020 P	2019 P
11. Cash (used in) generated from operations		
Profit before taxation	-	1,545,018
Adjustments for:		
Depreciation and amortisation	100,492	80,203
Loss on sale of assets	7,181	-
Foreign exchange movement	(309,129)	(923,413)
Changes in working capital:		
Trade and other receivables	(878,045)	(868,899)
Trade and other payables	(10,914)	1,406,097
Deferred income	(189,185)	85,664
	(1,279,600)	1,324,670

12. First-time adoption of International Financial Reporting Standards for Small and Medium-sized Entities

The company has applied the International Financial Reporting Standard for Small and Medium-sized Entities, for the first time for the 2020 year end. On principle this standard has been applied prospectively and the 2019 comparatives contained in these financial statements are similar from those published in the financial statements published for the year ended 31 March 2019.

13. Going Concern

COVID-19 pandemic

In early January 2020, a viral infection originating in China was traced to a novel strain of the corona virus. The virus has subsequently spread to other parts of the world including the U.S., Europe and Africa and has caused unprecedented disruptions in the global economy as efforts to contain the spread of the virus has intensified. On 11 March 2020 the World Health Organisation officially declared this corona virus outbreak (also referred to as COVID-19) as a pandemic.

The coronavirus outbreak and corresponding new government mandates may have a continued adverse effect on economic and financial market conditions and trigger a period of global economic slowdown. Management has not recorded any financial impact from this subsequent event to the financial statements as of 31 March 2020. Management has monitored developments relating to the coronavirus and successfully executed its operational response based on existing business continuity plans to manage the operations. Management has also followed guidance from global health organizations and relevant government and regulatory authorities, especially with regard to the safety of its employees and efforts to contain the spread of the virus.

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.

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 the Directors continue to procure funding for the ongoing operations for the company.

14. 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.

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