ACRONYMS AND ABBREVIATIONS

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

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VISION, MISSION, MANDATE, COMPANY VALUES & VALUE PROPOSITION

VISION

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

MISSION

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

MANDATE

SADCAS draws its mandate from Article 15 B of the Technical Barriers to Trade (TBT) Annex to the SADC Protocol on Trade. SADCAS is recognized by the 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.

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.

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

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

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

Integrity
We act with honesty and integrity.

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

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.

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.

CORPORATE PROFILE

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 17021-1;**
- Inspection bodies in accordance with **ISO/IEC 17020;**
- Product certification bodies in accordance with **ISO/IEC 17065**; and
- Personnel certification bodies in accordance with **ISO/IEC 17024**.

SADCAS will broaden its scope of accreditation as needs arise.

Training services

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

SADCAS offers the following training courses:

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

1. A full member of the International Laboratory Accreditation Cooperation (ILAC).
2. An accreditation body member of the International Accreditation Forum (IAF).
3. An arrangement member of the African Accreditation Cooperation (AFRAC).
4. An ordinary member of SADC Cooperation in Accreditation (SADCA).

GENERAL INFORMATION

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SADCAS Registration Number – 2005/6912
SADCAS Registered Office

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BOARD OF DIRECTORS

Front Row, Left to Right: Mrs Maureen Primrose Mutasa, Chief Executive Officer; Ms Verily Kearoma Molatedi, Vice Chairman; Ms Boitumelo Gofhamodimo, Member

Back Row, Left to Right: Mr Manuel Mutale, Member; Mr Alfredo Filipe Sitoe, Member; Mr Steven Bruce Sidney, Chairman; Mr Davlin Moyenda Damaziel Chokazinga, Member; Mr Emmanuel Jinda, Member

BOARD OF DIRECTORS MEETINGS ATTENDANCE

During the 2015/16 financial year, the SADCAS Board of Directors held four meetings, one of which was a special Board meeting. The records of attendance to these meetings are shown in Table 1.

Table 1 – Record of Attendance to Board Meetings Held During the 2015/16 Financial Year

Name	Status	Meeting Dates			
		2015-05-07	2015-09-02	2016-02-18	2016-03-15 (Special)
Mr Steven Bruce Sidney ***Chairman***	Non - Executive Director	✓	✓	✓	✓
Ms Verily Kearoma Molatedi ***Vice Chairman***	Non - Executive Director	Apology	✓	✓	✓
Mr Emmanuel Jinda	Non - Executive Director	✓	✓	✓	✓
Ms Boitumelo Gofhamodimo	Non - Executive Director	✓	Apology	Apology	Apology
Mr Alfredo Filipe Sitoe	Non - Executive Director	✓	✓	✓	✓
Mr Davlin Moyenda Damaziel Chokazinga	Non - Executive Director	✓	✓	✓	✓
Mr Manuel Mutale ***(Appointed 14 April 2016)***	Non - Executive Director	✓	✓	Apology	✓
Mrs Maureen Primrose Mutasa	Executive Director	✓	✓	✓	✓

NATIONAL ACCREDITATION FOCAL POINTS OFFICES

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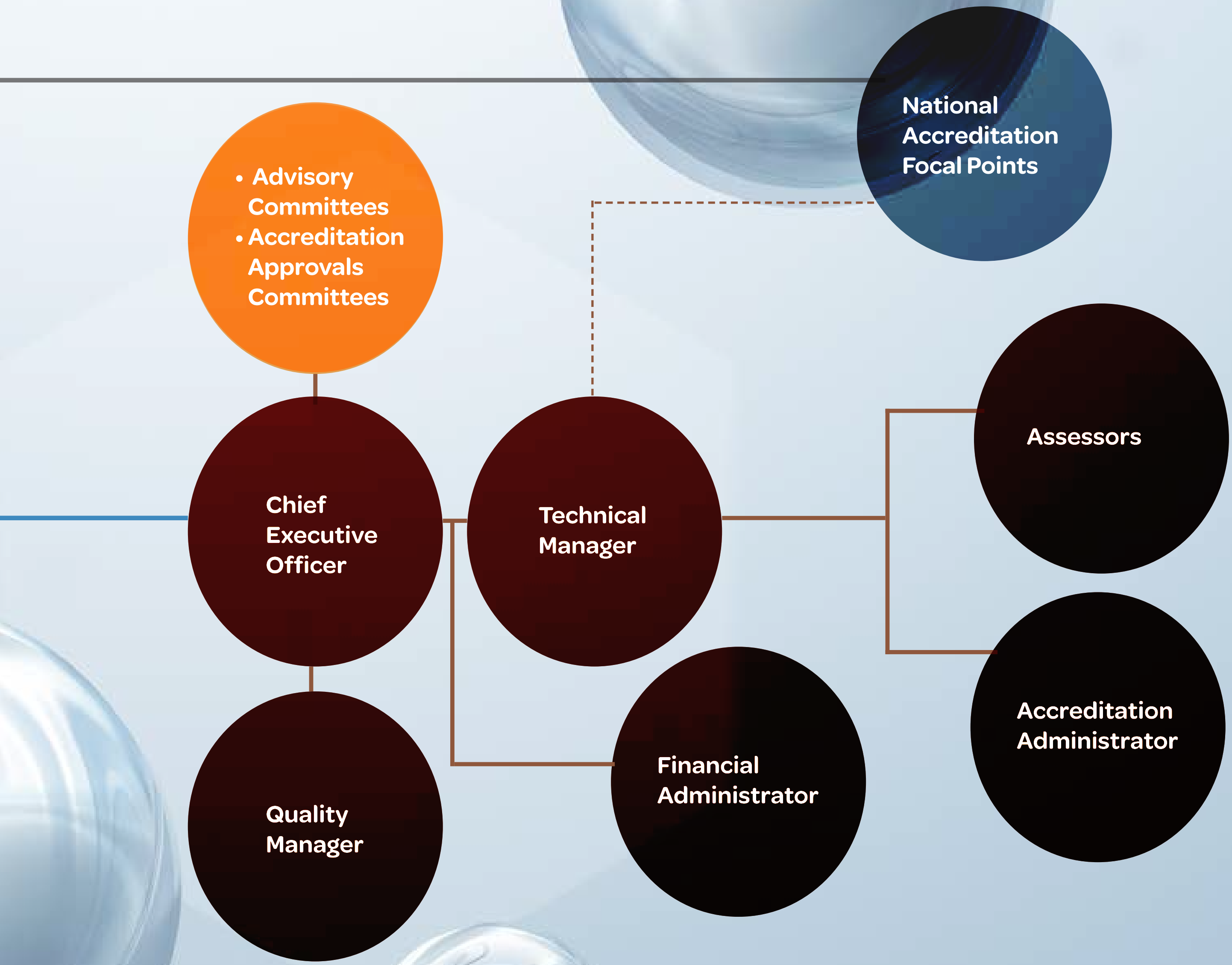
ORGANIZATIONAL STRUCTURE


National Accreditation Focal Points
• Advisory Committees
• Accreditation Approvals Committees
Chief Executive Officer
Technical Manager
Assessors
Accreditation Administrator
Financial Administrator
Quality Manager

MANAGEMENT AND STAFF

Mrs Maureen Primrose Mutasa
CHIEF EXECUTIVE OFFICER

Ms Jeanne Françoise Ranorovelo
TECHNICAL MANAGER

Mrs Laureen Rutendo Gudo
FINANCIAL ADMINISTRATOR

Mrs Pinkie Malebe
LEAD ASSESSOR

Mrs Eva Muronda
LEAD ASSESSOR

Ms Linda Dirorimwe
ACCREDITATION ADMINISTRATOR

Mrs Tsitsi Mazibuko
ACCREDITATION ADMINISTRATOR

Mr Mogae Molaoa
ADMINISTRATIVE ASSISTANT

NATIONAL ACCREDITATION FOCAL POINTS

NAFP
ANGOLA

Mrs Indira Coelho
Verissimo E Costa

NAFP
BOTSWANA

Mr Edward
Mmatli

NAFP
DEMOCRATIC REPUBLIC OF CONGO

Mr Viki Mbuya
Kanama

NAFP
LESOTHO

Mr Azael
Motjoka Makara

NAFP
MADAGASCAR

Mr Séraphin
Andrianantanarivo
Razafimahaly

NAFP
MALAWI

Mr Patrician
Kondowe

NATIONAL ACCREDITATION FOCAL POINTS

NAFP
MOZAMBIQUE

Mrs Guilhermina Nhampulo

NAFP
NAMIBIA

Ms Jaanda Maharero

NAFP
SEYCHELLES

Mrs Amy Quatre

NAFP
SWAZILAND

Mrs Sthembiso Sybil Dlamini

NAFP
TANZANIA

Ms Stella Mrosso

NAFP
ZAMBIA

Mr Moses Ngosa

NAFP
ZIMBABWE

Ms Riyana Chibanda

CHAIRMAN'S STATEMENT

Steven Bruce Sidney

I am pleased to report on the significant progress made during the 2015/16 financial year in fulfilling SADCAS's mandate. SADCAS's business continues to grow both in terms of field, sector and scope of accreditation as well as geographical coverage. Income from operations has been increasing whilst dependency on government funding has been reducing. SADCAS the first multi economy accreditation body in the world achieved a major milestone in the short history of its existence. SADCAS was accepted as a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement (ILAC MRA) for the testing and calibration laboratories accreditation programs having undergone the rigorous process of peer evaluation in May 2015. The decision was reached on 4 November 2015 in Milan, Italy and having already been accepted into the African Accreditation Cooperation Mutual Arrangement (AFRAC MRA) on 8 October 2015. With this achievement, the accreditation certificates issued by SADCAS for testing and calibration laboratories are internationally recognized. Meanwhile SADCAS is working towards signatory status of its other accreditation programs whose credibility currently hinges on the Twinning Partnership Arrangements with the South African National Accreditation System (SANAS) and the Tunisian Accreditation Council (TUNAC). A detailed report of the activities undertaken during the period under review is contained in the Chief Executive Officer's (CEO) report.

Regarding governance issues, the SADCAS Board of Directors held four (4) meetings; May 2015, September 2015, February 2016 and March 2016. During the meetings the Board considered and approved the 2015/16 annual implementation plan, the audited financial statements for the year ended 31 March 2015, the recommendations from the Job Evaluation and Salary Structuring exercise, the SADCAS risk profile and the 2016/17 budget. Due to the cancellation of the November 2015 meeting, the 2014/15 annual report was approved electronically. The Board also discussed strategic issues and in particular measures to improve Government contributions inflows and closely monitored the cash flow. The Chief Executive Officer reported on the activities of SADCAS thus enabling the Board to monitor progress on the implementation of the 2015/16 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 three times respectively to discuss matters relating to their scope as defined in their respective Terms of Reference. Detailed reports of the Board Committees' activities undertaken during the period under review are contained in the respective Committee Chair's report.

On Board membership, Mr Manuel Mutale from Zambia was co-opted to the SADCAS Board of Directors in April 2015 and subsequently elected as a member at the 11th Annual General Meeting held in March 2016. Mr Mutale is the Executive Director of the Zambia Bureau of Standards (ZABS) and is a Fellow of the Chartered Certified Accountants (UK) and the Zambia Institute of Chartered Accountants. Mr Mutale was co-opted to provide expertise in financial matters hence sits on the FRAC. Ms Boitumelo Gofhamodimo, the Director Trade, Industry, Finance and Investment (TIFI) at the SADC Secretariat was appointed to the Board in August 2012 to represent the SADC Secretariat and to provide expertise on national and regional public policy was elected to serve her 2nd three year term. Regrettably Ms Likonelo Lebone who provided legal and fiduciary oversight retired from the Board. This expertise will be outsourced as and when required. The SADCAS Board therefore now comprises of 7 members, 6 of whom are Non - Executive members.

Please join me in congratulating Mrs Maureen Mutasa, the CEO and staff for being the first multi-economy accreditation body to achieve signatory status. It is through management and staff hard work, skills and dedication to goal achievement that SADCAS realized this major milestone. I would also like to pay tribute to the NAFPs for promoting accreditation and marketing SADCAS services, Advisory Committees for their technical input, the SADCAS Board of Directors and the General Assembly members for their guidance, our cooperating partners and the governments of the SADC Member States that we service for all their contributions towards SADCAS sustainability and successes. Last but not least SADCAS clients and all those we do business with, thank you for your confidence in our services.

Steven Bruce Sidney

CHAIRMAN SADCAS
BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER'S REPORT

Summary

SADCAS recorded further significant developments during the financial year beginning 1 April 2015 to 31 March 2016 with generally good progress being made against the 2015/16 Annual implementation and activity plans and the five year strategic plan approved and launched in 2012.

SADCAS the first multi economy accreditation body in the world was on 4 November 2015 accepted as a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement (ILAC MRA) for the testing and calibration laboratories accreditation programs having already been accepted into the African Accreditation Cooperation Mutual Recognition Arrangement (AFRAC MRA) on 8 October 2015. Consequently SADCAS membership in ILAC and AFRAC was upgraded to Full member and Arrangement member in the respective Arrangements. With this achievement, the accreditation certificates issued by SADCAS for testing and calibration laboratories are internationally recognized.

Meanwhile the credibility of the other accreditation programs hinges on the Twinning Partnership Arrangements with the South African National Accreditation System (SANAS) and Tunisian Accreditation Council under which 2 accreditation certificates are issued with the SANAS and TUNAC certificates being internationally recognized as SADCAS works towards international recognition.

SADCAS business continues to grow not only in terms of field and scope of accreditation but also in terms of sector and geographical coverage. The following is a summary of the achievements in each of the five key result areas agreed for the 2015/16 financial year.

Mrs Maureen Primrose Mutasa

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

Number of accreditations increased in terms of field and scope of accreditations as well as sector coverage with 50 accredited facilities from 8 SADC Member States as at 31 March 2016.

Tanzania and Zimbabwe had the highest number of accreditations at 13 each followed by Botswana (12); Namibia (5); Zambia (3); Seychelles (2); Swaziland (1); and Mozambique (1). Accreditations grew by 39% with 14 facilities being accredited during the period under review from Botswana (5); Zimbabwe (4); Tanzania (3); Namibia (1) and Zambia (1). Most of the facilities accredited during the year are testing laboratories (8) followed by the medical laboratories (4), calibration laboratory (1) and one inspection body. At the same time SADCAS had 30 accreditation applications from 8 countries under process of which 7 are from SADC countries namely; Democratic Republic of Congo (DRC) (7), Zimbabwe (7), Botswana (5), Tanzania (5), Zambia (2), Namibia (1), Angola (1), Madagascar (1) and one from a non SADC country Ghana (1), at various stages of processing.

Notably applications were received from Angola and Madagascar accounting for the increased geographical diversity of SADCAS services. Refer to Figures 1, 2, 3, 4 and 5. A further 17 expressed interests in accreditation are being handled.

Figure 1 - Number of Accredited Facilities by Country

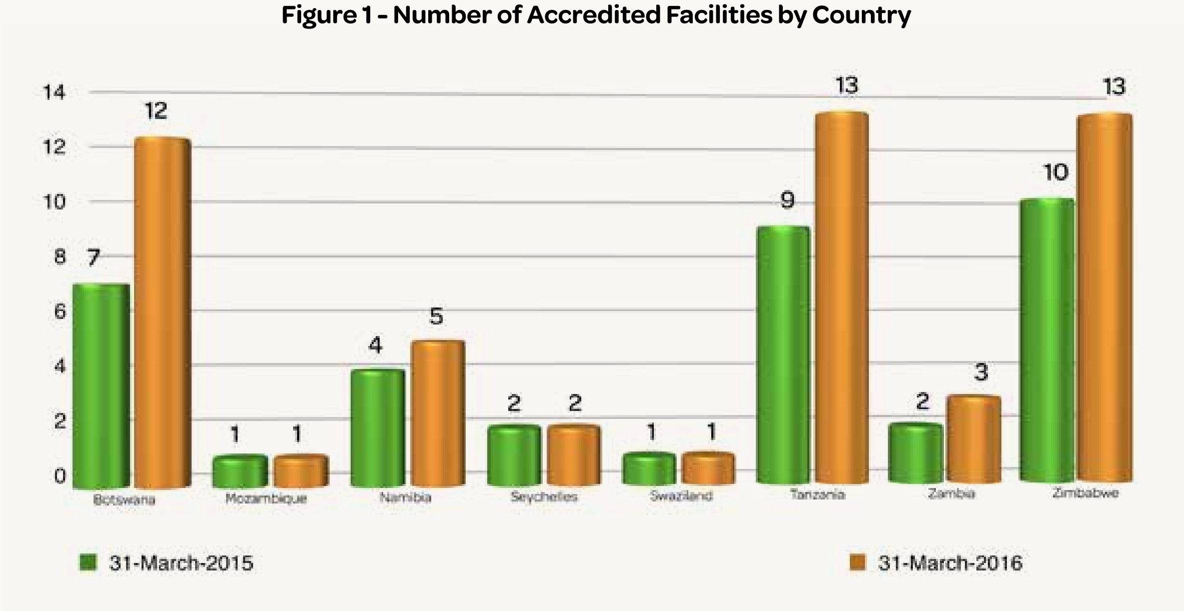
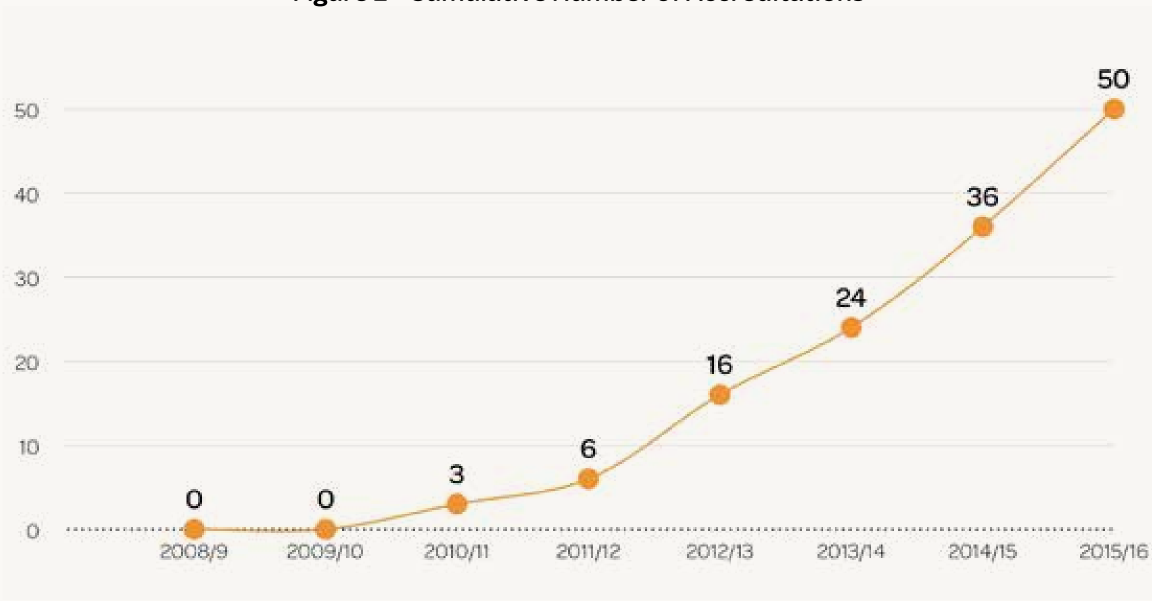


Figure 2 - Cumulative Number of Accreditations



CHIEF EXECUTIVE OFFICER'S REPORT

Figure 3 - Number of Accredited Facilities by Field

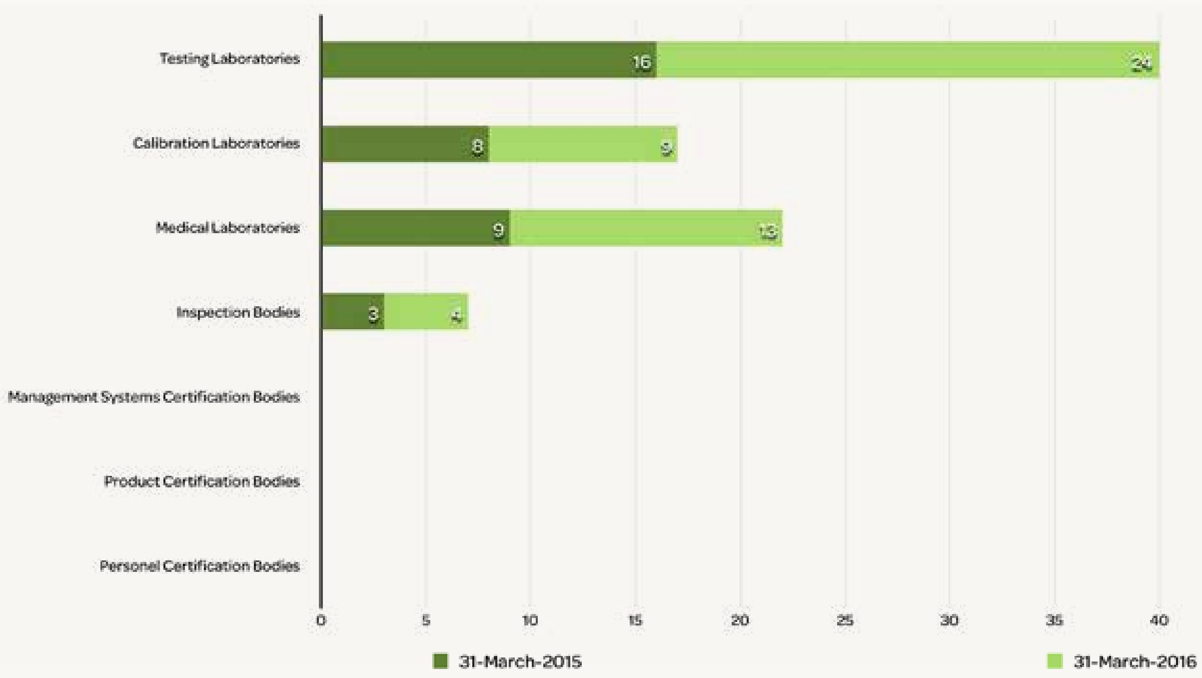


Figure 4 - Number of Accredited Facilities by Sector

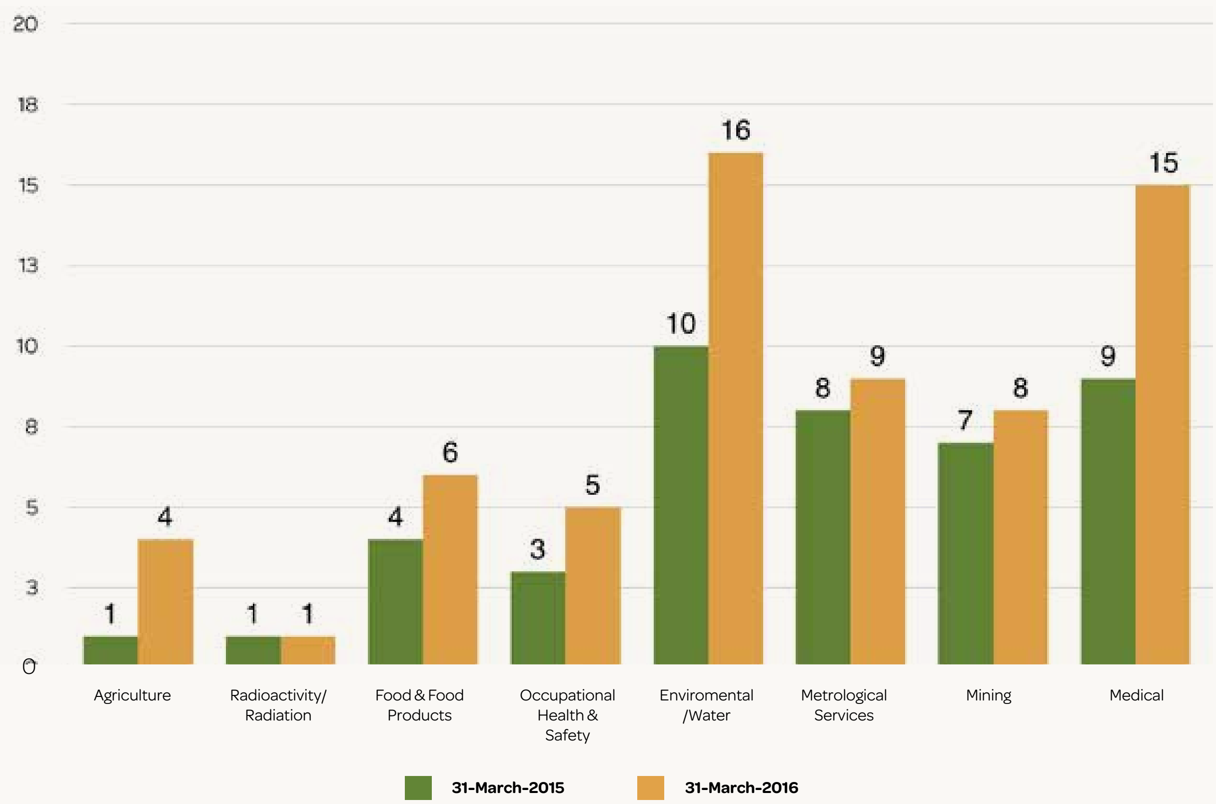
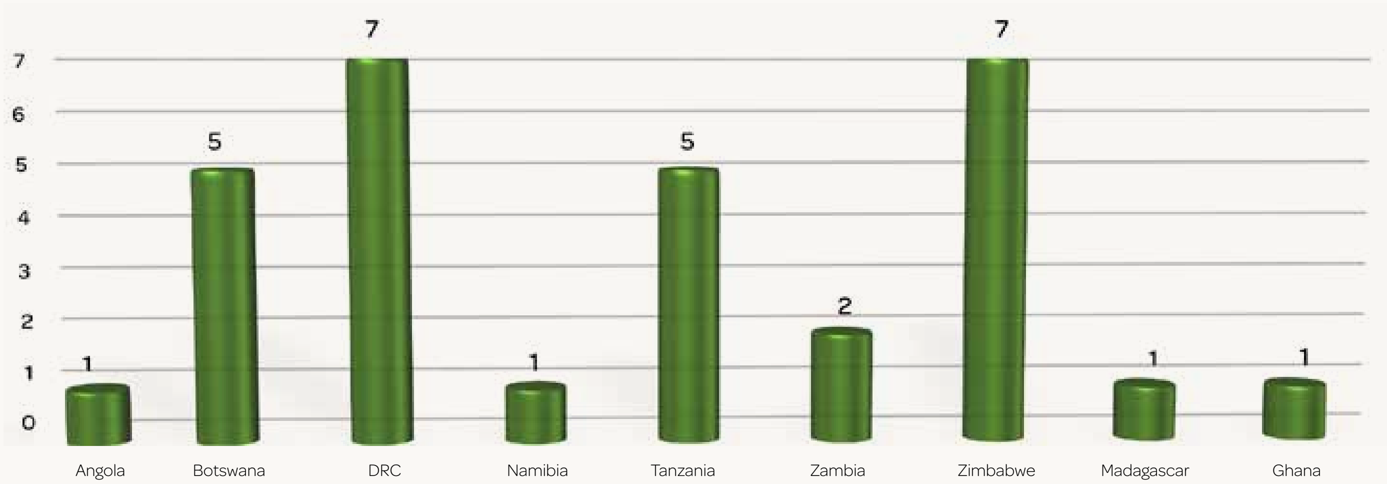


Figure 5 - Number of Accreditation Applications under process by Country as at 31 March 2016



Training activities also increased over the period both in terms of scope and geographical coverage with 17 training courses being held during the period under review of which 5 were held in Botswana, one in Lesotho being the first training course held by SADCAS in that country, 2 in Mozambique, 1 in Namibia, 3 in Swaziland, 2 in Tanzania and 3 in Zambia. Six of the training courses held were under the auspices of PTB/SADC SQAM Support Project on Strengthening Quality infrastructure for Trade Enhancement, Competitiveness and Consumer Protection in SADC. Phase 1 of the project was on training of management and staff of testing laboratories operating under the mining and mineral processing sector in 3 countries namely: Botswana, Mozambique and Zambia. By 31 March 2016, SADCAS had cumulatively conducted 104 training courses in 12 SADC Member States namely: Botswana (22); DRC (12); Lesotho (1); Malawi (2); Mozambique (5); Namibia (13); Seychelles (3); South Africa (3); Swaziland (7); Tanzania (12); Zambia (10) and Zimbabwe (14). Training courses are generic and designed to promote accreditation and an understanding of the accreditation requirements. Most of the training courses were on ISO/IEC 17025 (65), ISO 15189 (15), ISO/IEC 17020 (17), ISO/IEC 17021 (4), Method Validation & Measurement Uncertainty (MV & MU) (2) and other (1). Training activities grew by 20%. Refer to Figures 6, 7 and 8. Over 1600 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 6 - Training courses breakdown by Country

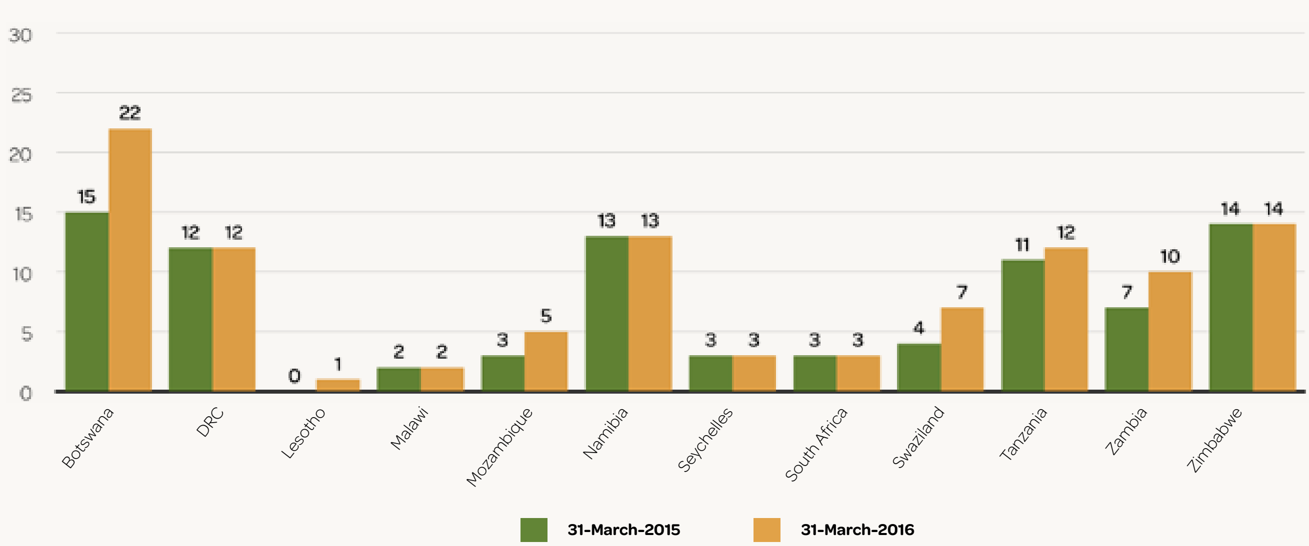


Figure 7 - Training Courses by Field

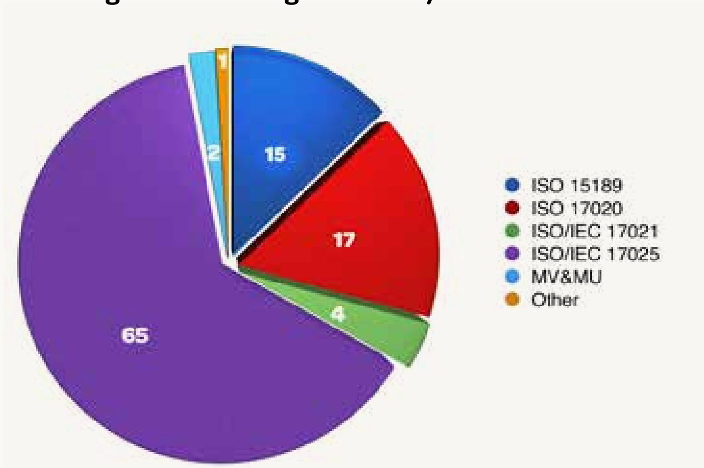
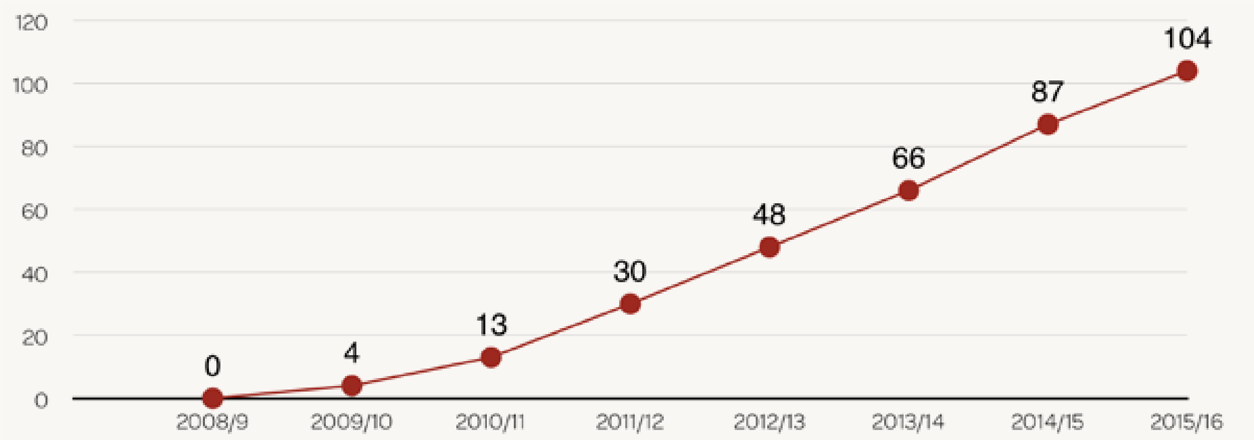


Figure 8 - Cumulative Number of Training Courses



The Advisory Committee for inspection bodies in Zimbabwe which is chaired by Engineer Ngoni Chirinda held its 5th meeting during which members recommended the criteria for the accreditation of inspection bodies performing inspection of metallic storage tanks for approval by SADCAS. The criteria document TR 13 was subsequently published and SADCAS now awaits applications for accreditation in the scope. Efforts are now directed towards the establishment of criteria for bodies performing inspection of lifting equipment. The SADCAS – Regulator model adopted in Zimbabwe is working well and other countries are encouraged to benchmark on the model which is based on a bilateral Memorandum of Understanding between SADCAS, the accreditation body, and the regulator. The Memorandum of Understanding buttresses the relation between SADCAS and the regulators and details how SADCAS services will be utilized in the regulatory domain. The Advisory Committees for the Testing and Calibration Laboratories Programmes are now set to have their first meetings in December 2016. Advisory Committees play a valuable role in supporting and guiding SADCAS and their input is appreciated.

A number of new Quality Management System (QMS) documents were developed with others being revised to ensure suitability in service delivery. In order to monitor the effectiveness and continued suitability of the SADCAS QMS and compliance with ISO/IEC 17011 and ILAC and IAF documents, a management review was undertaken in November 2015. The review concluded positively on the suitability and effectiveness of the system which was reaffirmed by the results of the customer satisfaction survey undertaken during 2015/16 where 100% rated SADCAS overall accreditation services from good to excellent with 78% rating from very good to excellent. An improvement was noted in the rating for professionalism of the assessment team. Two complaints were received during the period under review bringing the total number of complaints to 5 since SADCAS started offering services. Refer to Figure 9.

Figure 9 - Overall Satisfaction on Accreditation Services Received 2015/16 Year

Enhance global acceptance of SADC products and services

SADCAS was on 4 November 2015 accepted as a signatory to the International Laboratory Accreditation Mutual Recognition Arrangement (ILAC MRA) for the testing and calibration laboratories accreditation programs having already been accepted into the African Accreditation Cooperation Mutual Recognition Arrangement (AFRAC MRA) on 8 October 2015 following the rigorous joint peer evaluation by ILAC and AFRAC. With this achievement, the accreditation certificates issued by SADCAS for testing and calibration laboratories now internationally recognized. Meanwhile the credibility of the other accreditation programs hinges on the Twinning Partnership Arrangements with the South African National Accreditation System (SANAS)/Tunisian Accreditation Council (TUNAC) under which 2 accreditation certificates are issued with the SANAS/TUNAC certificates being internationally recognized as SADCAS works towards international recognition. SADCAS is set to be peer evaluated for scope extension to Medical Laboratories and Inspection Bodies accreditation programmes in 2017.

Implementation of the Twinning Partnership Agreement with the Tunisian Accreditation Council which was entered into in 2014 progressed well with 7 applications from the Democratic Republic of Congo (DRC) under process. Following the achievement of signatory status in the ILAC MRA for testing and calibration the TPA will be revised in due course. Efforts are underway to enable SADCAS to service the accreditation needs of SADC countries where Portuguese is the official language with training of assessors ongoing and QMS documents to be translated during the 2016/17 financial year.

Consequently SADCAS membership in ILAC and AFRAC was upgraded to Full member and Arrangement member in the respective bodies. SADCAS was admitted as an accreditation body member of the International Accreditation Forum (IAF) and maintained its membership status of Ordinary member in the SADC Cooperation in Accreditation (SADCA) which is yet to launch its Mutual Recognition Arrangement.

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

Generally promotional and marketing activities have been undertaken as scheduled and planned and have contributed to increasing awareness on the importance and benefits of accreditation with over 100 targeted marketing visits being undertaken by SADCAS office and National Accreditation Focal Points (NAFPs) in all the SADC Member States serviced by SADCAS except Namibia, 17 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 2015 and the 7th SADCAS 2014/15 annual report were published during the period under review. A total of 20 press releases and announcements were uploaded on the SADCAS website. Another pamphlet for the Product Certification Bodies Accreditation Programme (CBAP – Prod) was published in the 3 official languages used in the SADC region i.e. English, French and Portuguese and uploaded on the website. All the SADCAS promotional materials can be down loaded from the website. The SADCAS website was maintained throughout the period of review with new articles being posted under latest news and the directory of accredited facilities being updated upon accreditation of facilities. Visitation statistics continue to indicate an increasing interest in the SADCAS website with number of users increasing by 16% whilst number of visits increased by 34% over the 2014/15 statistics.

In 2015 World Accreditation Day (WAD) Commemorations were held in 9 countries of which 6 successfully held conferences/workshops namely: Botswana; Malawi; Lesotho; Swaziland; Zambia and Zimbabwe. Press releases on the theme of 2015 WAD were published through the print media in Mozambique; Seychelles; Tanzania and Zimbabwe whilst in Swaziland and Tanzania, TV interviews were held and in Zambia a statement was issued by the Minister on the eve of the WAD.

CHIEF EXECUTIVE OFFICER'S REPORT

As part of its stakeholder engagement SADCAS signed a Memorandum of Understanding with the Namibia Association of Medical Laboratory Sciences (NAMLS). The objective of the MOU is to advance professional laboratory medicine practice in Namibia through accreditation. The NAMLS is the national association for Namibia's medical laboratory professionals whose mission is to serve as the voice of all medical laboratory professionals and is committed to the advancement of the medical laboratory practice through advocating the value and the role of the profession in ensuring effective health care. Realizing the common goal of advancing professional laboratory medicine practice through accreditation, SADCAS and NAMLS agreed to cooperate by:

- Training of medical laboratory professionals;
- Sharing technical information on areas of mutual interest and developing suitable linkages to facilitate easier access to information from the 2 organizations;
- Advocating for the critical needs of laboratory medicine and the need for policy makers to embrace accreditation as a strategy for quality laboratory service delivery; and
- Cooperating in other activities or projects that are of mutual interest and in support of the implementation of the MoU

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

On 26 and 27 November 2015, SADCAS relocated to new offices at Plot 50669 Unit 2A, Tholo Office Park, and Fairgrounds. Located in the business hub of Gaborone in Botswana, SADCAS new offices are easily accessible, bright and more spacious to accommodate the growing staff complement and business and strengthens SADCAS' identity as an independent accreditation authority.

Build Capacity and Capability of SADCAS

The staff complement increased to eight during the year under review with the recruitment of an Accreditation Administrator, Lead Assessor for the Testing Laboratories Accreditation Programme and an Administrative Assistant. SADCAS faced a challenge in recruiting a competent Lead Assessor for the Testing Laboratories Accreditation Programme conversant in both English and Portuguese. The Lead Assessor for the Medical Laboratories Accreditation Programme who took position in SADCAS in November 2014 left the employ of SADCAS in July 2015 due to failure to secure work and residence permits. He was subsequently replaced in February 2016. As part of the continuous professional development (CPD) programme for the 2015/16 year, SADCAS staff attended various technical and management training programmes. In order to ensure that SADCAS is able to attract, develop and retain the best possible skills required to support credible services to its clients, a Job Evaluation and Remuneration Restructuring exercise was undertaken during the year.

The objective of the exercise was to ensure that SADCAS remuneration packages are in line with market trends and maintain internal equity. The Job Evaluation and Remuneration Restructuring report was considered by the HRRC in February 2016 with recommendations being made to the Board of Directors. The approved recommendations on the job evaluation and salary structuring are yet to be implemented.

Some growth was recorded in the pool of assessors with an additional 8 assessors being registered during the period under review as a result of the more aggressive invitations to register assessors from other accreditation bodies and as more assessors are being trained and mentored. As at 31 March 2016, SADCAS had registered 68 Technical Assessors and 34 Lead Assessors with some assessors registered in more than one field. The credibility of SADCAS services hinges on the competence of the assessors who undertake assessments on behalf of SADCAS. The breakdown of the pool of assessors by field of accreditation and by country are shown in Figures 10, 11, 12 and 13.

Figure 10 - Breakdown of Technical Assessors by Field of Accreditation

Figure 11 - Breakdown of Lead Assessors by Field of Accreditation

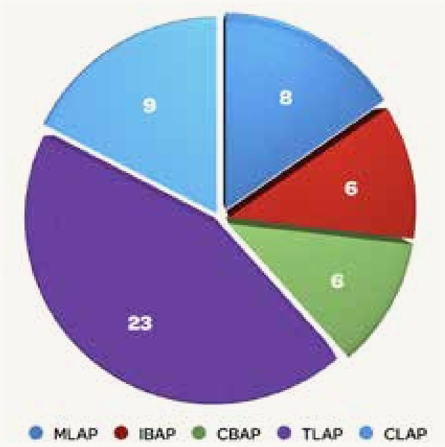
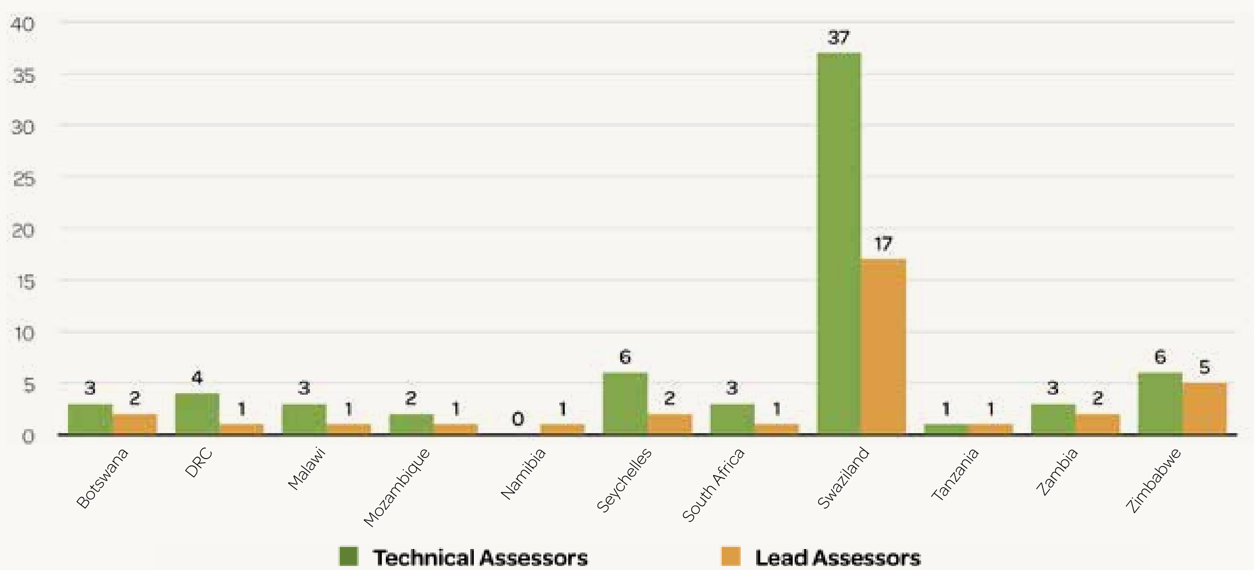
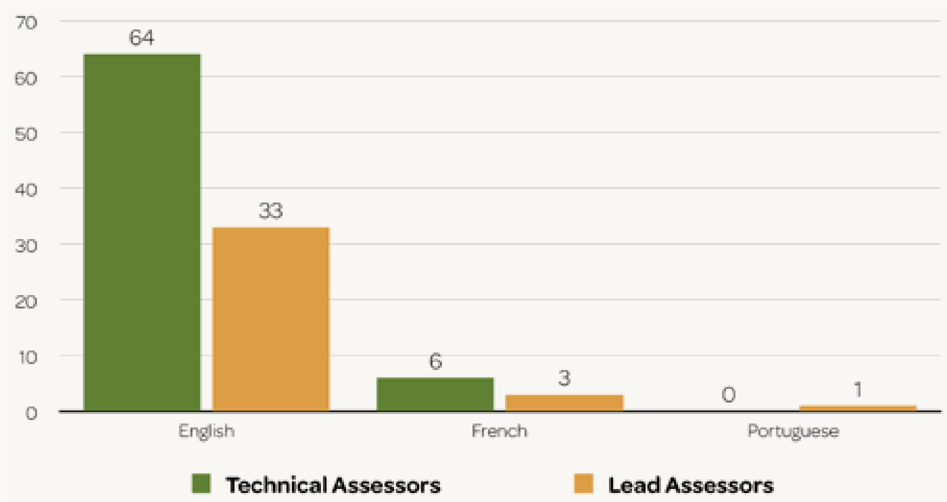


Figure 12 - Breakdown of Assessors by Country



The pool of assessors is however still limited taking into account the field and scope of accreditation services offered by SADCAS, geographical and language diversity of the countries serviced by SADCAS. As much as possible, assessors should be locally based so as to minimize the accreditation costs. Efforts are continuously underway to develop the pool of assessors so as to cover the scopes of application, anticipated applications and prioritizing the key developmental sectors as identified in the SADC Industrial Policy taking into account geographical and language diversity of the region. To this end experts who were trained in July/August 2014 were mentored, qualified and will be evaluated for registration in due course. An additional 39 experts were trained as ISO 15189 (21) and ISO/IEC 17020 (18) assessors in January and February 2016 and are set to be mentored during the 2016/17 financial year.

Figure 13 – Breakdown of Assessors by Language Diversity



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

Strengthen NAFPs Effectiveness

During the period under review the overall performance by NAFPs was generally good with average estimate realization for the 2015/16 financial year being 74% marginally lower than the average of 75% for the previous financial year. Some changes were made to the NAFP award with the introduction of an award for "The Most Improved NAFP" and the renaming of the original award "NAFP Certificate of Recognition" to "The Most Effective NAFP". The 2016 awards recipients were:

- NAFP Certificate of Recognition for the Most Effective NAFP - NAFP-Swaziland

- NAFP Certificate of Recognition for the Most Improved NAFP - NAFP-Lesotho

Grow the Company's Own Generated Revenue and Develop SADCAS into a Sustainable and Dynamic Organization at the Cutting Edge of Accreditation Service Delivery

SADCAS business is growing steadily not only in terms of field and scope of accreditation but also in terms of sector and geographical coverage albeit not at the anticipated rate mainly due to:

- Lower demand for SADCAS accreditation services than anticipated, a result mainly of poor readiness of conformity assessment bodies for accreditation exacerbated by the fact that a number of the applications received have been incomplete hence delaying the accreditation process further; and

- Limited capacity to handle applications for accreditation from Portuguese and French speaking countries

Over the past 7 financial years since SADCAS started to offer services, operational income has been increasing. The financial year 2015/16 saw a 14% increase in income from operations with accreditation income constituting 72 % and training 28% of the operational income. Government dependency reduced slightly to 29% from 31% on the previous financial year. Refer to Figures 14, 15, 16 and 17.

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

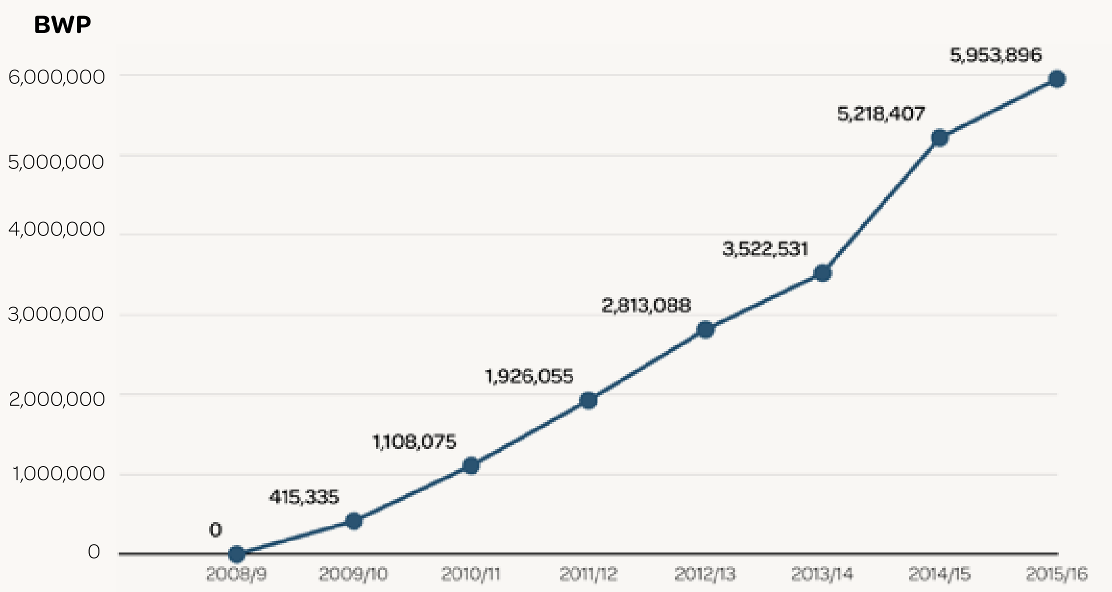


Figure 15 - Trends in Income from Operations since 2008/9 - Training and Accreditation

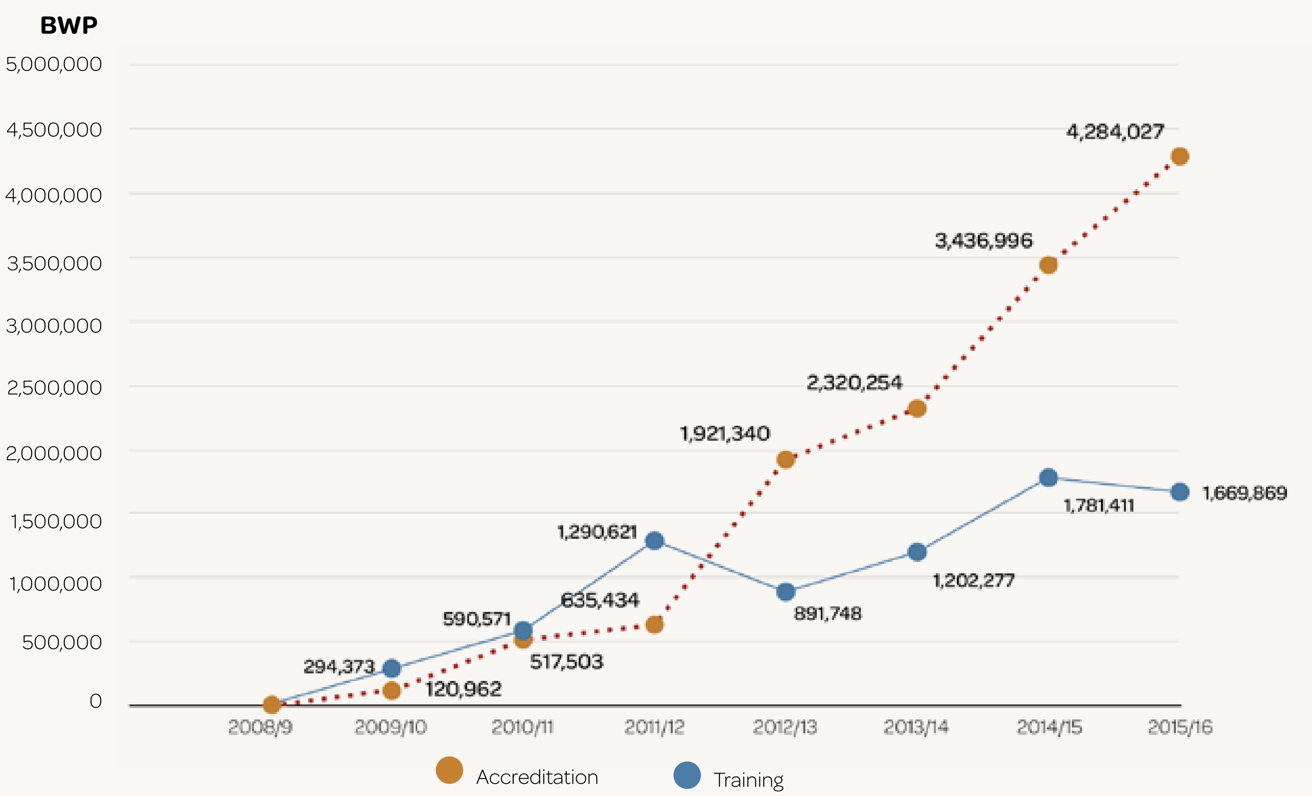


Figure 16 - Breakdown of Operational Income for the Financial Year 2015/16

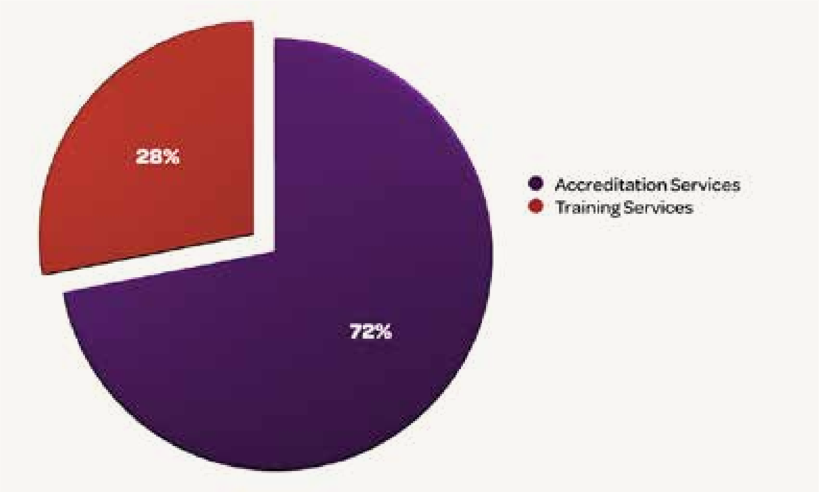
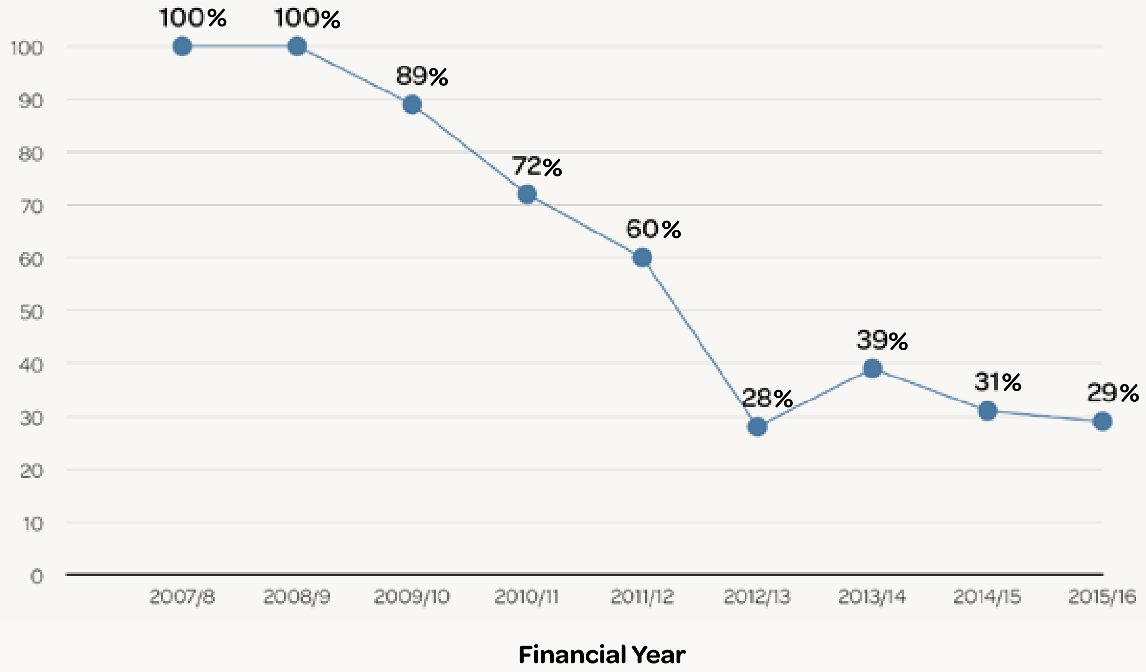


Figure 17 - Governments/Donor Dependency



Regional and International participation


ILAC MRA Signatory


AFRAC MRA Signatory


IAF MLA Mou Signing


IAF MLA Mou Signing

CHIEF EXECUTIVE OFFICER'S REPORT

Training


ISO/IEC 17020 Course held in Zambia


ISO/IEC 17025 PTB-Germany funded Course held in Botswana


ISO/IEC 17025 PTB-Germany funded Course held in Zambia

CHIEF EXECUTIVE OFFICER'S REPORT

Marketing and Promotion

Princess Marina Hospital Laboratory Certificate Handover

ZABS Testing Laboratory Certificate Handover

SADCAS MOU with NAMLS

Looking Ahead

SADCAS approaches the final year of the 2012 to 2017 strategic period, with the key challenge of cash resources as the inflow of Government contributions towards SADCAS' operational budget deficit of US$ 1.171 million has been slow resulting in the deferment of the recruitment plan, and implementation of the job evaluation and salary structuring exercise undertaken during the year. Break even on operational costs which was set to be achieved in the 2015/16 financial year has not been achieved.

Despite the challenges faced we recognize that SADCAS has a lot of work to do in 2016/17 and beyond.

With the confidence in our business following the achievement of international recognition, the commitment and dedication towards goal achievement, I am confident that "Team SADCAS" will continue to make good progress in service delivery and building a sustainable accreditation body at the cutting edge of credible accreditation service delivery in line with our vision. Governments of SADC Member States serviced by SADCAS have to play their part in ensuring SADCAS sustainability and continuity by meeting their financial obligation towards the cost effective multi-economy accreditation body.

Mrs Maureen Primrose Mutasa
CHIEF EXECUTIVE OFFICER

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 2016. The Committee operates within defined terms of reference as set out in SADCAS BP 02: Terms of Reference of the Human Resources and Remuneration Committee (HRRC) of the SADCAS Board. The main objective of the HRRC is to develop and implement a comprehensive human resources policy and strategy which will ensure that SADCAS is able to attract, develop and retain the best possible skills required to support credible services to its clients.

Duties of the Human Resources and Remuneration Committee

The main duties of the HRRC are to:

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

Mr Emmanuel Jinda

Membership of the Human Resources and Remuneration Committee

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

Meetings of the Human Resources and Remuneration Committee

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

REPORT OF THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

Table 2 – Record of Attendance to HRRC Meetings Held During the 2015/16 Financial Year.

Name	Status	Meeting Dates		
		2015-05-07	2015-09-02	2016-02-18
Mr Emmanuel Jinda ***(Chairman)***	Non - Executive Director	✓	✓	✓
Mr Alfredo Filipe Sitoe	Non - Executive Director	✓	✓	✓
Mr Davlin Moyenda Damaziel Chokazinga ***(Appointed on 7 May 2015)***	Non - Executive Director	-	✓	✓
By Invitation Mrs Maureen Primrose Mutasa	SADCAS Chief Executive Officer	✓	✓	✓

Summary of Activities Undertaken During the Year

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

- Reviewed staff remuneration;
- Reviewed the CEO and Board's performance contracts for the 2015/16 financial year;
- Reviewed the HRRC Terms of Reference (BP 02);
- Reviewed Board performance;
- Review of HRRC membership;
- Reviewed BP 07: Part 2 Board of Directors' Expertise Matrix.
- Considered staff performance Assessments;
- Considered the job grading and salary structuring report and recommendations;
- Reviewed the proposed amendments to SADCAS APP 02: Award of Certificate of Recognition to NAFPs;
- Considered 2016 NAFP certificate of recognition;
- Considered the 2015/16 personnel plan;

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

The staff complement increased to eight during the year under review with the recruitment of an Accreditation Administrator, Lead Assessor for the Testing Laboratories Accreditation Programme and an Administrative Assistant. SADCAS faced a challenge in recruiting a competent Lead Assessor for the Testing Laboratories Accreditation Programme conversant in both English and Portuguese. The Lead Assessor for the Medical Laboratories Accreditation Programme who came on Board in SADCAS in November 2014 left the employ of SADCAS in July 2015 due to failure to secure work and residence permits. He was subsequently replaced in February 2016.

Some growth was recorded in the pool of Assessors with an additional 8 Assessors being registered during the period under review. As at 31 March 2016, SADCAS had registered 68 Technical Assessors and 34 Lead Assessors. The assessors undertake assessments on behalf of SADCAS. 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.

There were some changes made to the NAFP award with the introduction of an award for "The Most Improved NAFP" and the renaming of the original award "NAFP Certificate of Recognition" to "The Most Effective NAFP". The 2016 awards recipients were:

1. NAFP Certificate of Recognition for the Most Effective NAFP - NAFP-Swaziland

2. NAFP Certificate of Recognition for the Most Improved NAFP - NAFP-Lesotho

REPORT OF THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

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

Training and Development

SADCAS utilizes the performance management system to identify staff development needs which are then incorporated into the annual Staff Training and Development Plan. During the year under review, staff participated in a number of activities and the HRRC hopes this will be translated into improved goal achievement in future.

The group of 22 experts trained as Assessors for the Testing and Calibration Laboratories Accreditation Programmes under the auspices of the SADC EU EDF 10 REIS Programme in 2014 were mentored in March 2016. A further group of 39 experts were trained as Assessors for the Medical Laboratories Accreditation Programme and the Inspection Bodies' Accreditation Programme in January and February 2016 and will be mentored during the 2016/17 financial year.The pool of registered Assessors is set to grow as more and more Assessors are trained and qualified for the various accreditation programmes, taking into account anticipated scopes of demand, language and geographical diversity.

Remuneration

The total staff costs for the year were BWP 4 097 028 including staff training which is encouraged to ensure continuous professional development of the staff.

In order to ensure that SADCAS is able to attract, develop and retain the best possible skills required to support credible services to its clients, a Job Evaluation and Remuneration Restructuring exercise was undertaken during the year. The objective of the exercise was to ensure that SADCAS remuneration packages are in line with market trends and maintain internal equity. The Job Evaluation and Remuneration Restructuring report was considered by HRRC in February 2016 with recommendations being made to the Board of Directors.

Non - Executive Directors are remunerated for their services as follows:

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

The fees for the Non-Executive directors are recommended by the HRRC to the Board who in turn recommends the fees to the General Assembly for approval at the Annual General Meeting.

International Recognition

Finally, the HRRC would like to congratulate the Board of Directors, Management and staff on achieving two major milestones as an Accreditation Body. Firstly, SADCAS was admitted as a Full Member of the International Laboratory Accreditation Cooperation (ILAC) following the achievement of signatory status in the ILAC Mutual Recognition Arrangement (MRA) for Testing and Calibration in accordance with ISO/IEC 17025. Last but not least SADCAS was admitted as an Arrangement Member of the African Accreditation Cooperation (AFRAC) in the scope Testing and Calibration in accordance with ISO/IEC 17025.

Mr Emmanuel Jinda
CHAIRMAN
HUMAN RESOURCES
AND REMUNERATION
COMMITTEE

REPORT OF THE FINANCE, RISK AND AUDIT COMMITTEE

Ms Verily Kearoma Molatedi

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 2016. The Committee operates within defined terms of reference as set out in SADCAS BP 01: Terms of Reference of the Finance, Risk and Audit Committee (FRAC) of the SADCAS Board and the Botswana Companies Act.

Membership of the Finance, Risk and Audit Committee

The FRAC comprises of three independent, Non - Executive directors Ms Verily Molatedi and Messrs Alfredo Filipe Sitoe and Manuel Mutale who was appointed as a member of the FRAC in April 2015.

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 April 2015 where FRAC members were not available on the Board meeting dates and February 2016 when the meeting is held earlier to review the budget for the next financial year.

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

Table 3 – Record of Attendance to FRAC Meetings Held during the 2015/16 Financial Year

Name	Status	Meeting Dates		
		2015-04-17	2015-09-02	2016-02-08
Ms Verily Molatedi	Non - Executive Director	✓	✓	✓
Mr Alfredo Filipe Sitoe	Non - Executive Director	✓	✓	✓
Mr Manuel Mutale ***(Appointed on 7 May 2015)***	Non - Executive Director	-	✓	✓
By Invitation Mrs Maureen Primrose Mutasa	SADCAS Chief Executive Officer	✓	✓	✓
Mrs Laureen Rutendo Gudo	SADCAS Financial Administrator	✓	✓	✓

REPORT OF THE FINANCE, RISK AND AUDIT COMMITTEE

Summary of Activities Undertaken During the 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;
- Monitored the quality and effectiveness of the external audit process;
- Reviewed and commented on the annual financial statements and the accounting policies;
- Reviewed the external auditor's Report to Management;
- 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 2016/17 budget proposals; and
- Reviewed the accreditation fees for 2016/17.

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

Annual Financial Statements

The FRAC has reviewed the annual financial statements for the year ended 31 March 2016 and ensured that they comply, in all material aspects, with the requirements of the Companies Act and appropriate International Financial Reporting Standards. The Committee therefore recommended the annual financial statements for approval to the Board. The Board subsequently approved the financial statements at the September 2015 meeting.

Internal Auditor

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

Risk Management and Internal Control

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

Going Concern

The FRAC assessed and agreed that the use of the going concern assumption is appropriate for these financial statements on the basis that the SADC Member States have pledged their support to finance the company.

External Auditors

The SADCAS General Assembly at its 11th Annual General Meeting held on 15 March 2016 appointed PricewaterhouseCoopers Pty Ltd to undertake the financial audit for the year ending 31 March 2016.

Verily Molatedi
CHAIRMAN FINANCE,
RISK AND AUDIT COMMITTEE

ANNUAL FINANCIAL REPORT

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2016

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 and the support pledged by the 13 Southern African Development Community (SADC) Member states serviced by the company.

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 41 to 65 and supplementary information on Annexure I was authorised for issue by the Board of Directors and are signed on its behalf by:

Director

Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOUTHERN AFRICAN DEVELOPMENT COMMUNITY ACCREDITATION SERVICE LIMITED

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 2016, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 41 to 65.

Directors' Responsibility

The company's 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 controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, wether 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 of financial statements 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 controls. An audit also includes evaluating the appropriateness of the 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 opion.

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 2016, and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

Individual Practicing Member: Kosala Wijesena
Membership Number: 20000110

2016-09-27
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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 P	2015 P
Income	**6**	**6,792,418**	5,877,743
Direct expenses		**(2,396,186)**	(1,780,741)
		4,396,232	4,097,002
Other operating income	**7**	**1,026,565**	1,030,387
Administrative expenses		**(6,274,182)**	(5,063,500)
Operating (deficit)/surplus	**8**	**(851,385)**	63,889
Finance income	**9**	**7,785**	57,381
(Deficit)/surplus before income tax		**(843,600)**	121,270
Income tax credit	**10**	**268,458**	4,881
(Deficit)/surplus for the year		**(575,142)**	126,151
Other comprehensive income		**-**	-
Total comprehensive (deficit)/surplus for the year		**(575,142)**	126,151

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 P	2015 P
ASSETS			
Non-current assets			
Property, plant and equipment	11	300,375	254,413
Deferred tax asset	12	273,339	4,881
		573,714	259,294
Current assets			
Trade and other receivables	13	717,730	368,543
Current income tax recoverable		7,289	-
Cash and cash equivalents	14	1,887,535	2,357,884
		2,612,554	2,726,427
Total assets		3,186,268	2,985,721
FUNDS AND LIABILITIES			
Funds and reserves			
Accumulated deficit		(923,109)	(347,967)
Non current liabilities			
Capital grants	15	300376	254,414
		300,376	254,414
Current liabilities			
Deferred income	16	109,816	1,026,947
Trade and other payables	17	3,699,185	2,052,327
		3,809,001	3,079,274
Total funds and liabilities		3,186,268	2,985,721

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31 MARCH 2016

	Accumulated deficit P	Total P
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	**(347,967)**	**(347,967)**
Balance at 1 April 2015	(347,967)	**(347,967)**
Comprehensive income		
Comprehensive deficit for the year	(575,142)	**(575,142)**
Balance at 31 March 2016	**(923,109)**	**(923,109)**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 P	2015 P
Cash flows from operating activities			
Cash used in operations	18	**(2,195,413)**	(2,610,686)
Deferred income	16	**1,724,568**	1,488,717
Income tax paid		**(7,289)**	-
Net cash used in operating activities		**(478,134)**	(1,121,969)
Cash flows from investing activities			
Purchase of property, plant and equipment	11	**(133,308)**	(114,448)
Proceeds from disposal of property, plant and equipment		**-**	565
Interest received	9	**7,785**	57,381
Net cash used in investing activities		**(125,523)**	(56,502)
Cash flows from financing activities:			
Capital grants received	15	**(133,308)**	114,448
Net cash generated from financing activities		**(133,308)**	114,448
Net change in cash and cash equivalents		**(470,349)**	(1,064,023)
Cash and cash equivalents at beginning of year		**2,357,884**	3,421,907
Cash and cash equivalents at end of year	14	**1,887,535**	2,357,884

1. General information

Southern African Development Community Accreditation Service Limited is a subsidiarity 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 41 to 65 have been approved by the Board of Directors on 05 September 2016.

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 2015.

• IFRS 13, 'Fair value measurement' (Amendment): When IFRS 13 was published, paragraphs B5.4.12 of IFRS 9 and AG79 of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. (Effective from 1 July 2014).

(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 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. The carrying amount of the asset is restated to the revalued amount. (Effective 1 July 2014).

• IAS 19 'Employee benefits', on defined benefit plans (Amendment) : The objective of the amendments is to 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 1 July 2014).

• IAS 24, 'Related party disclosures'- The standard is amended to 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 ('the management entity') (effective from 1 July 2014).

• IAS 40, 'Investment property' -The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. (Effective 1 July 2014).

• IFRS 1, 'First-time adoption of International Financial Reporting Standards'- The basis for conclusions on IFRS 1 is amended to clarify 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 the new version, provided the same standard is applied in all periods presented (effective from 1 July 2014).

• IFRS 3, 'Business Combinations' -'Business The standard is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself. (Effective 1 July 2014).

• IFRS 8 'Operating segments', (Amendments) -The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. (Effective 1 July 2014).

• IFRS 13 'Fair value measurement', The amendment clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. (Effective 1 July 2014).

(c) 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.

New standards, amendments and interpretations which are relevant to the company's operations

• IAS 1, (Amendment) – 'Presentation of financial statements' disclosure initiative. In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.(Effective from 1 January 2016)

• IFRS 7, 'Financial instruments; disclosures': The amendment 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. However, the Board noted that IAS 34 requires an entity to disclose '[...] an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period'. Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the Board would expect the disclosures to be included in the entity's condensed interim financial report. (Effective from 1 January 2016)

• IAS 7, 'Cash flow statements' (Amendments) In January 2016, the International Accounting Standards Board (IASB) issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment responds to requests from investors for information that helps them better understand changes in an entity's debt. The amendment will affect every entity preparing IFRS financial statements. (Effective 1 January 2017)

• IFRS 16 -A lessee measures lease liabilities at the present value of future lease payments. A lessee measures lease assets, initially at the same amount as lease liabilities, and also includes costs directly related to entering into the lease. Lease assets are amortised in a similar way to other assets such as property, plant and equipment. This approach will result in a more faithful representation of a lessee's assets and liabilities and, together with enhanced disclosures, will provide greater transparency of a lessee's financial leverage and capital employed.(Effective 1 January 2019)

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.

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

• IFRS 10, 'Consolidated financial statements' and IAS 28,'Investments in associates and joint ventures' on sale or contribution of assets (Amendment): 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. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. (effective from 1 January 2016)

• IFRS 10, 'Consolidated financial statements' and IAS 28,'Investments in associates and joint ventures' on applying the consolidation exemption (Amendment): The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. (Effective 1 January 2016)

• IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation. (Amendment) This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. (Effective 1 January 2016)

• IFRS 14, 'Regulatory deferral accounts': specific to first time adopters of ('IFRS 14'), an interim standard on the accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). (Effective 1 January 2016)

• IAS 16, 'Property, plant and equipment' and IAS 41, 'Agriculture' on bearer plants' (Amendment) -In this amendment to IAS 16 the IASB has scoped in bearer plants, but not the produce on bearer plants and explained that a bearer plant not yet in the location and condition necessary to bear produce is treated as a self-constructed asset. In this amendment to IAS 41, the IASB has adjusted the definition of a bearer plant include examples of non-bearer plants and remove current examples of bearer plants from IAS 41. (Effective 1 January 2016)

• IFRS 7, 'Financial instruments', Disclosures- Servicing contracts - The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. (Effective 1 January 2016)

• IAS 19, 'Employee benefits, - Discount rate: regional market issue - The amendment to IAS 19 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 1 January 2016).

• IAS 34, 'Interim financial reporting, - The amendment states that the required 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). The Board 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 1 January 2016)

• IAS 27, 'Separate financial statements' on equity accounting (Amendments) In this amendment the IASB has restored 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 15, '– Revenue from contracts with customers' It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer. (Effective 1 January 2017)

• IFRS 9, 'Financial instruments', (Amendments) The IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. (Effective 1 January 2018)

• IAS 16, (Amendment) – 'Property, plant and equipment' and IAS 38,'Intangible assets', on depreciation and amortisation: The IASB has clarified 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. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. (Effective from 1 January 2016)

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.

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.

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.

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.

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.

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.

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

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.

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 2016, 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 P1,057 (2015: P1,420) higher / lower, mainly as a result of foreign exchange gains / losses on translation of Rand denominated bank balances.

At 31 March 2016, 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 P16,394 (2015: P5,395) 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 2016, 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 P3,258 (2015: P4,856) higher/lower, mainly as result of higher/lower interest income on interest-bearing assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

(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 equivalents 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 2016	
Trade payables	482,702
Other payables and accruals	3,216,483
	3,699,185
31 March 2015	
Trade payables	436,187
Other payables and accruals	1,616,140
	2,052,327

3.2 Fair value estimation

Effective 1 January 2013, the company adopted IFRS 13 for financial instruments that are measured in the statement of financial position at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

There are no financial assets classified as fair value through profit or loss at the statement of financial position date.

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 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.

5. Going Concern

Southern African Development Community Accreditation Service Limited ("SADCAS") incurred a loss of P575,142 for the year. Consequently as of 31 March 2016, the accumulated deficit was P923,109 (2015: P347,967). Further, as at 31 March 2016 the current liabilities of the company exceeded current assets by P 1,196,447 (2015: P352,847). SADCAS is a subsidiarity institution of Southern African Development Community ("SADC") and the Board of Directors together with SADC have provided assurances that the 13 SADC Member States would continue to provide financial support to the company for the foreseeable future.

6.	Income	2016	2015
		P	P
	Transferred from deferred income (Note 16)	2,641,699	2,555,195
	Transferred to capital grants (Note 15)	(133,308)	(114,448)
	Accreditation application fees	227,454	98,702
	Assessment fees	2,525,612	2,438,970
	Annual accreditation fees	1,530,961	899,324
		6,792,418	5,877,743

7.	Other operating income (net)	2016	2015
		P	P
	Capital grants armotised during the year (Note 15)	87,346	69,346
	Exhange gain	48,914	121,270
	Other income	124,054	-
	Profit on disposal of property, plant and equipment	-	565
	Training income	1,669,869	1,781,412
	Training expenses	(903,618)	(942,206)
		1,026,565	1,030,387

8.	Operating (deficit)/surplus	2016	2015
		P	P
	The following items have been charged/ (credited) in arriving at		
	operating surplus/ (deficit) :		
	Auditors' remuneration	92,500	85,000
	Depreciation	87,346	69,346
	Operating lease payable - property	364,210	401,238
	Repairs and maintenance	6,625	8,277
	Staff Costs	4,097,028	2,983,452
	Staff costs comprise:		
	Salaries	4,032,808	2,885,858
	Staff training	64,220	97,594
		4,097,028	2,983,452

9. Finance income	2016	2015
	P	P
Interest income - bank deposits	7,785	57,381

10. Income tax credit	2016	2015
	P	P
Botswana company tax		
- Botswana company tax at 22% (2015 - 22%))	-	-
Deferred income tax credite (Note 12)	(268,458)	(4,881)
Tax credit for the year	(268,458)	(4,881)

The tax on the company's (loss)/profit be tax differs from the theoretical amount that would arise using the basic tax rate of the company as follows:

	2016	2015
	P	P
(Loss)/profit before income tax	(843,600)	(121,270)
Tax claculated at a tax rate of 22% (2015: 22%)	(185,592)	26,679
Expenses not deductible for tax purposes	439,652	568,231
Income not subject to tax	(522,518)	(599,791)
Income tax credit	(268,458)	(4,881)

11. Property plant and equipment

	Computer equiptment P	Fixtures and fittings P	Office equiptment equipment P	Total P
At 1 April 2014				
Cost	530,461	318,711	102,994	**952,166**
Accumulated depreciation	(510,370)	(161,029)	(71,456)	**(742,855)**
Net book amount	20,091	157,682	31,538	**209,311**
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 on disposals	(20,411)	(33,247)	(15,688)	**(69,346)**
Closing net book amount	78,136	156,707	19,570	**254,413**
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	78,136	156,707	19,570	**254,413**
Year ended 31 March 2016				
Opening net book amount	78,136	156,707	19,570	**254,413**
Additions	126,202	7,106	-	**133,308**
Depreciation	(40,968)	(35,217)	(11,161)	**(87,346)**
Closing ent book amount	163,370	128,596	8,409	**300,375**
At 31 March 2016				
Cost	691,292	358,089	103,418	**1,152,799**
Accumulated depreciation	(527,922)	(229,493)	(95,009)	**(852,424)**
Net book amount	163,370	128,596	8,409	**300,375**

12. Deferred income tax asset

Deferred income taxes are caluculated on all tempoerary timing differences under the liability method using a principal tax rate of 22% (2015: 22%).

	2016	2015
	P	P
Deferred tax assets are attributeble to the following:		
Accelerated capital allowances	**273,339**	4,881
The movement of the deffered tax account is as follows:		
At beginning of year	**4,881**	-
Charge to statement of comprehensive income (Note 10)	**268,458**	4,881
At end of year	**273,339**	4,881

13. Trade and other receivables

	2016	2015
	P	P
Trade receivables	**548,101**	305,920
Other receivables	**6,516**	5,738
Deposits	**62,391**	24,311
Prepayments	**100,722**	32,574
	717,730	368,543

The fair values of trade and other receivables is same as the carrying amount due to short-term nature of the balances

As of 31 March 2016, trade receivables of P526,003 (2015: P305,920) were fully performing.

As of 31 March 2016, trade receivables of P22,098 (2015: NIL) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.
The aging analysis of these trade receivables is as follows:

	2016	2015
	P	P
Up to 120 days	**22,098**	-

Trade receivables include the following amount denominated in foreign currencies:

	2016	2015
	P	P
US Dollars	**401,603**	132,614

14. Cash and cash equivalents

	2016	2015
	P	P
Bank balances	**1,887,364**	2,357,651
Cash on hand	**171**	233
	1,887,535	2,357,884

For the purposes of the cash flow statement, the cash and cash equivalents comprise the following:

	2016	2015
	P	P
Cash and bank balances	**1,887,535**	2,357,884

The company's cash and cash equivalents include the amounts denominated in following foreign currencies:

	2016	2015
	P	P
US Dollars	**1,099,757**	405,125

15. Capital grants

	2016	2015
	P	P
At 1 April	**254,414**	209,312
Capital grants transfered (Note 6)	**133,308**	114,448
Capital grants amortised during the year (Note 7)	**(87,346)**	(69,346)
At 31 March	**300,376**	254,414

16. Deferred income

	2016	2015
	P	P
At 1 April	**1,026,947**	2,093,425
Grant income received	**1,724,568**	1,488,717
Transferred to income statement (Note 6)	**(2,641,699)**	(2,555,195)
At 31 March	**109,816**	1,026,947

17. Trade and other payables

	2016	2015
	P	P
Trade payables	**482,702**	436,187
Other payables	**910,684**	406,312
Refundable deposits	**1,690,580**	996,295
Accrued expenses	**615,219**	213,533
	3,699,185	2,052,327

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

	2016	2015
	P	P
US Dollars	**172,558**	142,077
South African Rands	**104,219**	143,720
	276,777	285,797

18. Cash used in operations

	2016	2015
	P	P
Operating (deficit) / surplus	(851,385)	63,889
Adjustments for:		
- Transfer from deferred income (Note 6)	(2,641,699)	(2,555,195)
- Capital grants amortised during the year (Note 7)	(87,346)	(69,346)
- Depreciation on property, plant and equipment (Note 11)	87,346	69,346
- Profit on disposal of property, plant and equipment	-	(565)
	(3,493,084)	(2,491,871)
Changes in working capital:		
- Trade and other receivables	(349,187)	95,009
- Trade and other payables	1,646,858	(213,824)
Cash used in operations	(2,195,413)	(2,610,686)

19. Analysis of financial instruments

19.1 Financial instruments by category

	2016	2015
	P	P
Loans and receivables		
Trade and other receivables excluding prepayments	617,008	335,969
Cash and cash equivalents	1,887,535	2,357,884
	2,504,543	2,693,853
Financial liabilities at amortised cost		
Trade and other payables	3,699,185	2,052,327

19.2 Credit quality of financial assets

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

		2016 P	2015 P
Trade receivables			
Group 1		**548,101**	305,920
Other receivables excluding prepayments	Not rated	**68,907**	30,049

Key:

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

	2016 P	2015 P
Cash at bank and short-term bank deposits		
First National Bank of Botswana Limited	**1,887,364**	2,357,651

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.

20. Liability of the members

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

21. Expenses by nature

	2016	2015
	P	P
Accreditation expenses	**2,396,186**	1,780,741
Advertising, branding and marketing	**104,254**	117,175
Auditors' remuneration	**92,500**	85,000
Consulting and twinning fees	**217,567**	209,471
Depreciation (Note 11)	**87,346**	69,346
Governance	**305,497**	275,415
International participation	**190,058**	135,132
Other expenses	**465,266**	374,589
Postage, printing and stationery	**112,050**	114,792
Rent	**364,210**	401,238
Staff costs (Note 8)	**4,097,028**	2,983,452
Telephone, fax and internet	**107,955**	102,733
Training expenses	**903,618**	942,206
Travel and subsistence expenses	**130,451**	195,157
	9,573,986	7,786,447

22. Commitments

(a) Capital commitments

There were no capital commitments as at 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;

	2016	2015
	P	P
No later than 1 year	**233,050**	441,364

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

	2016 P	2015 P
Income		
Accreditation application fees	**227,454**	98,702
Assessment fees	**2,525,612**	2,438,970
Annual accreditation fees	**1,530,961**	899,324
Transferred from deferred income	**2,641,699**	2,555,195
Transferred to capital grants	**(133,308)**	(114,448)
	6,792,418	5,877,743
Direct expenses		
Accreditation expenses	**2,396,186**	1,780,741
	4,396,232	4,097,002
Other operating income - net		
Capital grants amortised during the year	**87,346**	69,346
Exchange gain	**48,914**	121,270
Other income	**124,054**	-
Profit on disposal of property, plant and equipment	**-**	565
Training income	**1,669,869**	1,781,412
Training expenses	**(903,618)**	(942,206)
	1,026,565	1,030,387
Administrative expenses		
Accounting fee	**4,628**	5,069
Advertising, branding and marketing	**104,254**	117,175
Auditors' remuneration	**92,500**	85,000
Bank charges	**40,593**	34,820
Cleaning	**14,160**	13,775
Computer expenses	**12,258**	12,096
Consulting and twinning fees	**217,567**	209471
Depreciation	**87,346**	69,346
Electricity and water	**22,400**	-
Entertainment	**12,078**	11,405
General expenses	**29,816**	37,979
Governance	**305,497**	275,415

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

Insurance	**59,382**	66,607
International participation	**190,058**	135,132
Network support	**66,365**	78,329
Office rellocation	**63,210**	-
Peer evaluation	**101,428**	-
Penalties	**7,214**	3,714
Postage, printing and stationery	**112,050**	114,792
Rent	**364,210**	401,238
Repairs and maintenance	**6,625**	8,277
Secretarial Services	**6,520**	9,024
Security	**589**	-
Staff costs	**4,032,808**	2,885,858
Staff training	**64,220**	97,594
Telephone, fax and internet	**107,955**	102,733
Translation of policies and procedures	**-**	73,334
Travel and subsistence expenses	**130,451**	195,157
Website maintenance	**18,000**	20,160
	6,274,182	5,063,500
Operating (deficit) / surplus	**(851,385)**	63,889

This detailed income statement does not form part of the audited financial statements covered by the audit opinion on page 40.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