



- DELIVERING CONFIDENCE
- ASSURING COMPETENCE
- GUARANTEEING QUALITY



ANNUAL
REPORT

2014/15



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Acronyms And Abbreviations

AC	Advisory Committee	ILAC	International Laboratory Accreditation Cooperation
AAC	Accreditation Approvals Committee	ISO	International Organization for Standardization
AFRAC	African Accreditation Cooperation	MLAP	Medical Laboratories Accreditation Programme
AGM	Annual General Meeting	MOU	Memorandum of Understanding
BURS	Botswana Unified Revenue Services	MV & MU	Method Validation and Measurement Uncertainty
BWP	Botswana Pula	NAFP	National Accreditation Focal Point
CBAP - MS	Management Systems Certification Bodies Accreditation Programme	NOK	Norwegian Kroner
CBAP - Prod	Product Certification Bodies Accreditation Programme	NSSA	National Social Security Authority Zimbabwe
CBAP - Pers	Personnel Certification Bodies Accreditation Programme	PWC QMS	PricewaterhouseCoopers Quality Management System
CEO	Chief Executive Officer	REIS	Regional Economic Integration Support
CLAP	Calibration Laboratories Accreditation Programme	SADC	Southern African Development Community
CPD	Continuous Professional Development	SADCA	Southern African Development Community Cooperation in Accreditation
DRC	Democratic Republic of Congo	SADCAS	Southern African Development Community Accreditation Service
EDF	European Development Fund	SANAS	South African National Accreditation System
EU	European Union	SQAM	Standardization, Quality Assurance, Accreditation and Metrology
FRAC	Finance, Risk and Audit Committee	TBT	Technical Barriers to Trade
HRRC	Human Resources and Remuneration Committee	TLAP	Testing Laboratories Accreditation Programme
IBAP	Inspection Bodies Accreditation Programme	TPA	Twinning Partnership Arrangement
IAF	International Accreditation Forum	TUNAC	Tunisian Accreditation Council
IEC	International Electrotechnical Commission	WAD	World Accreditation Day
IFRS	International Finance Reporting Standards		

Vision, Mission, Mandate, Company Values and Value Proposition

SADCAS Vision

SADCAS vision is to be a credible accreditation body at the cutting edge of 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 SADC Protocol on Trade. SADCAS is recognized by the Southern African Development Community (SADC) Council of Ministers as a subsidiarity institution of SADC. The relationship between SADCAS and SADC is formalized through a Memorandum of Understanding on General Cooperation. The objects, powers and rules for the operation of SADCAS are set out in the Memorandum and Articles of Association lodged with the Registrar of Companies, Botswana.

SADCAS Company Values

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

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

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

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

Integrity – We act with honesty and integrity.

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

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

SADCAS Value Proposition

Delivering confidence

Assuring competence

Guaranteeing quality

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 (calibration/testing/medical laboratories, certification and inspection bodies) operating in those SADC Member States which do not have national accreditation bodies are subject to an oversight by an authoritative body. Within the SADC region only South Africa and Mauritius have national accreditation bodies. The remaining 13 countries namely: Angola; Botswana; Democratic Republic of Congo (DRC); Lesotho; Madagascar; Malawi; Mozambique; Namibia; Seychelles; Swaziland; Tanzania; Zambia; and Zimbabwe do not have national accreditation bodies hence serviced by SADCAS. By assuring technical competence through accreditation, SADCAS plays a key role towards the achievement of SADC goals in trade facilitation and in the protection of health, safety and the environment.

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

Governance

SADCAS is governed by a General Assembly which comprises of:

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

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** which is headed by the Technical Manager is responsible for technical aspects of accreditation including the management of assessors. **The accreditation administration unit** is responsible for ensuring that all administration needed to effect the assessment processes are effectively managed. The unit is also responsible for ensuring that training services are effectively and efficiently organized and administered. **The financial administration unit** is responsible for financial management, human resources management and general administration of the Company. 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.

Accreditation assessments are undertaken, on behalf of SADCAS, by a pool of SADCAS registered assessors who make recommendations for accreditation by the SADCAS Accreditation Approvals Committee (AAC). Advisory Committees (AC) advise SADCAS on technical matters.

SADCAS Services

SADCAS provides accreditation services and training in accreditation associated activities.

Accreditation services

SADCAS offers accreditation programmes for:

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

SADCAS will broaden its scope of accreditation as needs arise.

Training services

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

SADCAS offers the following training courses:

- One-day awareness training courses on the various key accreditation standards. The objective of the one day awareness training courses is to create awareness on the benefits and importance of accreditation and the requirements of the respective accreditation standards.
- Five-day requirements, implementation and internal auditing standards whose objective is to provide an insight into the respective system standards requirements, implementation as well as to guide conformity assessment bodies' personnel on how to prepare and carry out an internal audit so as to monitor compliance with the system standard.
- Three-day internal auditing courses whose objective is to impart internal auditing knowledge and skills so that conformity assessment bodies are able to monitor compliance with the respective key accreditation standards.

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

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

SADCAS Regional and International Connections.

SADCAS is

- An Associate member of the International Laboratory Accreditation Cooperation (ILAC);
- An Observer member of the International Accreditation Forum (IAF);
- A full member of the African Accreditation Cooperation (AFRAC); and
- An ordinary member of the SADC Cooperation in Accreditation (SADCA).



Mr Steven Bruce Sidney
Chairman



Mr Viki Mbuya Kanama
Member



Mrs Christine Eve Gadzikwa
Member



Ms Boitumelo Gofhamodimo
Member



Mrs Maureen Primrose Mutasa
Chief Executive Officer - Member



Ms Verily Kearoma Molatedi
Vice Chairman



Ms Likonelo Alicia Lebone
Member



Mr Emmanuel Jinda
Member



Mr Alfredo Filipe Siteo
Member

**Board Of
Directors**

Name	Status	Meeting Dates				
		2014-05-08	2014-08-21	2014-11-27	2015-02-19	2015-03-17 (Special)
Mr Steven Bruce Sidney Chairman	Non-Executive Director	✓	✓	✓	✓	✓
Ms Verily Kearoma Molatedi Vice Chairman	Non-Executive Director	Apology	✓	Apology	Apology	Apology
Mr Viki Mbeya Kanama	Non-Executive Director	✓	Apology	✓	✓	✓
Mrs Christine Eve Gadzikwa	Non Executive Director	✓	✓	✓	✓	✓
Ms Boitumelo Gofhamodimo	Non-Executive Director	Apology	✓	Apology	Apology	Apology
Ms Likonelo Alicia Lebone	Non-Executive Director	✓	✓	Apology	Apology	Apology
Mr Alfredo Filipe Siteo	Non-Executive Director	✓	✓	✓	Apology	✓
Mr Emmanuel Jinda	Non-Executive Director	-	✓	✓	✓	✓
Mrs Maureen Primrose Mutasa	Executive Director	✓	✓	✓	✓	✓
<u>By Invitation</u> Dr Elsie Meinjies SADC Secretariat		-	-	-	✓	✓

Board Of Directors' Meetings Attendance

General Information

Bankers

First National Bank of Botswana
Ground Floor, Capitol Building
Plot 1108, Main Mall
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Tel: +267 395 9422
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Auditors

PricewaterhouseCoopers
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Fairgrounds Office Park
Gaborone
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Gaborone, Botswana
Tel: +267 395 2011
Fax: +267 397 3901

Company Secretary

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Plot 465 Matangwane Road Extension 4
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Gaborone, Botswana
Tel: +267 390 6855
Fax: +267 390 6860

SADCAS Registration Number – 2005/6912

SADCAS Registered Office
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BIFM/Fairgrounds Office Park
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Gaborone, Botswana
Tel: +267 313 2909/ 313 2910
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Mobile: +267 7125 0042

NAFP-Angola

Instituto Angolano de Normalização e Qualidade
P O Box 3709/ P O Box 594, Luanda, Angola
Tel: +244 222 337 294/ +244 925 058 184
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NAFP-Madagascar

Bureau de Normes de Madagascar
BP 1316, Antananarivo 101, Madagascar
Tel: +261 22 279 70
Mobile: +261 32 02 205 00

NAFP-Botswana

Ministry of Trade and Industry
Private Bag 0014, Gaborone, Botswana
Tel: +267 395 7406
Mobile: +267 71583465
Fax: +267 397 2910

NAFP-Malawi

Malawi Bureau of Standards
P O Box 946, Blantyre, Malawi
Tel: +265 1 870 488
Mobile: +265 999 695 705
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NAFP-Democratic Republic of Congo

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Fax: +243 512 682 2162

NAFP-Mozambique

Instituto Nacional de Normalização e Qualidade
P O Box 2983, Maputo, Mozambique
Tel: +258 21 303 822 / 21 303 823
Mobile: +258 82 464 9260
Fax: +258 21 304 206

NAFP-Lesotho

Standards and Quality Assurance Department
Ministry of Trade and Industry, Cooperatives & Marketing
P O Box 747, Maseru 100, Lesotho
Tel: +266 223 17 454
Mobile: + 266 59 093 332
Fax: +266 223 10 326

NAFP-Namibia

Ministry of Trade & Industry
P/Bag 13340, Windhoek, Namibia
Tel: +264 61 283 7111
Mobile: +264 811 295 981
Fax: +264 61 222 227

**National Accreditation
Focal Points Offices**

NAFP - Seychelles

Seychelles Bureau of Standards
Standards House
Providence Industrial Estate
P O Box 953, Victoria, Mahe, Seychelles
Tel: +248 4380 402
Mobile: +248 2 527 590
Fax: +248 4373 826

NAFP - Zambia

Ministry of Commerce, Trade and Industry
P O Box 31968, Lusaka, Zambia
Tel: +260 211 226 954
Mobile: +260 950 408 529
Fax: +260 211 226 954

NAFP-Swaziland

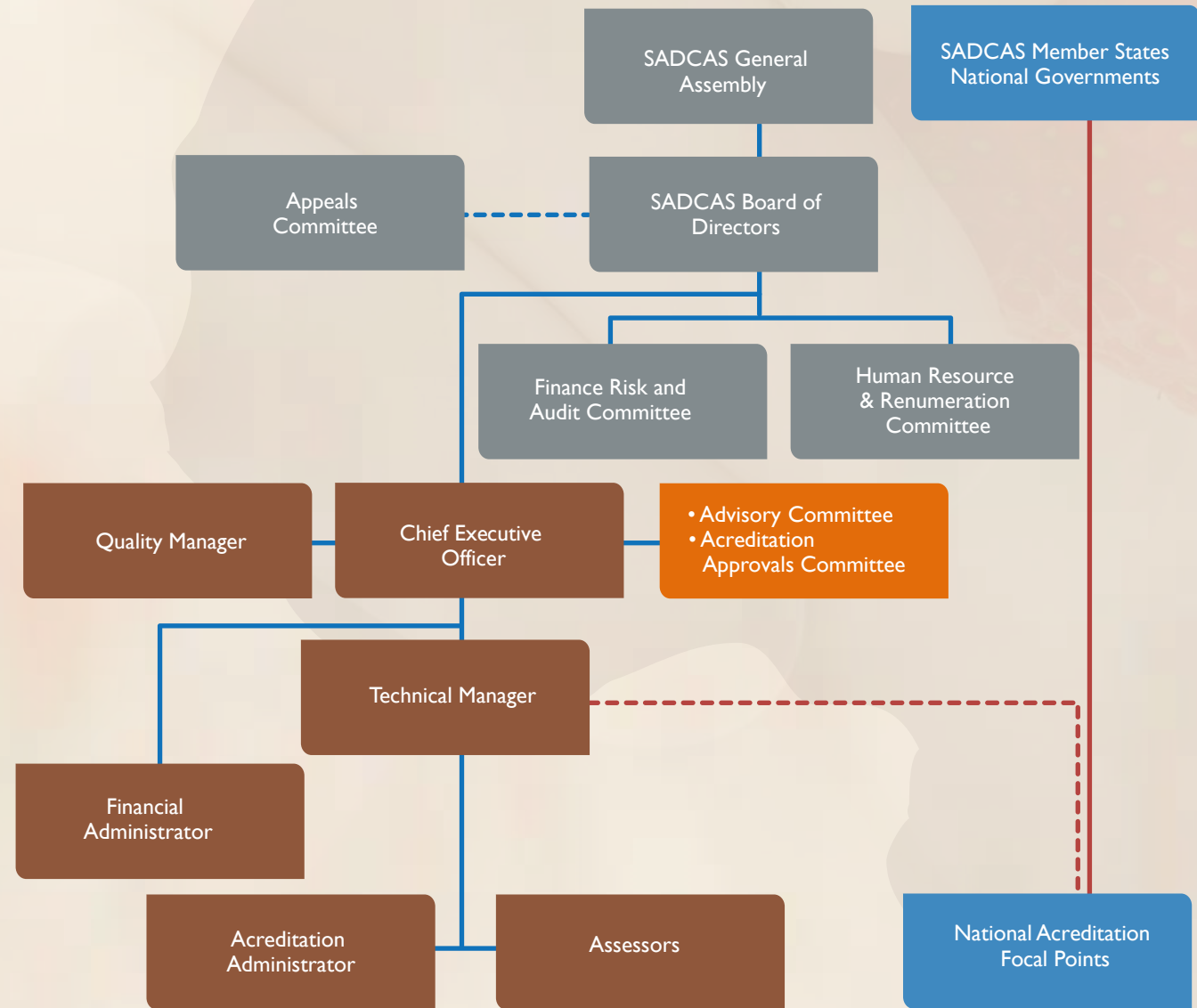
Ministry of Enterprise and Employment
Standardization & Quality Assurance Section
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Tel: +268 2404 7509
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Fax: +268 2404 3055/+268 2404 4711

NAFP - Zimbabwe

Ministry of Industry & International Trade
Legal Metrology Directorate
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HarareW, Zimbabwe
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Fax: +263 4 793 461

NAFP - Tanzania

Tanzania Bureau of Standards
P O Box 9524, Dar es Salaam, Tanzania
Tel: +255 222 450 206/ +255 756 590 360
Fax: +255 222 450 959



Organisational Structure

**Management
and Staff**



Mrs Maureen Primrose Mutasa
Chief Executive Officer



Ms Jeanne François Ranorovelo
Technical Manager



Mr Xavier Mugari
Lead Assessor



Mrs Laureen Rutendo Gudo
Financial Administrator



Ms Linda Dirorimwe
Accreditation Administrator



Mr Carmo dos Santos
NAFP-Angola



Mr Edward Mmatli
NAFP-Botswana



Mr Viki Mbuya Kanama
NAFP-Democratic Republic of Congo



Mr Azael Motjoka Makara
NAFP-Lesotho



Mr Séraphin Andrianantarivo Razafimahafaly
NAFP-Madagascar



Mr Patrician Kondowe
NAFP-Malawi

**National
Accreditation Focal
Points**



Mrs Guilhermina Nhampulo
NAFP-Mozambique



Ms Jaanda Maharero
NAFP-Namibia



Mrs Amy Quatre
NAFP-Seychelles



Mrs Sthembiso Sybil Dlamini
NAFP-Swaziland



Ms Stella Mrosso
NAFP-Tanzania



Mr Moses Ngosa
NAFP-Zambia



Ms Rihana Chibanda
NAFP-Zimbabwe



Mr Steven Bruce Sidney
Chairman SADCAS Board of Directors

Chairman's Statement

SADCAS is now in its 7th year of operation as a multi economy accreditation body established to meet the accreditation needs of SADC Member States especially those without a national accreditation body i.e. 13 countries in all namely: Angola; Botswana; Democratic Republic of Congo; Lesotho; Madagascar; Malawi; Mozambique; Namibia; Seychelles; Swaziland; Tanzania; Zambia; and Zimbabwe. SADCAS has achieved another encouraging performance over the last financial year. The number of accreditations grew significantly alongside the current accredited facilities seeking to extend their existing scopes of accreditation. The number of conformity assessment bodies coming forward to be accredited and who have expressed interest in accreditation by SADCAS is also increasing. SADCAS business is growing not only in terms of field and scope of accreditation but also in terms of sectors and geographical diversity. Great strides have been made towards international recognition of its accreditation certificates, with SADCAS successfully undergoing a joint pre-peer evaluation by the International Laboratory Accreditation Cooperation (ILAC) and the African Accreditation Cooperation (AFRAC) in June 2014, and a full peer evaluation in May 2015. I am confident that "Team SADCAS" under Mrs Mutasa's leadership will prevail through this rigorous process and achieve the said status by December 2015. A detailed report of the activities undertaken during the period under review is contained in the Chief Executive Officer's (CEO) report.

With regard to governance issues, the SADCAS Board of Directors held five (5) meetings; May 2014, August 2014, November 2014, February 2015 and March 2015 with the latter having been held to finalize preparations for the 10th Annual General Meeting (AGM). During the meetings the Board considered and approved the 2014/15 annual implementation plan, the audited financial statements for the year ended 31 March 2014, 2013/14 annual report, the SADCAS risk profile and the 2015/16 budget. The Board also discussed strategic issues and in particular, tax registration for which SADCAS is now registered with the Botswana Unified Revenue Authority (BURS). 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 2014/15 annual implementation and activity plans. The Board Committees namely the Finance, Risk and Audit Committee (FRAC) and the Human Resources and Remuneration Committee (HRRC) each met four and three times respectively to discuss matters relating to their scope as defined in their respective Terms of Reference. Detailed reports are contained in the respective Committee Chairs' reports.

On Board membership, I was unanimously appointed as the Chairman of the Board in May 2014 whilst Ms Verily Molatedi from Botswana was unanimously appointed as the Vice Chairman of the SADCAS Board of Directors. Ms Molatedi also serves as the Chair of the FRAC. The terms of office for Mrs Christine Eve Gadzikwa and Mr Viki Mbuya Kanama expired, having both served 2 consecutive three-year terms. Mrs Gadzikwa besides being the Chairman of the Human Resources and Remuneration Committee also served on the Finance, Risk and Audit Committee. I thank both Mrs Gadzikwa and Mr Kanama for their valuable contributions over the years towards the governance of SADCAS and above all dedication to serve on the SADCAS Board. In May 2014, Mr Emmanuel Jinda from Zimbabwe was co-opted to the SADCAS Board of Directors to provide expertise in human resources and governance issues. In line with Article 25 of the SADCAS Articles of Association, Mr Jinda was elected at the 10th AGM as a member of the Board of Directors and subsequently appointed Chair of the HRRC. Mr Davlin Moyenda Damaziel from Malawi was elected at the 10th AGM as a member of the Board and subsequently appointed to serve on the HRRC.

Please join me once again in thanking the SADCAS management and staff for their hard work and dedication, the NAFPs for their input in promoting accreditation and marketing SADCAS services, the SADCAS Board of Directors and the General Assembly members and last but not least our cooperating partners and the governments of the SADC Member States that we service for their contributions towards SADCAS sustainability and success. With SADCAS sustainability assured through governments' contributions, I am confident that SADCAS is well positioned to meet the growing demand for accreditation and to address the challenges that lie ahead.

Steven Bruce Sidney
Chairman SADCAS Board of Directors



Mrs Maureen Primrose Mutasa
Chief Executive Officer

Chief Executive Officer's Report

Summary

The financial year beginning 1 April 2014 to 31 March 2015 was busy and successful with SADCAS recording further significant developments. The number of accreditations grew significantly alongside the current accredited facilities seeking to extend their existing scopes of accreditation. The number of accreditation applications and expressed interest in accreditation by SADCAS is growing steadily. SADCAS business is growing not only in terms of field and scope of accreditation but also in terms of sector coverage and geographical diversity. SADCAS has made great strides towards international recognition of its accreditation certificates having successfully undergone a joint pre-peer evaluation by the International Laboratory Accreditation Cooperation (ILAC) and the African Accreditation Cooperation (AFRAC) in June 2014, and a full peer evaluation in May 2015. The following is a summary of the achievements in each of the five key result areas agreed for the 2014/15 financial year.

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

As at 31 March 2015, SADCAS had issued 48 accreditation certificates to 36 accredited facilities in 8 SADC Member States namely; Botswana (7), Mozambique (1), Namibia (4), Seychelles (2), Swaziland (1), Tanzania (9), Zambia (2) and Zimbabwe (10). Most of the issued certificates 16 (45%) fall under the Testing Laboratories Accreditation Programme (TLAP), 9 (25%) under the Medical Laboratories Accreditation Programme (MLAP), 8 (22%) under the Calibration Laboratories Accreditation Programme (CLAP), 3 (8%) under the Inspection Bodies Accreditation Programme (IBAP). Accreditations grew by 50% whilst sector coverage also increased with some facilities falling into more than one sector. Refer to Figures 1, 2, 3 and 4. At the same time SADCAS had 43 accreditation applications from 10 countries under process of which 8 are from SADC countries namely; Botswana (13); Zimbabwe (10); DRC (7); Tanzania (5); Zambia (3); Mozambique (1); Namibia (1); and Angola (1); and 2 from non SADC countries Liberia (1) and Ghana (1), at various stages of processing. SADCAS has witnessed

increasing interest in the MLAP and TLAP with 15 applications under process (35%) being medical laboratories and 21 (49%) being testing laboratories with the rest being 3 inspection bodies (7%), 2 calibration laboratories (5%), one management system certification body (2%) and one product certification body (2%). Refer to Figures 5 and 6. A further 18 expressed interests in accreditation are being handled.

Figure 1 - Number of Accredited Facilities by Country

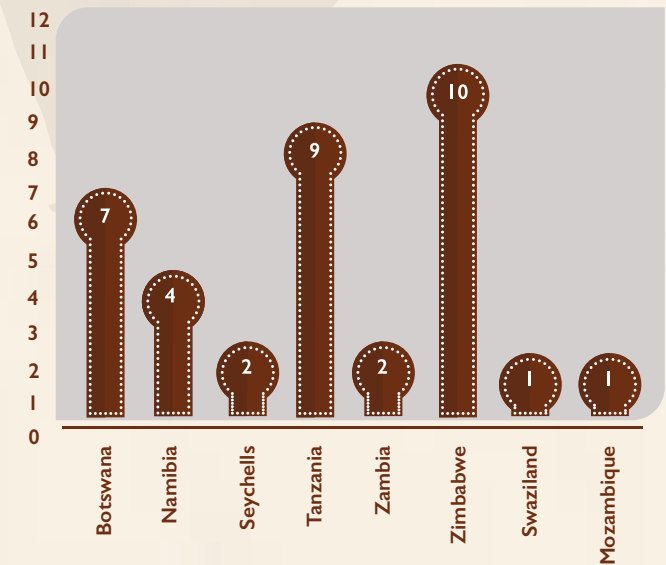


Figure 2 -Accreditations by Field

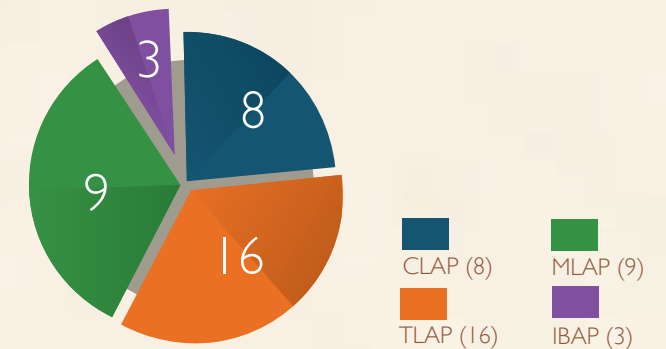


Figure 3 - Cumulative Number of Accreditations

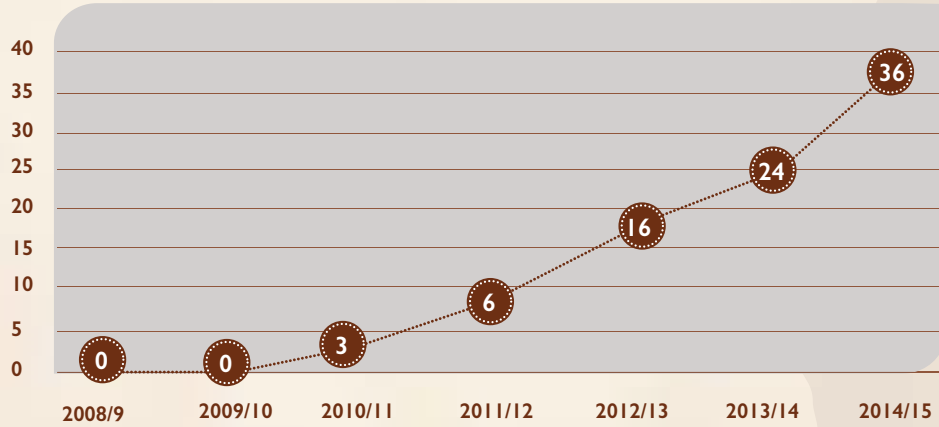


Figure 4 - Number of Accredited Facilities by Sector

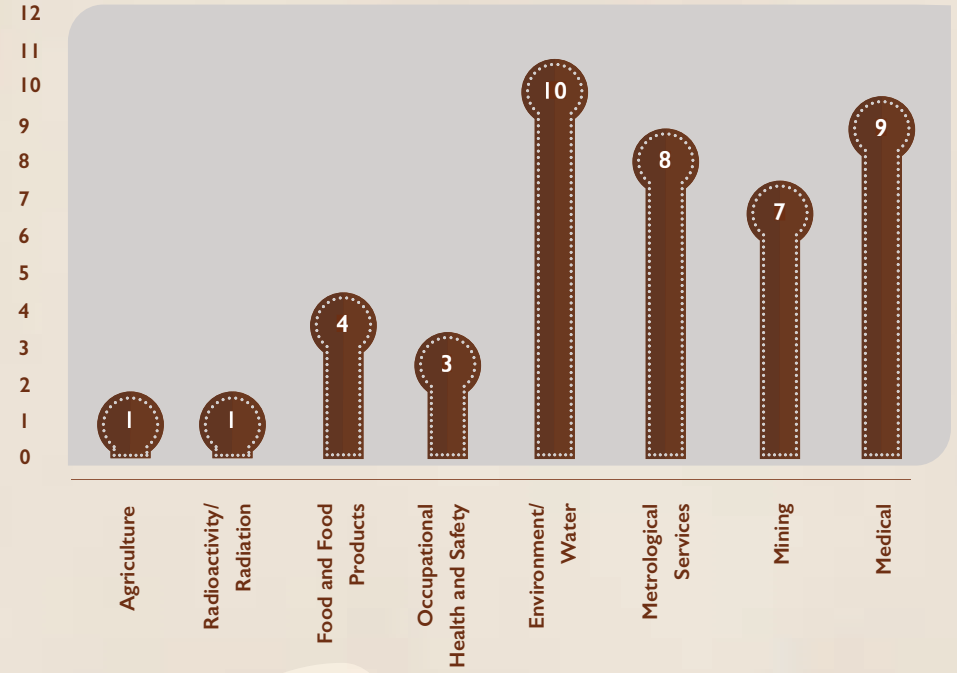


Figure 5 - Number of Accreditation Applications by Country

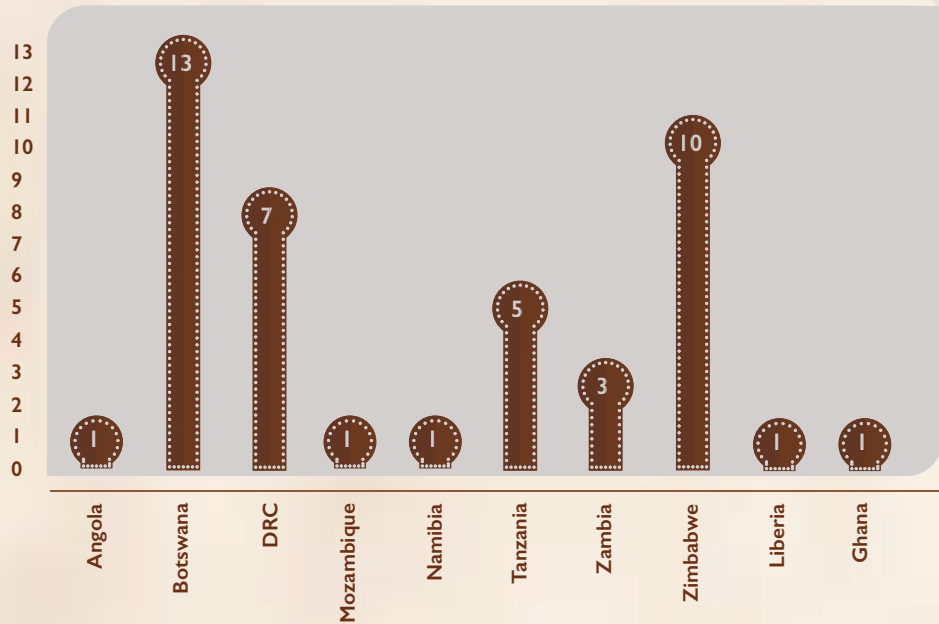
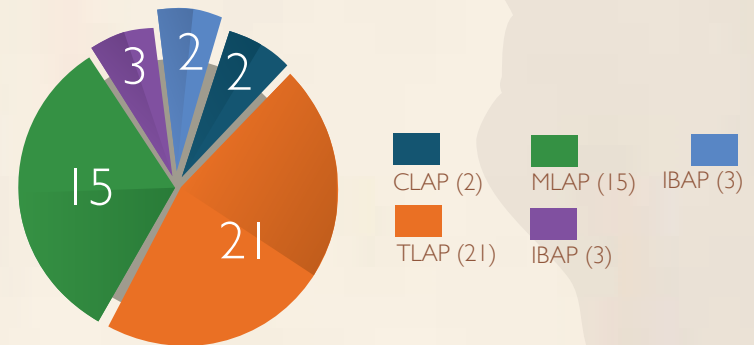


Figure 6 - Accreditations Applications by Field



By 31 March 2015, SADCAS has cumulatively conducted 87 training courses in 11 SADC Member States namely: Botswana (15); DRC (12); Malawi (2); Mozambique (3); Namibia (13); Seychelles (3); South Africa (3) Swaziland (4); Tanzania (11); Zambia (7) and Zimbabwe (14). Training courses are generic and designed to promote accreditation and an understanding of the accreditation requirements. Most of the training courses are on ISO/IEC 17025 (51), ISO 15189 (13), ISO/IEC 17020 (16), ISO/IEC 17021 (4), Method Validation & Measurement Uncertainty (MV & MU) (2) and other (1). Training activities grew by 32%. Refer to Figures 7, 8 and 9. Over 1300 participants have benefited from the SADCAS training courses. Training is undertaken by a pool of 17 registered trainers who cover the 3 official languages in the region, English, French and Portuguese.

Figure 8 - Training Courses by Field

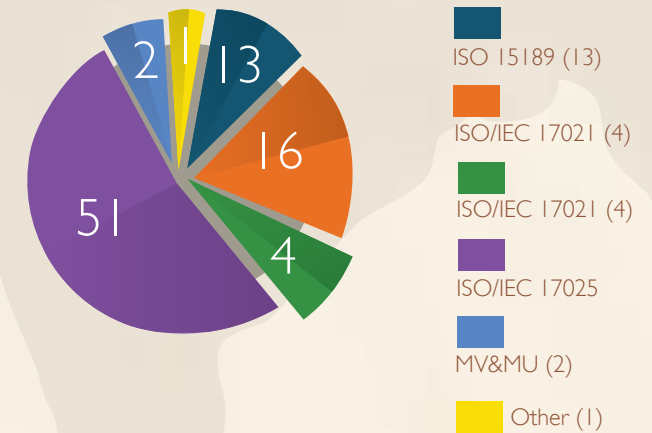


Figure 7 - Training Courses Breakdown by Country

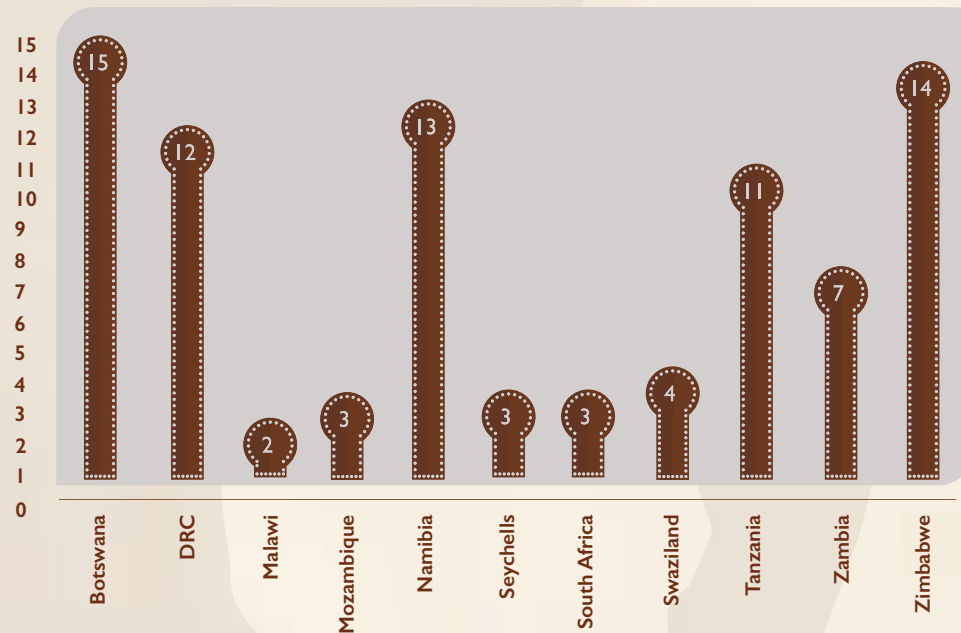
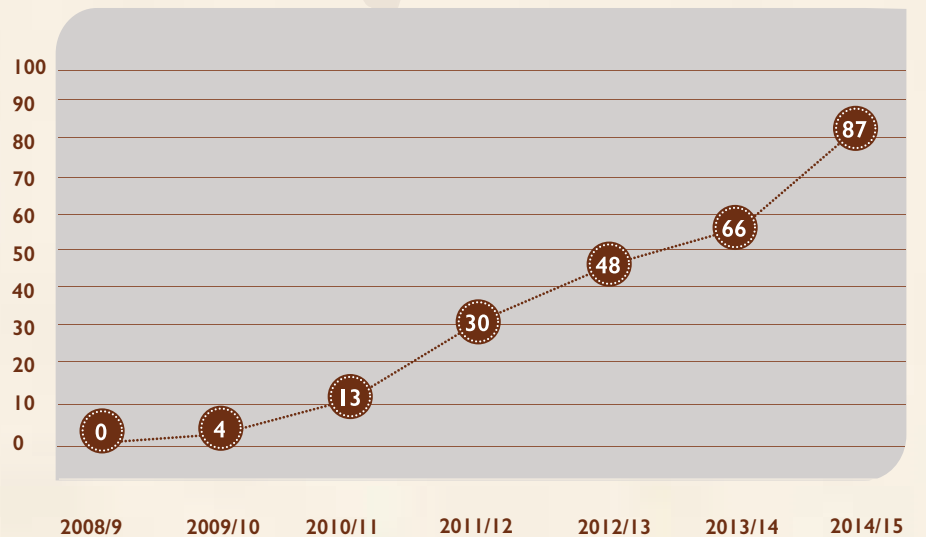


Figure 9 - Cumulative Number of Training Courses



During the period under review, SADCAS set up Advisory Committees for the Testing and Calibration Laboratories Programmes comprising of 18 and 13 members respectively from SADC Member States that are serviced by SADCAS. The Advisory Committees which will advise SADCAS on technical matters are set to meet in due course. The Advisory Committee for inspection bodies in Zimbabwe whose membership was extended during the period under review to ensure a good balance of interest and expertise, held its 4th meeting during which the members considered the criteria for the accreditation of inspection bodies performing inspection of metallic storage tanks. The scope will also be extended to cover lifting equipment as soon as the regulations are promulgated. The SADCAS – Regulator model adopted in Zimbabwe is working well. The model is based on a Memorandum of Understanding between SADCAS and the National Social Security Authority (NSSA) the delegated authority for occupational health and safety issues in Zimbabwe. Such a bilateral Memorandum of Understanding buttresses the relation between SADCAS and the regulators and details how SADCAS services will be utilized in the regulatory domain.

In order to monitor the effectiveness and suitability of the SADCAS Quality Management System (QMS) and compliance of its systems with ISO/IEC 17011, the international standard that SADCAS has to comply with in order to be signatory to the international accreditation arrangement, management reviews were undertaken in June 2014 following which SADCAS went through the pre peer evaluation. The latter review concluded positively on the suitability and

effectiveness of the system reaffirming the results of the customer satisfaction survey undertaken during the 2014/15 which showed an improvement in customer satisfaction over the 2013/14 results and further noting that only one complaint was received during the period under review. Refer to Figure 10.

Enhance global acceptance of SADC products and services

SADCAS has made great strides towards international recognition of its TLAP and CLAP having successfully undergone a joint International Laboratory Accreditation Cooperation (ILAC)/ African Accreditation Cooperation (AFRAC) pre peer evaluation and full peer evaluation in May 2015. SADCAS aims to achieve this international recognition by December 2015. SADCAS is working towards international recognition of its MLAP and IBAP. Meanwhile the credibility of SADCAS accreditation services hinges on the Twinning Partnership Arrangement (TPA) with the South African National Accreditation System (SANAS). Through this arrangement 2 certificates (SADCAS and SANAS) are issued with the SANAS certificate being internationally recognized as SANAS is signatory to international accreditation arrangements.

In an effort to address the accreditation needs of French speaking SADC Member States, a TPA was signed in February 2014 with the Tunisian Accreditation Council (TUNAC) with the certificate handover ceremony subsequently held in September 2014. Translations of 51 prioritized SADCAS Quality Management System (QMS) documents into French have been finalized, verified and are to be uploaded on the SADCAS website. A total of 7 applications from the Democratic Republic of Congo (DRC) have been received. Efforts are underway to enable SADCAS to service the accreditation needs of SADC countries where Portuguese is the official language with the negotiations underway.

SADCAS maintained its membership in regional and international accreditation fora ILAC, the International Accreditation Forum (IAF), African Accreditation Cooperation (AFRAC) and the SADC Cooperation in Accreditation (SADCA) and continues to actively participate in these fora.

Figure 10 - Overall Satisfaction on Service - 2014/15 compared to 2013/14



Effectively Promote and Market the Benefits and Importance of Accreditation and SADCAS Services

SADCAS' thrust during the period under review continued to be on promoting the benefits and importance of accreditation and marketing SADCAS' services with 22 targeted marketing visits in 6 SADC Member States serviced by SADCAS being undertaken, 13 presentations were made to stakeholders at national, regional and international meetings/workshops/seminars by SADCAS. Three editions of the SADCAS official newsletter the Pioneer i.e. March, July and November 2014 and the 6th SADCAS 2013/14 annual report were published during the period under review. Thirteen press releases on the accredited facilities and the SADCAS top management participated at 5 certificate handover ceremonies for some of the accredited facilities. Additional SADCAS promotional material, the CBAP –MS pamphlet was published in the 3 official languages used in the SADC region i.e. English, French and Portuguese. The SADCAS website was maintained throughout the period of review with new articles being posted under latest news and the directory of accredited facilities being updated upon accreditation of facilities. Visitation statistics continue to indicate an increasing interest in the SADCAS website not only by number of visitations but also by the number of countries visiting the website. In their respective countries NAFPs, as per their main responsibility also undertook promotional and marketing activities.

SADCAS continues to use World Accreditation Day (WAD) as a promotional tool for accreditation and also to market SADCAS services. The SADC region has been commemorating WAD since 2009 and over the years the region has witnessed increased commemoration activities and increased awareness on accreditation issues. In 2014 activities which were undertaken between June and August 2014 ranged from conferences held in Botswana Lesotho, Namibia, Swaziland and Tanzania, to press releases and television

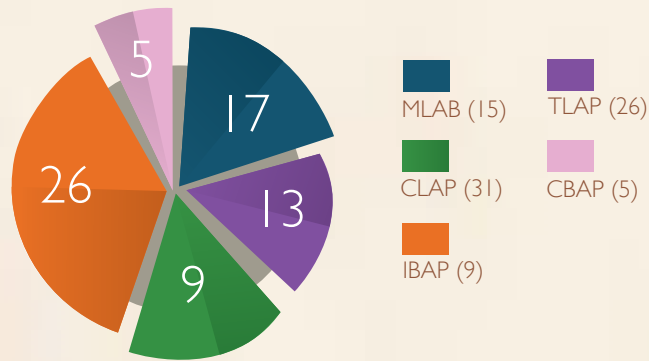
to radio interviews. In some countries targeted marketing visits were undertaken to companies as part of the commemorations. World Accreditation Day has helped to reach out to the various stakeholders thus achieve the objective of creating awareness on the need and importance of accreditation with more and more conformity assessment bodies working towards accreditation as evidenced from the increasing number of applications, expressed interests and enquiries on accreditation not only by geographical diversity but also field and scopes of applications.

Build Capacity and Capability of SADCAS

As part of the continuous professional development (CPD) programme for the 2014/15 year, SADCAS staff attended various training programmes including the internal auditing, marketing and communications course, attachments at internationally recognized accreditation bodies etc. One additional technical staff was recruited and took up position in SADCAS in November 2014. Recruitment of the other technical and administrative staff is underway.

As at 31 March 2015 SADCAS had registered 66 Technical Assessors and 32 Lead Assessors with some assessors registered in more than one field. Refer to Figures 11 and 12 for breakdown of SADCAS qualified and registered assessors by field of accreditation. Efforts are continuously underway to develop the pool of assessors to cover the anticipated scopes of applications taking into account the key developmental sectors as identified in the SADC Industrial Policy, geographical and language diversity in the region. Seven (7) trainee assessors are to undergo further mentoring and an additional 22 trainee assessors trained under the SADC SQAM EU EDF 10 Regional Economic Integration Support (REIS) programme are to undergo mentoring. More experts are to undergo assessor training under the auspices of the SADC SQAM EU/EDF 10 REIS programme.

Figure 11 - Breakdown of Technical Assessors by Field of Accreditation



For cost effectiveness, the 8th National Accreditation Focal Points' (NAFP) annual meeting which was originally scheduled to be undertaken in November 2014 was rescheduled and held in February 2015 in conjunction with the marketing and communications training course. During the period under review the overall performance by NAFPs showed an improvement with average estimate realization for the 2014/15 financial year being 75%. The NAFPs – Swaziland was awarded the 2015 NAFPs certificate of recognition with NAFPs – Botswana as the 1st runner up and NAFPs-DRC the 2nd runner up.

provided additional funds amounting to NOK 1.55 million. Thereafter and up to March 2017, Governments of SADC Member States that are serviced by SADCAS are funding SADCAS operational budget deficit of US\$ 1.171 million over a five year period up until 31 March 2017.

Strive for Sustainability

The set up and operationalization of SADCAS was funded by the Norwegian Government to the tune of NOK 13 million in a 5 year project that ended in March 2012. In order to ensure continuity of SADCAS in the 2013/14 financial year, the Norwegian Government

SADCAS business is growing not only in terms of field and scope of accreditation but also in terms of sector and geographical coverage. The number of accreditation applications and expressed interest in accreditation by SADCAS is growing steadily. Over the past 6 financial years since SADCAS started to offer services, operational income has been increasing. Refer to Figures 13 and 14. The financial year 2014/15 saw a 48% increase in income from operations with accreditation income constituting 66 % and training 34% of the operational income. Refer to Figure 15. Government dependency reduced to 31% from 39% on the previous financial year. Refer to Figure 16.

Figure 12 - Breakdown of Lead Assessors by Field of Accreditation

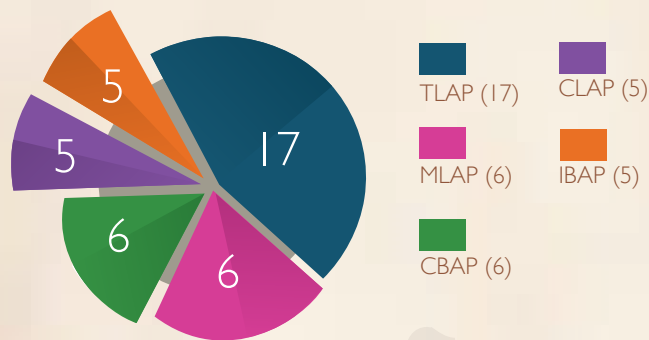


Figure 13 - Trends in Income from Operations since 2008/9

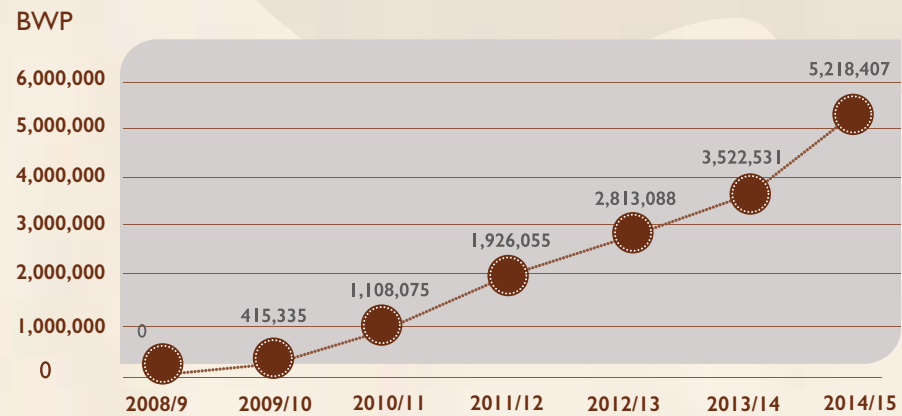


Figure 14 - Trends in Income from Operations since 2008/9 - Training and Accreditation

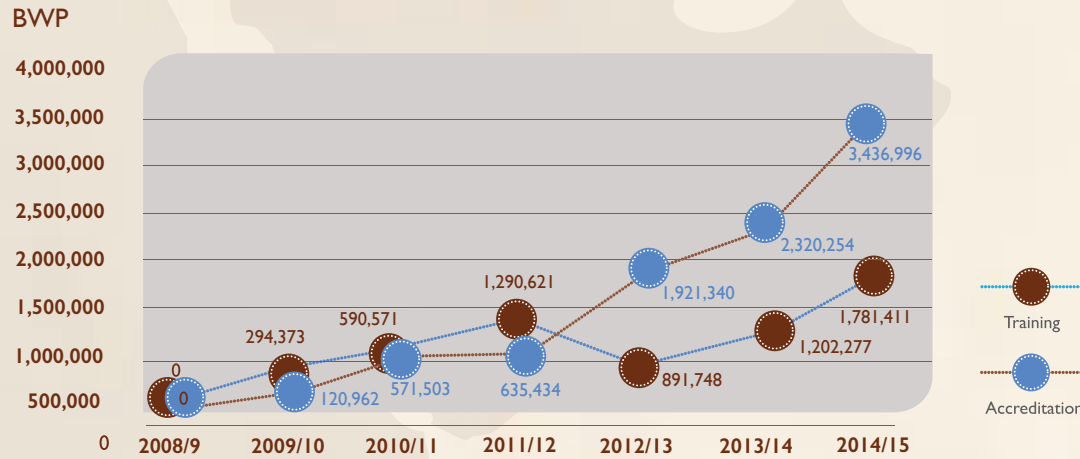


Figure 15 - Breakdown of Lead Assessors by Field of Accreditation

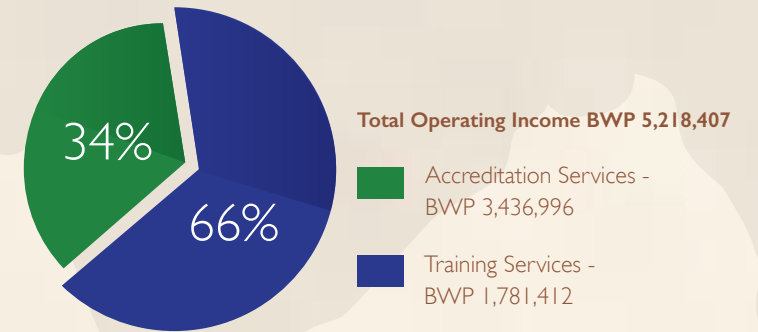
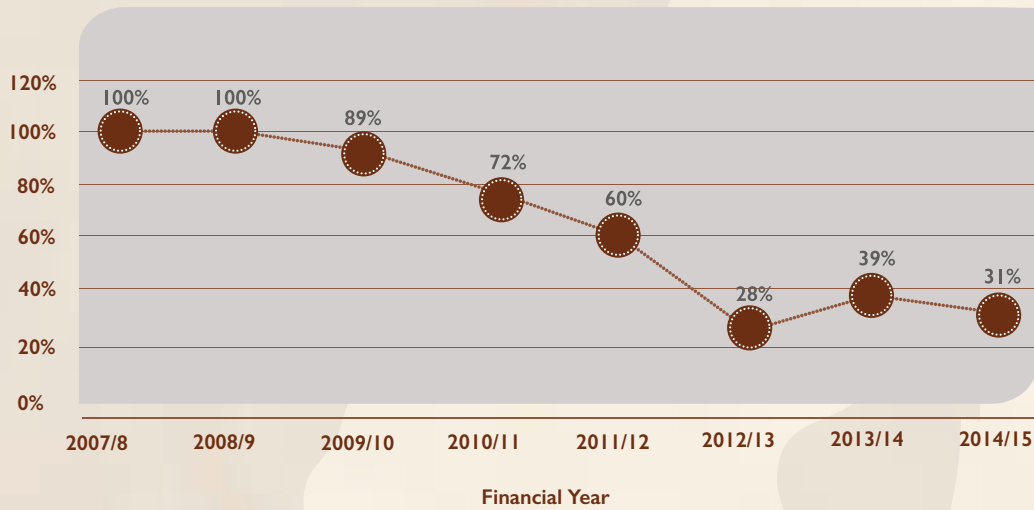


Figure 16 - Governments/Donor Dependency



Marketing and Promotion

Accreditation certificate handovers ceremonies and visits



Mrs Maureen Mutasa, Hon. Minister Dr David Parirenyatwa and Mr M P Mahlangu with CIMAS directors at the accreditation certificate handover ceremony



SADCAS CEO handing over certificate to Mr Mafingei Nyamwanza



Lancet Laboratories Swaziland accreditation handover certificate ceremony



Chief Medical Scientific Officer, Mr David Matema receives SADCAS accreditation certificate for Ngangabgwe Hospital Referral lab



Certificate show off moment by Mr Matema and Dr Tshipayagae



Honourable Professor Maghembe receiving the accreditation certificate for MZWL from Engineer Kutakamba



Group photo with Honorable Professor Maghembe after the ceremony



SADCAS Technical Manager meets with the Air Madagascar Calibration laboratory staff.



SADCAS CEO Visits Phoenix Analytical Services



Meeting with the Central Medical Laboratory Staff in Swaziland



Central Medical Laboratory Staff at work

Training and Services

Training courses held during the period



First ISO/IEC 17020 course held in Botswana



Participants Attending the ISO/IEC 17025 in Botswana October 2014



Discussions during the ISO/IEC 17025 course in Swaziland



SADCAS Trains More Assessors



Award winners Mrs Sybil Dlamini and Phindile Dlamini (NAPP's Swaziland)



First Runner-up Mr Edward Mmatli NAPP-Botswana receiving his certificate from Mrs Christine Gadzikwa and Mr Steven Sidney



Second Runner-ups NAPP's DRC Mrs Apauline Matata Feza and Mr Viki Mbuya Kanama



Participants attending the SADCAS 10th AGM



SADCAS Chair, Mr Steven Bruce Sidney during the SADCAS 10th AGM



SADCA annual meeting



Chief Medical Scientific Officer, Mr David Matema receives SADCAS accreditation certificate for Ngangabgwe Hospital Referral lab



IAFTC Meeting in progress



Morning break during the Joint Development Support Committee meeting



ILAC General Assembly in session

Looking Ahead

As we approach the 4th year of the strategic period 2012 to 2017, we will continue to consolidate, streamline and enhance SADCAS service delivery to the target population bringing up to speed those countries where accreditation uptake has been slow and prioritizing activities based on anticipated demand in the immediate to long term and taking into account the key development sectors as identified in the SADC Industrial Policy. We will also need to enhance global acceptance of SADC products and grow the Company's own generated revenue so as to develop SADCAS into a credible, sustainable and dynamic organization at the cutting edge of accreditation service delivery. To do this we will need to continue promoting the benefits of accreditation and marketing SADCAS services, build and retain our most important asset the intellectual capital, skills, experience, knowledge and expertise of our staff, assessors and trainers and continue to strengthen NAFP effectiveness. Propelled by the commitment and leadership demonstrated by SADC Member States which is motivating accreditation uptake across the community, "Team SADCAS" remains committed to building a credible accreditation body at the cutting edge of accreditation service delivery so as to realize of SADCAS vision.

Maureen P Mutasa (Mrs.)
Chief Executive Officer



Mrs Christine Eve Gadzikwa
Chair HRRC

Report Of The Human Resources And Remuneration Committee

Roles and Responsibilities of the Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee (HRRC) is pleased to present its report for the financial year ended 31 March 2015. The Committee operates within defined terms of reference as set out in BP 02: Terms of Reference of the Human Resources and Remuneration Committee (HRRC) of the SADCAS Board. The main objective of the HRRC is to develop and implement a comprehensive human resources policy and strategy which will ensure that SADCAS is able to attract, develop and retain the best possible skills required to support credible services to its clients.

Duties of the Human Resources and Remuneration Committee

The main duties of the HRRC are to:

- Develop and review terms and conditions of staff to ensure continued alignment and compliance with legal requirements and industrial standards.
- Consider and make recommendations to the Board on the recruitment, performance and dismissal of Senior Management.
- Review staff salaries and performance reward payments in line with market trends and make recommendations to the Board.
- Review staff benefits and packages in line with market trends and make recommendations to the Board.
- Ensure the creation of a conducive working environment and equitable management of industrial relations.

- Ensure the provision of meaningful support and appropriate education and training to employees. Develop and monitor a succession plan for senior management.
- Ensure the enhancement of SADCAS performance through innovative Performance and Remuneration Management.

Membership of the Human Resources and Remuneration Committee

Following a review of the Terms of Reference, the HRRC comprised of three Non-Executive Directors, namely a member of the Finance, Risk and Audit Committee (FRAC) who during the 2014/15 was Mrs Christine Eve Gadzikwa who also chaired the Committee and two other Non-Executive Directors Messrs Viki Mbuya Kanama and Emmanuel Jinda who were appointed by the Board with the Chief Executive Officer being invited to attend all the HRRC meetings.

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 2014/15 financial year, the HRRC met three times. The records of attendance to these meetings are shown in Table 2.

Table 2 – Record of Attendance to HRRC Meetings Held During the 2014/15 Financial Year

Name	Status	Meeting Dates		
		2014-05-08	2014-11-27	2015-02-19
Mrs Christine Eve Gadzikwa (Chairman)	Non-Executive Director	✓	✓	✓
Mr Viki Mbuya Kanama (Appointed on 8 May 2014)	Non-Executive Director	-	✓	✓
Mr Emmanuel Jinda (Appointed on 8 May 2014)	Non-Executive Director	-	✓	✓
Mrs Maureen Primrose Mutasa	Executive Director	✓	-	-
<u>By Invitation</u> Mr Viki Mbuya Kanama	Non-Executive Director	✓	-	-
Mrs Maureen Primrose Mutasa	Executive Director	-	✓	✓

Summary of Activities Undertaken During the 2014/15 Year

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

- Considered the CEO's report on the 2013/14 end of year staff performance;
- Reviewed staff remuneration;
- Reviewed the CEO and Board's performance contracts for the 2014/15 financial year;
- Reviewed the HRRC Terms of Reference (BP 02) and in line with good corporate governance, proposed that the HRRC comprise of 3 Non-Executive Directors with the CEO attending all meetings and proposed that 2 Non-Executive Directors be appointed to serve on the HRRC;
- Reviewed proposals for a job grading and salary structuring exercise;
- Reviewed proposal for Board remuneration which was subsequently considered by the Board and approved at the 11th SADCAS Annual General Meeting held on 17 March 2015.
- Reviewed management's evaluations and nominations for the 2015 NAFF Certificate of Recognition. Selected the NAFF award winner and recommended to the Board for approval;
- Considered the personnel plan for the 2015/16 financial year;

- Considered the CEO's report on the 2014/15 staff mid - term performance and noted the areas of improvement; and
- Reviewed the Board expertise and representation matrix (BP 07: Part 2) for adequacy to govern SADCAS;

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

Performance Management System

Implementation of the SADCAS Performance Management System which was successfully piloted during the 2012/13 financial year was ongoing during the 2014/15 financial year based on the Board, Management and staff performance contracts developed and approved at the May 2014 Board meetings. The HRRC was generally satisfied with the reviews undertaken during the year and noted the general areas for improvement as well as the training needs. The performance management system continues to be an effective communication tool that has helped to improve communication within the organization and more importantly has enhanced the realization of the importance of teamwork for goal congruency and goal achievement at all levels of the organization. Realizing the need to link remuneration to the performance management system, the HRRC recommended to the Board that a job grading and salary

Report Of The Human Resources And Remuneration Committee

structuring exercise be undertaken during the 2015/16 financial year and reviewed considered proposals submitted following an invitation to tender for the said activities.

Staff Complement

The staff complement increased to five instead of six during the year under review with the recruitment of a Lead Assessor for the Medical Laboratories Accreditation Programme who took position in SADCAS in November 2014. The recruitment of another Lead Assessor Testing Laboratories Accreditation Programme was deferred to the 2015/16 financial year as SADCAS failed to get a competent assessor who is conversant in both English and Portuguese.

Assessors

The pool of registered assessors who undertake assessments on behalf of SADCAS grew slightly from 36 to 37 Technical Assessors and from 19 to 26 Lead Assessors complemented by the 29 registered Technical Assessors and 13 registered Lead Assessors from South Africa. A further 25 experts were trained as assessors for the Testing/Calibration Laboratories Accreditation Programmes and are due to undergo mentoring during the 2015/16 financial year under the auspices of the SADC EU EDF 10 REIS Programme. The pool of registered assessors is set to grow as more and more assessors are trained for the various programmes and taking into account anticipated scopes of demand or accreditation, the language and geographical diversity.

Trainers

The pool of Trainers who conduct training on accreditation matters on behalf of SADCAS remained at 17 from 8 out of the 13 SADC Member States serviced by SADCAS and covering all the 3 official languages used in the region.

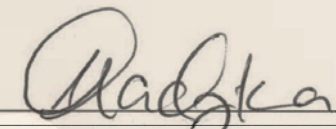
National Accreditation Focal Points

The NAFP Certificate of Recognition was awarded to NAFP - Swaziland with NAFP – Botswana and NAFP – DRC as the first and second runners up respectively.

Remuneration

The members of the Board of Directors did not receive any remuneration for their services other than refund for out of pocket expenses and an incidental allowance which members received when attending meetings during the year under review.

The total staff costs for the year were BWP 2 983 452 including staff training which is encouraged to ensure continuous professional development of the staff.



Mrs Christine Eve Gadzikwa

Chair Human Resources and Remuneration Committee

Report Of The Human Resources And Remuneration Committee



Mrs Verily Molatedi
Chair FRAC

Report Of The Finance, Risk and Audit Committee

Roles and Responsibilities of the Finance, Risk and Audit Committee

The Finance, Risk and Audit Committee (FRAC) is pleased to present its report for the financial year ended 31 March 2015. The Committee operates within defined terms of reference as set out in BP 01: Terms of Reference of the Finance, Risk and Audit Committee (FRAC) of the SADCAS Board and the Botswana Companies Act.

Membership of the Finance, Risk and Audit Committee

All members of the Board appointed to serve on the FRAC, are independent Non - Executive directors. During the financial year under review, Ms Verily Molatedi chaired the FRAC. The other members were Mr Steven Bruce Sidney whom upon election as Board Chairman relinquished his membership on the FRAC, Mrs

Christine Eve Gadzikwa and Mr Alfredo Filipe Siteo who was appointed as a member of the FRAC at the May 2014 Board meeting. The Chief Executive Officer and the Financial Administrator attended 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 times a year. Normally the Committee meets in conjunction but before the Board meeting, except in February when the meeting is held earlier to review the budget for the next financial year.

During the year under review, the FRAC met four 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 Held During the 2014/15 Financial Year

Name	Status	Meeting Dates			
		2014-05-08	2014-08-21	2014-11-27	2015-02-09
Ms Verily Molatedi (Chairman)	Non-Executive Director	Apology	✓	Apology	✓
Mr Steven Bruce Sidney (Relinquished membership on 8 May 2014)	Non-Executive Director	✓	-	-	-
Mrs Christine Eve Gadzikwa	Non-Executive Director	✓	✓	✓	✓
Mr Alfredo Filipe Siteo (Appointed on 8 May 2014)	Non-Executive Director	-	✓	✓	✓
<u>By Invitation</u> Mrs Maureen Primrose Mutasa	SADCAS Chief Executive Officer	✓	✓	✓	✓
Mrs Laureen Rutendo Gudo	SADCAS Financial Administrator	✓	Apology	✓	✓

Report Of The Finance, Risk And Audit Committee

Summary of Activities Undertaken During the 2014/15 Year

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

- Reviewed the monthly management accounts;
- Monitored capital adequacy levels throughout the year;
- Reviewed tax study report by KPMG, recommended to the Board that KPMG be engaged to assist the Company in regularizing tax matters with BURS and monitored the regularization process;
- Reviewed the external audit programme of action;
- Reviewed and approved the audit file;
- Monitored the external auditor's independence;
- Reviewed and commented on the annual financial statements and the accounting policies;
- Reviewed the external auditor's Letter of Internal Control and Management's responses;
- Reviewed the performance of external auditors and recommended their appointment and the approval of their fees;
- Met with the external auditors;
- Reviewed Governments contribution towards SADCAS sustainability and donor matrix;
- Reviewed the Company's risk profile (BP 06);
- Reviewed the FRAC's Terms of Reference (BP 01) for adequacy;
- Reviewed the draft budget for the 2015/16 financial year;
- Reviewed management's proposal that AON Botswana provide insurance broking services to SADCAS during the 2015/16 financial year.
- Reviewed the accreditation fees for the 2015/16 financial year.

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

Annual Financial Statements

The FRAC has evaluated the annual financial statements for the year ended 31 March 2015 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 August 2014 meeting.

Internal Auditor

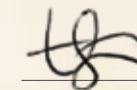
The FRAC taking into account the size of the Company decided that there is no need for an internal Audit function.

External Auditors

The SADCAS General Assembly at its 10th Annual General Meeting held on 17 March 2015 appointed PricewaterhouseCoopers to undertake the financial audit for the year ending 31 March 2015.

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



Ms Verily Molatedi

Chair Finance, Risk and Audit Committee

**Southern African Development Community
Accreditation Service Limited**

(A Company Limited by Guarantee)
(Registration No: 2005/6912)

Annual Financial Statements

for the year ended 31 March 2015

**Statement Of Responsibility
By The Board Of Directors**
for the year ended 31 March 2015

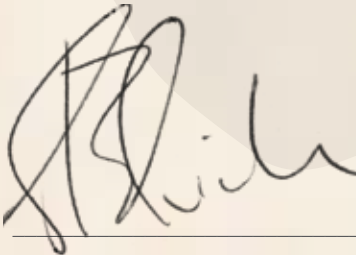
The directors of Southern African Development Community Accreditation Service Limited are responsible for the annual financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual financial statements in accordance with International Financial Reporting Standards.

The company maintains systems of internal controls which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of the company assets. The directors are also responsible for the design, implementation, maintenance and monitoring of these systems of internal financial controls. Nothing has come to the attention of the directors to indicate that any significant breakdown in the functioning of these systems has occurred during the year under review.

The going concern basis has been adopted in preparing the annual financial statements. The directors have no reason to believe that the company will not be a going concern in the foreseeable future based on forecasts and available cash resources.

Our external auditors conduct an examination of the financial statements in conformity with International Standards on Auditing, which include tests of transactions and selective tests of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Board of Directors.

The financial statements set out on pages 38 to 63 and supplementary information on Annexure I was authorised for issue by the Board of Directors and are signed on its behalf by:

Director 

Director 



Report on the financial statements

We have audited the accompanying annual financial statements of Southern African Development Community Accreditation Service Limited, which comprise the statement of financial position as at 31 March 2015, and the statements of comprehensive income, changes in funds and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 38 to 63

Directors' Responsibility for the Financial Statements

The company directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of, the financial position of Southern African Development Community Accreditation Service Limited as at 31 March 2015, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Individual Practising Member: B D Phirie

Membership Number: 19900312

2014-09-22

Gaborone

PricewaterhouseCoopers, Plot 50371, Fairgrounds Office Park, Gaborone, P O Box 294, Gaborone, Botswana
T: (267) 395 2011, F: (267) 397 3901, www.pwc.com/bw

Country Senior Partner: B D Phirie
Partners: R Binedell, R P De Silva, A S Edirisinghem, S K K Wijesena

**Independent Auditor's
Report to the Members
of Southern African
Development Community
Accreditation Service
Limited**

Statement Of Comprehensive Income

for the year ended 31 March 2015

	Note	2015 P	2014 P
Income	5	5,877,743	4,521,199
Direct expenses		(1,780,741)	(1,235,682)
		4,097,002	3,285,517
Other operating income	6	1,030,387	659,792
Administrative expenses		(5,063,500)	(3,949,766)
Operating surplus/ (deficit)	7	63,889	(4,457)
Finance income	8	57,381	39,747
Surplus before income tax		121,270	35,290
Income tax credit	9	4,881	-
Surplus for the year		126,151	35,290
Other comprehensive income		-	-
Total comprehensive surplus for the year		126,151	35,290

Statement Of Financial Position

for the year ended 31 March 2015

ASSETS

Non-current assets

Property, plant and equipment
Deferred income tax asset

Note

10

12

2015
P

2014
P

254,413

209,311

4,881

-

259,294

209,311

Current assets

Trade and other receivables
Cash and cash equivalents

11

13

368,543

463,552

2,357,884

3,421,907

2,726,427

3,885,459

2,985,721

4,094,770

Total assets

FUNDS AND LIABILITIES

Funds and reserves

Accumulated deficit

(347,967)

(474,118)

Non current liabilities

Capital grants

14

254,414

209,312

Current liabilities

Deferred income
Trade and other payables

15

16

1,026,947

2,093,425

2,052,327

2,266,151

3,079,274

4,359,576

2,985,721

4,094,770

Total funds and liabilities

Statement Of Changes in Funds

for the year ended 31 March 2015

	Accumulated deficit P	Total P
Balance at 1 April 2013	(509,408)	(509,408)
Comprehensive income Comprehensive surplus for the year	35,290	35,290
Balance at 31 March 2014	<u>(474,118)</u>	<u>(474,118)</u>
Balance at 1 April 2014	(474,118)	(474,118)
Comprehensive income Comprehensive surplus for the year	126,151	126,151
Balance at 31 March 2015	<u>(347,967)</u>	<u>(347,967)</u>

Statement Of Cash Flows

for the year ended 31 March 2015

Cash flows from operating activities

Cash (used in) / generated from operations
Net cash (used in) / generated from operating activities

Note

17

2015
P

2014
P

(1,121,969) 2,453,681
(1,121,969) 2,453,681

Cash flows from investing activities

Purchase of property, plant and equipment
Proceeds from disposal of property, plant and equipment
Interest received
Net cash (used in) / generated from investing activities

10

8

(114,448) (22,271)
565 -
57,381 39,747
(56,502) 17,476

Cash flows from financing activities:

Capital grants received
Net cash generated from financing activities

14

114,448 22,271
114,448 22,271

Net change in cash and cash equivalents

Cash and cash equivalents at beginning of year

13

(1,064,023) 2,493,428
3,421,907 928,479
2,357,884 3,421,907

Cash and cash equivalents at end of year

Notes To The Financial Statements

for the year ended 31 March 2015

1. General information

Southern African Development Community Accreditation Service Limited is a subsidiary institution of SADC incorporated in Botswana as a company limited by guarantee that provides accreditation services to laboratories (testing and calibration), certification bodies (management systems / product / personnel) and inspection bodies.

The financial statements set out on pages 38 to 63 have been approved by the Board of Directors on 2 September 2015.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention as modified by the measurement of certain financial assets and financial liabilities at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the current events and actions, actual results may ultimately differ from those estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.1.1. Adoption of standards in the current financial year

(a) New and amended standards adopted by the company

The following new standards, amendments and interpretations to existing standards are mandatory for the company's accounting periods beginning on or after 1 April 2014.

- IAS 36: 'Impairment of assets' - address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal (effective from 1 January 2014).

Notes To The Financial Statements

for the year ended 31 March 2015

(b) New and amended standards applicable to the current period but not applicable to the company

Management assessed the relevance of the following new standards, amendments and interpretations with respect to the company's operations and concluded that they are not relevant to the company.

- IAS 32: 'Financial instruments: Presentation' - clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet (effective from 1 January 2014).
- IAS 39 on novation of derivatives - provide relief from discontinuing hedge accounting when novation of a hedging instrument to a CCP meets specified criteria. Similar relief will be included in IFRS 9: 'Financial Instruments' (effective from 1 January 2014)
- IFRS 10: 'Consolidated financial statements', IFRS 12 and IAS 27 for investment entities - amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics (1 January 2014).
- IFRIC 21: 'Accounting for levies' - sets out the accounting for an obligation to pay a levy that is not income tax (effective from 1 January 2014).

2.1.2 Adoption of standards in future financial year

(a) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company

The following new standards, amendments and interpretations to existing standards are mandatory for the company's accounting periods beginning on or after 1 April 2015. These have not been early adopted by the company.

- IFRS 9: 'Financial Instruments' (2009) - addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value (effective from 1 January 2018).
- IFRS 9: 'Financial Instruments' (2010) - include guidance on financial liabilities and derecognition of financial instruments (effective from 1 January 2018).
- IFRS 9: 'Financial instruments', on general hedge accounting - establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39 (effective from 1 January 2018).

Notes To The Financial Statements

for the year ended 31 March 2015

(a) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company (continued)

- IAS 1: 'Presentation of financial statements' - clarifies guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies (effective 1 January 2016).
- IAS 19: 'Employee benefits' - simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary (effective from 1 July 2014).
- IFRS 13: 'Fair value measurement' - IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts (effective from 1 July 2014).
- IAS 16: 'Property, plant and equipment', and IAS 38: 'Intangible assets' - Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model (effective from 1 July 2014).

Management is currently assessing the impact of the application of these new standards, amendments and interpretations on the company's financial statements in the period of initial application. At this time, the adoption of these standards and interpretations is only expected to have an impact on the classification and disclosure of items in the company's financial statements.

(b) New standards, amendments and interpretations which are not relevant to the company's operations

- IFRS 14: 'Regulatory deferral accounts' - an interim standard on the accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts') (effective from 1 January 2016).
- IFRS 2: 'Share based payment' - clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition' (effective from 1 July 2014).
- IFRS 3: 'Business combinations' - clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32: 'Financial instruments: Presentation' (effective from 1 July 2014).
- IFRS 8: 'Operating segments' - require disclosure of the judgements made by management in aggregating operating segments (effective from 1 July 2014).
- IAS 24: 'Related party disclosures' - include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (effective from 1 July 2014).

Notes To The Financial Statements

for the year ended 31 March 2015

(b) New standards, amendments and interpretations which are not relevant to the company's operations (continued)

- IAS 19: 'Employee Benefits' - clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used (effective from 1 January 2016).
- IAS 34: 'Interim Financial Reporting' - require interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report) and it specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete (effective from 1 January 2016).
- IFRS 15: 'Revenue from contracts with customers' - Establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. (effective from 1 January 2017).
- IFRS 7: 'Financial Instruments; Disclosures' - Applicability of the offsetting disclosures to condensed interim financial statements. It removes the phrase 'and interim periods within those annual periods' from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report (effective from 1 January 2016).
- IFRS 7: 'Financial Instruments; Disclosures' - clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset (effective from 1 January 2016).
- IFRS 5: 'Non-current Assets Held for Sale and Discontinued Operations' - clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan (effective from 1 January 2016).
- IAS 40: 'Investment property' - clarifies that IAS 40 and IFRS 3 are not mutually exclusive and assists preparers to distinguish between investment property and owner-occupied property (effective from 1 July 2014).
- IFRS 13: 'Fair value measurement' (Amendment) - clarifies that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts (effective from 1 July 2014).

Notes To The Financial Statements

for the year ended 31 March 2015

(b) New standards, amendments and interpretations which are not relevant to the company's operations (continued)

- IFRS 1: 'First time adoption of IFRS' (Amendment) - clarifies that, where a new version of a standard is not yet mandatory but is available for early adoption; a first-time adopter can use either the old or new version, provided the same standard is applied in all periods presented (effective from 1 July 2014).
- IAS 16; 'Property, plant and equipment' and IAS 41, 'Agriculture' on bearer plants - explains that a bearer plant not yet in the location and condition necessary to bear produce is treated as a self-constructed asset (effective 1 January 2016).
- IAS 16; 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation - clarifies that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset (effective from 1 January 2016).
- IAS 27; 'Separate financial statements' on equity accounting - restores the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (effective 1 January 2016).
- IFRS 10: 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' - eliminates the inconsistency between IFRS 10 and IAS 28. If the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business', then the full gain or loss will be recognised by the investor (effective from 1 January 2016).
- IFRS 10: 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on applying the consolidation exemption - clarifies the application of the consolidation exception for investment entities and their subsidiaries (effective 1 January 2016).
- IFRS 11: 'Joint arrangements' - adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business and specifies the appropriate accounting treatment for such acquisitions (effective from 1 January 2016).
- IFRS 3: 'Business combinations' - clarifies that the accounting for the formation of any joint arrangement under IFRS and also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself (effective from 1 July 2014).

Notes To The Financial Statements

for the year ended 31 March 2015

2.2 Foreign currency translation

2.2.1 Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Botswana Pula, which is the company's functional and presentation currency.

2.2.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.3 Property, plant and equipment

Property, plant and equipment are included at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful lives as follows:

Fixtures and fittings	10 years
Office equipment	6.67 years
Computer equipment	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

**Notes To The
Financial Statements**
for the year ended 31 March 2015

2.4 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.5 Financial assets

2.5.1 Classification

The company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. The company's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the statement of financial position.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position date.

Notes To The Financial Statements

for the year ended 31 March 2015

2.5 Financial assets (continued)

2.5.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss is initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the company's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of comprehensive income as part of other income. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income as part of other income when the company's right to receive payments is established.

Notes To The Financial Statements for the year ended 31 March 2015

2.5 Financial assets (continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The company assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the income statement.

There were no financial assets categorised as fair value through profit or loss or available for sale assets restated at the statement of financial position date.

2.5.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.5.4 Impairment of financial assets

The company assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade receivables is described in Note 2.6.

2.6 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. 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.

Notes To The Financial Statements

for the year ended 31 March 2015

2.6 Trade receivables (continued)

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited as other income in the income statement. Subsequent recoveries of amounts previously written off are credited as other income in the income statement.

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

2.8 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures 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 passage of time is recognised as interest expense.

2.9 Trade accounts payable

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

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2.11 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

2.12 Capital grants

Grant income is recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Capital grants relating to property, plant and equipment are included in non-current liabilities as capital grants and are credited to statement of comprehensive income on a straight-line basis over the expected useful lives of the related assets.

2.13 Revenue recognition

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

2.13.1 Grant income

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

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

2.13.2 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.

2.13.3 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Notes To The Financial Statements

for the year ended 31 March 2015

3. Financial risk management

3.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and other price risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out under policies approved by the Board of Directors.

(I) Market risk

(i) Foreign currency risk

In the ordinary course of business, the company enters into transactions denominated in foreign currencies. In addition the company has assets in foreign currencies which expose it to foreign exchange risk arising from various currency exposures, in particular with regard to the United States Dollar and South African Rand. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

At 31 March 2015, if the currency had weakened / strengthened by 1% against the South African Rand with all other variables held constant, post-tax profit for the year would have been P1,420 (2014: 1,395) higher / lower, mainly as a result of foreign exchange gains / losses on translation of Rand denominated bank balances.

At 31 March 2015, if the currency had weakened / strengthened by 1% against the United States Dollar with all other variables held constant, post-tax profit for the year would have been P5,395 (2014: P5,620) higher / lower, mainly as a result of foreign exchange gains / losses on translation of United States Dollar denominated bank balances.

(ii) Cash flow and fair value interest rate risk

Fluctuation in interest rates impact on the value of short-term cash investment and financing activities, giving rise to interest rate risk. The cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risk.

The company analyses its interest rate exposure. The company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used.

At 31 March 2015, if interest rates on interest-bearing assets had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been P4,856 (2014: P3,775) higher/lower, mainly as result of higher/lower interest income on interest-bearing assets.

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for the year ended 31 March 2015

3.1 Financial risk factors (continued)

(iii) Other price risk

The company is not exposed to other price risks such as equity price risk, commodity price risk, prepayment risk, and residual value risk.

(II) Credit risk

Credit risk is managed on group basis. Credit risk arises from cash and cash equivalent and deposits with banks.

The credit quality of financial assets is disclosed in Note 19.2.

(III) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, management of the company aims to maintain flexibility in funding by keeping committed credit lines available.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year P
31 March 2015	
Trade payables	436,187
Other payables and accruals	<u>1,616,140</u>
	<u>2,052,327</u>
31 March 2014	
Trade payables	286,755
Other payables and accruals	<u>1,979,396</u>
	<u>2,266,151</u>

Notes To The Financial Statements

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3.2 Fair value estimation

Financial instruments consist of trade receivables, bank and cash balances and other payables resulting from normal business operations. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

3.3 Capital risk management

Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The company does not monitor capital on the basis of the gearing ratio.

4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates and judgments concerning the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the company's accounting policies, management has made the following estimates and judgments that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within next year:

(a) Income taxes

The company is subject to income tax under the Income Tax Act in Botswana. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Residual value and useful lives of property, plant and equipment

The company determines the estimated useful lives and related depreciation charges for its plant and equipment. This estimate is based on projections about the continued existence of a market for its products and the ability of the company to penetrate a sufficient portion of that market in order to operate profitably. The company increases the depreciation charge where the useful lives are less than previously estimated, or it will appropriately impair, technically obsolete or non-strategic assets that have been abandoned or identified for sale.

Residual values are based on current estimates of the value of these assets at the end of their useful lives.

(c) Impairment loss on trade receivables

The company reviews its debtors to assess impairment on a continuous basis. In determining whether an impairment loss should be recorded in the income statement, the company makes judgments as to whether there is any observable data indicating that there is measurable decrease in estimated cash flows from debtors. Management uses estimates based on historical loss experience of assets. The assumptions used for estimating the amount and timing of cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Notes To The Financial Statements

for the year ended 31 March 2015

5	Income	2015 P	2014 P
	Transferred from deferred income (Note 15)	2,555,195	2,223,216
	Transferred to capital grants (Note 14)	(114,448)	(22,271)
	Accreditation application fees	98,702	119,243
	Assessment fees	2,438,970	1,371,575
	Annual accreditation fees	899,324	829,436
		<u>5,877,743</u>	<u>4,521,199</u>
6	Other operating income (net)	2015 P	2014 P
	Capital grants amortised during the year (Note 14)	69,346	102,164
	Exchange gain	121,270	60,342
	Profit on disposal of property, plant and equipment	565	-
	Training income	1,781,412	1,202,277
	Training expenses	(942,206)	(704,991)
		<u>1,030,387</u>	<u>659,792</u>
7	Operating surplus/ (deficit)	2015 P	2014 P
	The following items have been charged/ (credited) in arriving at operating surplus/(deficit) :		
	Auditors' remuneration	85,000	88,664
	Depreciation	69,346	102,164
	Operating lease payable- property	401,238	364,762
	Repairs and maintenance	8,277	-
	Reversal of impairment of trade receivables	-	(159,612)
	Staff costs	2,983,452	2,344,400
	Staff costs comprise:		
	Salaries	2,885,858	2,310,405
	Staff training	97,594	33,995
		<u>2,983,452</u>	<u>2,344,400</u>

Notes To The Financial Statements

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8	Finance income	2015 P	2014 P
	Interest income - bank deposits	57,381	39,747

9	Income tax expense	2015 P	2014 P
	Botswana company tax	-	-
	- Botswana company tax at 22%	-	-
	Deferred income tax charge (Note 12)	(4,881)	-
	Tax credit for the year	(4,881)	-

The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2015 P	2014 P
Profit before income tax	121,270	-
Tax calculated at a tax rate of 22%	26,679	-
Expenses not deductible for tax purposes	568,231	-
Income not subject to tax	(599,791)	-
Tax credit for the year	(4,881)	-

The company has submitted an application to Government of Botswana in order to obtain diplomatic status on the basis that the company is a SADC subsidiary organisation. Once the diplomatic status is granted, the company will be exempt from income tax under Paragraph (iii) of the Part (I) of the Second Schedule to the Income Tax Act. Management confirms that the SADCAS application for Diplomatic Immunities and Privileges is still being pursued with the host government of Botswana. On the basis of instruction received from Botswana Unified Revenue Service (BURS), SADCAS has registered for income tax, VAT and PAYE with effect from 1 June 2014. Directors believe that the company will not be liable for income tax, VAT or PAYE for the period prior to registration.

Notes To The Financial Statements

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10 Property, plant and equipment

	Computer equipment P	Fixtures and fittings P	Office equipment P	Total P
At 1 April 2013				
Cost	520,656	306,245	102,994	929,895
Accumulated depreciation	(454,322)	(130,362)	(56,007)	(640,691)
Net book amount	<u>66,334</u>	<u>175,883</u>	<u>46,987</u>	<u>289,204</u>
Year ended 31 March 2014				
Opening net book amount	66,334	175,883	46,987	289,204
Additions	9,805	12,466	-	22,271
Depreciation	(56,048)	(30,667)	(15,449)	(102,164)
Closing net book amount	<u>20,091</u>	<u>157,682</u>	<u>31,538</u>	<u>209,311</u>
At 31 March 2014				
Cost	530,461	318,711	102,994	952,166
Accumulated depreciation	(510,370)	(161,029)	(71,456)	(742,855)
Net book amount	<u>20,091</u>	<u>157,682</u>	<u>31,538</u>	<u>209,311</u>
Year ended 31 March 2015				
Opening net book amount	20,091	157,682	31,538	209,311
Additions	78,456	32,272	3,720	114,448
Disposals	(43,827)	-	(3,296)	(47,123)
Depreciation on disposals	43,827	-	3,296	47,123
Depreciation	(20,411)	(33,247)	(15,688)	(69,346)
Closing net book amount	<u>78,136</u>	<u>156,707</u>	<u>19,570</u>	<u>254,413</u>
At 31 March 2015				
Cost	565,090	350,983	103,418	1,019,491
Accumulated depreciation	(486,954)	(194,276)	(83,848)	(765,078)
Net book amount	<u>78,136</u>	<u>156,707</u>	<u>19,570</u>	<u>254,413</u>

Notes To The Financial Statements

for the year ended 31 March 2015

11 Trade and other receivables

Trade Receivables
Other receivables
Deposits
Prepayments

2015	2014
P	P
305,920	422,081
5,738	1,376
24,311	24,311
32,574	15,784
<u>368,543</u>	<u>463,552</u>

The carrying amounts of receivables approximate their fair values due to their short-term nature.

As of 31 March 2015, trade receivables of P305,920 (2014: P422,081) were fully performing.

As of 31 March 2015, trade receivables does not contain past due or impaired assets.

Trade receivables include the following amount denominated in foreign currencies:

US Dollars

2015	2014
P	P
<u>132,614</u>	<u>137,509</u>

Movements on the company provision for impairment of trade receivables are as follows:

At 1 April
Reversal of impairment of trade receivables
At 31 March

2015	2014
P	P
-	159,612
-	(159,612)
<u>-</u>	<u>-</u>

The creation of provision for impaired receivables have been included in 'operating surplus / (deficit)' in the income statement (Note 7). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The other classes within other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above and is further analysed in Note 19. The company does not hold any collateral as security.

12 Deferred income tax asset

Deferred income taxes are calculated on all temporary timing differences under the liability method using a principal tax rate of 22% (2014: 0%).

**Notes To The
Financial Statements**
for the year ended 31 March 2015

12	Deferred income tax asset (continued)	2015	2014
		P	P
	Deferred tax liabilities are attributable to the following:		
	Accelerated capital allowances	4,881	-
		<hr/>	<hr/>
	The movement of the deferred tax account is as follows:		
	At beginning of year	-	-
	Charged to income statement (Note 9)	4,881	-
	At end of year	4,881	-
		<hr/>	<hr/>
13	Cash and cash equivalents	2015	2014
		P	P
	Bank balances	2,357,651	3,420,858
	Cash on hand	233	1,049
		<hr/>	<hr/>
		2,357,884	3,421,907
		<hr/>	<hr/>
	For the purposes of the cash flow statement, the cash and cash equivalents comprise the following:		
		2015	2014
		P	P
	Cash and bank balances	2,357,884	3,421,907
		<hr/>	<hr/>
	The company's cash and cash equivalents include the amounts denominated in following foreign currencies:		
		2015	2014
		P	P
	US Dollars	405,125	425,172
		<hr/>	<hr/>
14	Capital grants	2015	2014
		P	P
	At 1 April	209,312	289,205
	Capital grants transferred (Note 5)	114,448	22,271
	Capital grants amortised during the year (Note 6)	(69,346)	(102,164)
	At 31 March	254,414	209,312
		<hr/>	<hr/>

Notes To The Financial Statements

for the year ended 31 March 2015

15	Deferred income	2015 P	2014 P
	At 1 April	2,093,425	-
	Grant income received	1,488,717	4,316,641
	Transferred to income statement (Note 5)	(2,555,195)	(2,223,216)
	At 31 March	<u>1,026,947</u>	<u>2,093,425</u>

16	Trade and other payables	2015 P	2014 P
	Trade payables	436,187	286,755
	Other payables	406,312	740,281
	Refundable deposits	996,295	971,537
	Accrued expenses	213,533	267,578
		<u>2,052,327</u>	<u>2,266,151</u>

The company's trade and other payables are denominated in following foreign currencies:

	2015 P	2014 P
US Dollars	142,077	460,757
South African Rands	143,720	139,464
	<u>285,797</u>	<u>600,221</u>

17	Cash (used in) / generated from operations	2015 P	2014 P
	Operating surplus/ (deficit)	63,889	(4,457)
	Adjustments for:		
	- Transfer from deferred income (Note 5)	(2,555,195)	(2,223,216)
	- Capital grants amortised during the year (Note 6)	(69,346)	(102,164)
	- Depreciation on property, plant and equipment (Note 10)	69,346	102,164
	- Profit on disposal of property, plant and equipment	(565)	-
		<u>(2,491,871)</u>	<u>(2,227,673)</u>
	Changes in working capital:		
	- Trade and other receivables	95,009	(189,883)
	- Deferred income	1,488,717	4,316,641
	- Trade and other payables	(213,824)	554,596
	Cash (used in) / generated from operations	<u>(1,121,969)</u>	<u>2,453,681</u>

Notes To The Financial Statements

for the year ended 31 March 2015

18 Contingent liabilities

There were no contingent liabilities as at the financial position date.

19 Analysis of financial instruments

19.1 Financial instruments by category

Loans and receivables

Trade and other receivables excluding prepayments

Cash and cash equivalents

Financial liabilities at amortised cost

Trade and other payables

	2015 P	2014 P
	335,969	447,768
	2,357,884	3,421,907
	<u>2,693,853</u>	<u>3,869,675</u>
	<u>2,052,327</u>	<u>2,266,151</u>

19.2 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates;

Trade receivables

Group 1

Other receivables excluding prepayments

Not rated

	2015 P	2014 P
	305,920	422,081
	30,049	25,687

Key:

Group 1 – existing customers (more than 6 months) with no defaults in the past.

Cash at bank and short-term bank deposits

First National Bank of Botswana Limited

	2015 P	2014 P
	2,357,651	3,420,858

Credit risk consists mainly of cash deposits, cash equivalents, trade receivables and other receivables. The company maintains deposits and balances only with major banks with high credit standing and limits exposure to any counter-party. The company has deposits with First National Bank of Botswana Limited. There are no credit ratings available in Botswana. First National Bank of Botswana is listed on Botswana Stock Exchange and is a subsidiary of First Rand Limited Group of South Africa, which is listed in the Johannesburg Stock Exchange. None of the financial assets that are fully performing has been renegotiated during the year.

Notes To The Financial Statements

for the year ended 31 March 2015

20 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.

21 Expenses by nature

Accreditation expenses
Advertising, branding and marketing
Auditors' remuneration
Consulting and twinning fees
Depreciation (Note 10)
Governance
International participation
NAFP costs
Other expenses
Postage, printing and stationery
Reversal of impairment of trade receivables
Rent
Staff costs (Note 7)
Telephone, fax and internet
Training expenses
Travel and subsistence expenses

	2015 P	2014 P
	1,780,741	1,235,682
	117,175	125,902
	85,000	88,664
	209,471	161,762
	69,346	102,164
	275,415	231,550
	135,132	123,178
	-	4,766
	374,589	278,676
	114,792	70,664
	-	(159,612)
	401,238	364,762
	2,983,452	2,344,400
	102,733	90,051
	942,206	704,991
	195,157	122,839
	<u>7,786,447</u>	<u>5,890,439</u>

22 Commitments

(a) Capital commitments

There were no capital commitments at the end of the year.

(b) Operating lease commitments - where the company is the lessee

The company rents office space under cancellable operating sub lease agreements. Rent is renegotiated on an annual basis. The lease expenditure charged to the income statement during the year is disclosed in Note 7.

The future minimum lease payments payable under cancellable operating leases are as follows;

	2015 P	2014 P
No later than 1 year	<u>441,364</u>	<u>401,238</u>

23 Events after the reporting period

There were no events that occurred after the reporting period which require adjustments to or disclosure in the financial statements.

Annexure I - Detailed Income Statement

for the year ended 31 March 2015

Income

Accreditation application fees
 Assessment fees
 Annual accreditation fees
 Transferred from deferred income
 Transferred to capital grants

Direct expenses

Accreditation expenses

Other operating income - net

Capital grants amortised during the year
 Exchange gain
 Profit on disposal of property, plant and equipment
 Training income
 Training expenses

Administrative expenses

Accounting fee
 Advertising, branding and marketing
 Auditors' remuneration
 Bank charges
 Cleaning
 Computer expenses
 Consulting and twinning fees
 Depreciation
 Entertainment
 General expenses
 Governance
 Insurance
 International participation
 NAFP costs
 Network support
 Penalties
 Postage, printing and stationery
 Reversal of impairment of trade receivables
 Rent
 Repairs and maintenance
 Secretarial services
 Staff costs
 Staff training
 Telephone, fax and internet
 Translation of policies and procedures
 Travel and subsistence expenses
 Website maintenance
 Withholding tax on interest

Operating surplus/ (deficit)

	2015 P	2014 P
Income		
Accreditation application fees	98,702	119,243
Assessment fees	2,438,970	1,371,575
Annual accreditation fees	899,324	829,436
Transferred from deferred income	2,555,195	2,223,216
Transferred to capital grants	(114,448)	(22,271)
	<u>5,877,743</u>	<u>4,521,199</u>
Direct expenses		
Accreditation expenses	1,780,741	1,235,682
	<u>4,097,002</u>	<u>3,285,517</u>
Other operating income - net		
Capital grants amortised during the year	69,346	102,164
Exchange gain	121,270	60,342
Profit on disposal of property, plant and equipment	565	-
Training income	1,781,412	1,202,277
Training expenses	(942,206)	(704,991)
	<u>1,030,387</u>	<u>659,792</u>
Administrative expenses		
Accounting fee	5,069	3,541
Advertising, branding and marketing	117,175	125,902
Auditors' remuneration	85,000	88,664
Bank charges	34,820	38,390
Cleaning	13,775	12,714
Computer expenses	12,096	18,816
Consulting and twinning fees	209,471	161,762
Depreciation	69,346	102,164
Entertainment	11,405	10,368
General expenses	37,979	30,544
Governance	275,415	231,550
Insurance	66,607	63,799
International participation	135,132	123,178
NAFP costs	-	4,766
Network support	78,329	71,509
Penalties	3,714	-
Postage, printing and stationery	114,792	70,664
Reversal of impairment of trade receivables	-	(159,612)
Rent	401,238	364,762
Repairs and maintenance	8,277	-
Secretarial services	9,024	6,988
Staff costs	2,885,858	2,310,405
Staff training	97,594	33,995
Telephone, fax and internet	102,733	90,051
Translation of policies and procedures	73,334	-
Travel and subsistence expenses	195,157	122,839
Website maintenance	20,160	18,032
Withholding tax on interest	-	3,975
	<u>5,063,500</u>	<u>3,949,766</u>
Operating surplus/ (deficit)	<u>63,889</u>	<u>(4,457)</u>

This detailed income statement does not form part of the audited financial statements covered by the audit opinion on page 37.





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