



# 2017 Annual Report

*South African Institute for  
Drug-Free Sport*





# 2017 Annual Report

South African Institute for Drug-Free Sport  
Annual Report  
ISBN: 978-0-620-77096-5

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# 2017 General

## PUBLIC ENTITY'S GENERAL INFORMATION

### REGISTERED NAME

South African Institute for Drug-Free Sport

### REGISTRATION NUMBER

South African Institute for Drug-Free Sport  
Act, 1997. No 14 of 1997.

### PHYSICAL ADDRESS

Sports Science Institute of South Africa Building,  
4th Floor, Boundary Road, Newlands,  
Cape Town, 7700.

### POSTAL ADDRESS

PO Box 2553, Clareinch, 7760

### TELEPHONE NUMBER

+27 21 686 1634

### FAX NUMBER

+27 86 242 7077

### EMAIL ADDRESS

info@saisd.org.za

### WEBSITE ADDRESS

[www.drugfreesport.org.za](http://www.drugfreesport.org.za)

### EXTERNAL AUDITORS

Auditor General of South Africa

### BANKERS

ABSA Bank

South African Institute for  
Drug-Free Sport



# LIST OF ABBREVIATIONS/ACRONYMS

<b>ABP</b>	Athlete Biological Passport
<b>ADAMS</b>	Anti-Doping Administration and Management System
<b>ADRV</b>	Anti-Doping Rule Violation
<b>AGSA</b>	Auditor General of South Africa
<b>APMU</b>	Athlete Passport Management Unit
<b>BBBEEE</b>	Broad Based Black Economic Empowerment
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>DCO</b>	Doping Control Officer
<b>DCRC</b>	Doping Control Review Commission
<b>EO</b>	Education Officer
<b>EPO Test</b>	Erythropoietin
<b>HG Isoforms</b>	Human Growth
<b>HGH</b>	Human Growth Hormone
<b>IRMS</b>	Isotope-Ratio Mass Spectrometry
<b>iNADO</b>	Institute of National Anti-Doping Organisations
<b>MEC</b>	Member of Executive Council
<b>MTEF</b>	Medium Term Expenditure Framework
<b>PFMA</b>	Public Financial Management Act
<b>SAIDS</b>	South African Institute for Drug-Free Sport
<b>SCM</b>	Supply Chain Management
<b>SMME</b>	Small Medium and Micro Enterprises
<b>TR</b>	Treasury Regulations
<b>TUE</b>	Therapeutic Use Exemption
<b>TUEC</b>	Therapeutic Use Exemption Commission
<b>WADA</b>	World Anti-Doping Agency



# CEO's REPORT

The value of having a robust risk mitigation plan proved invaluable during the 2016/17 year in managing the events and risks that could have negatively affected the agency. We experienced the suspension of our primary doping control laboratory at the University of Free State and then a few months later, our back-up laboratory in Qatar also had their accreditation suspended. Our contingency plans were activated to mitigate against these events and which resulted in minimal disruptions to the implementation of the national test distribution plan.



Our test distribution plan continues to be guided along the parameters of where the doping risks exists, together with performance intelligence information and tip-off information. Our collaboration with law enforcement has enabled us to investigate information and allegations attributed to the suppliers and traffickers of doping products in order to charge them with criminal activity. During the year under review, no SAIDS led investigations have yet led to criminal arrests.

The national testing program continues to catch a high number of doping offenders. South Africa continues to report a higher average of positive dope tests in comparison to the international average. While our anti-doping education programs have expanded to the different tiers of sport, including schools, we continue to see a cavalier attitude towards steroid use and cheating among some of our sports people. Our education program will look for greater co-operation and support from parents and retired professional athletes to better extol the virtues and benefits of competing clean to counter the cavalier attitude towards cheating.

The performances in this report is also the last iteration of the indicators of a strategic plan that was crafted five years ago by the Board. The term of the current Board expires in October 2017 and they have updated the strategic direction to leave a forward looking template for an incoming Board.

I am grateful for the support and guidance of the Board during their term and the diligence with which they exercised their fiduciary duties and their individual commitment to the overall success of SAIDS. They leave a legacy of an agency that is ISO 9002 certified and fully compliant with the World Anti-Doping Code.

The achievements and financial performance outlined in this report is a result of the hard work and dedication of the entire SAIDS staff, doping control officers, education officers and the various commissions. The staff understands their role in sport and appreciate the values of operational transparency and clean governance towards fostering the confidence of the sports public in our work.

Khalid Galant  
Chief Executive Officer

# STATEMENT OF RESPONSIBILITY

## and confirmation of accuracy for the annual report

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

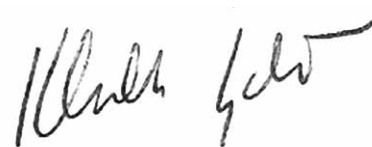
The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing, and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements. In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2017.

Yours faithfully



Chief Executive Officer  
Khalid Galant  
31 July 2017



Finance Manager  
Onke Ngwane  
31 July 2017



# STRATEGIC OVERVIEW

## VISION

To shape and develop an ethical agency that is the leading authority on anti-doping matters and ethics in sport in South Africa and on the African continent.

## MISSION

The mission and vision of SAIDS as defined by the South African Institute for Drug-Free Sport Act No. 14 of 1997, dated 23 May 1997, is: "To promote the participation in sport free from the use of prohibited substances or methods intended to artificially enhance performance."

SAIDS's Mission Statement is: "To manage an agency that delivers high quality services to protect clean sport without fear or favour".

## VALUES

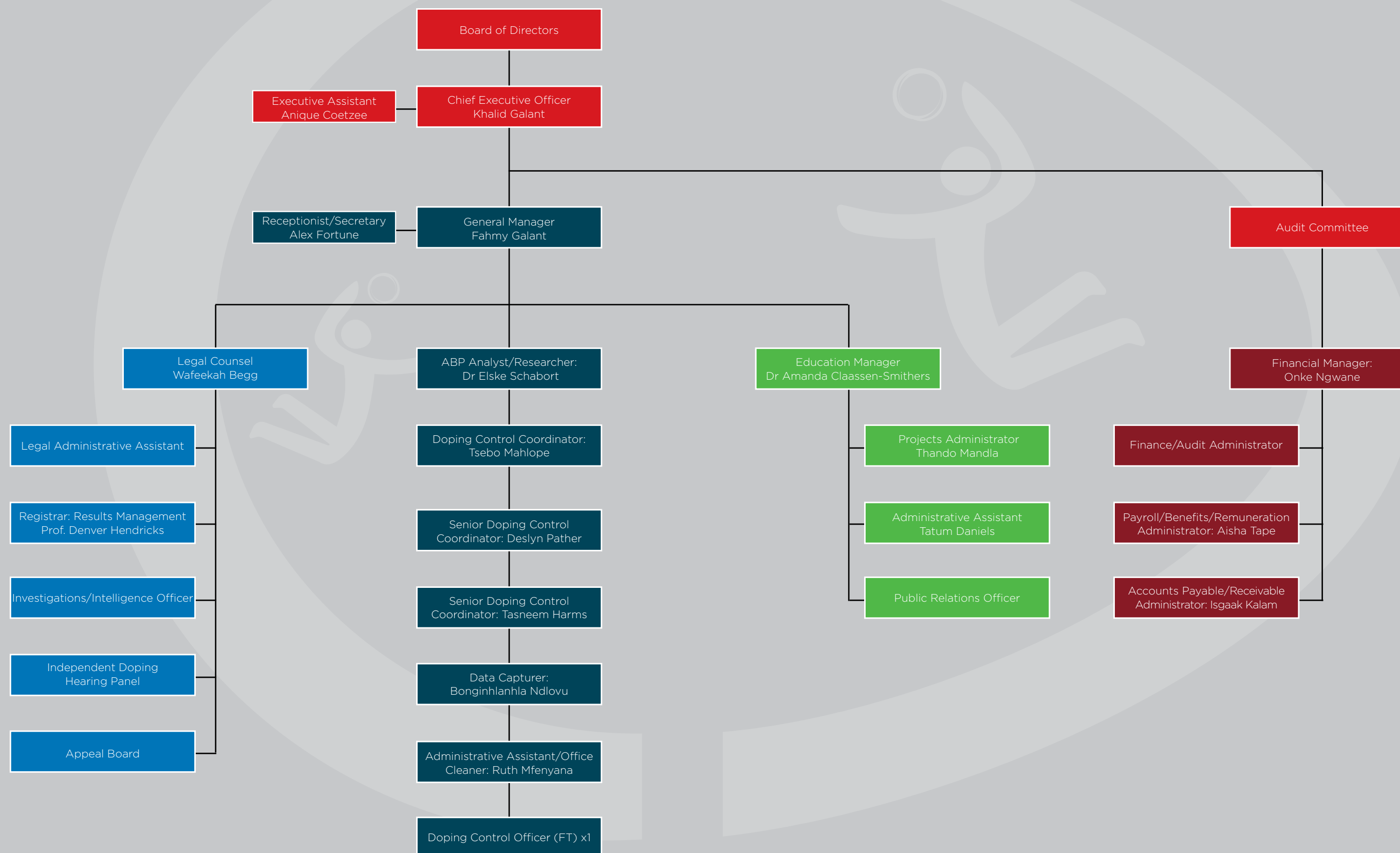
In implementing its mission and vision competently and efficiently, the South African Institute for Drug-Free Sport will be guided by the following corporate values:

- a) Accountability: We comply with government mandates with respect to the SAIDS Act, World Anti-Doping Code (the Code), UNESCO Convention against Doping in Sport, Public Finance Management Act (PFMA) and any other applicable Treasury regulations;
- b) Independence: We are independent in the implementation of our mandate and systems. The agency is not affiliated or accountable to any national sports body/entity. The Executive Authority of SAIDS is the Minister of Sport. The agency will jealously guard its independence and will guard against being swayed or influenced by political players in sport.
- c) Transparency: Our existence and methods are open to inspection by stakeholders where warranted and in circumstances in which the law permits sharing of information and documentation.
- d) Integrity: Our staff and representatives of SAIDS are expected to conduct themselves in an impeccably professional manner. Their behaviour must always be consistent with SAIDS's professional mandate to be a custodian of ethics in sport.
- e) Excellence: Our systems conform to globally accepted operational standards which govern the arena of anti-doping.
- f) Ethical: Anti-doping is about ethics in sport. We view ourselves as the custodians of ethics in sport.

# LEGISLATIVE AND OTHER MANDATES

The South African Institute for Drug-Free Sport Act (No. 14 of 1997) amended 2005.

# SAIDS ORGANOGRAM



# GENDER AND DIVERSITY SCALES

Employment equity statistics

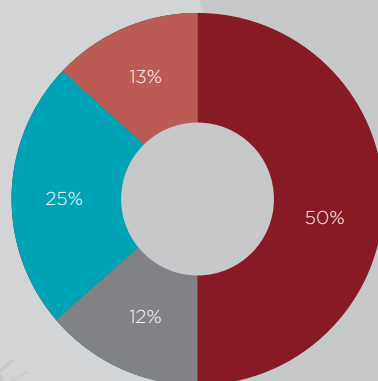


2017

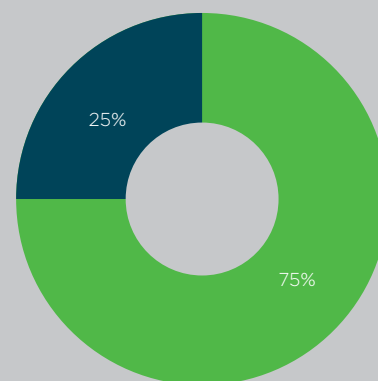
## Performance

### Board of Directors

#### DIVERSITY

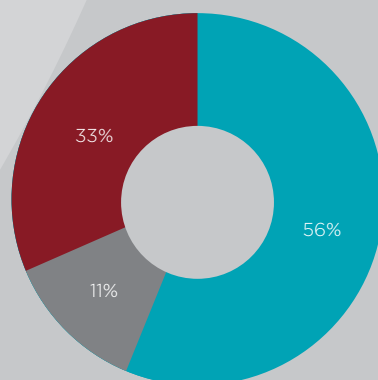


#### GENDER

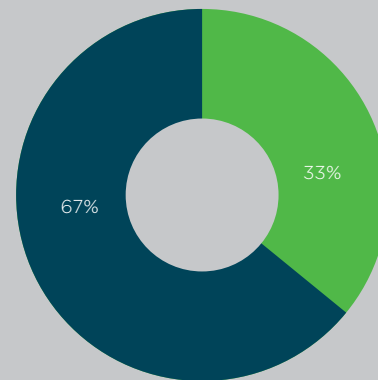


### Staff

#### DIVERSITY



#### GENDER



Male Female Black White Coloured Indian Disabled

South African Institute for  
Drug-Free Sport





# AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 51 to 52 for the Auditors Report.

# SITUATIONAL ANALYSIS

SAIDS operates as an independent public entity in sport with jurisdiction over all sports codes and entities that are recognised by SASCOC and/or are individual signatories to the World Anti-Doping Code. The effectiveness of anti-doping in the sports environment predominantly rests on the implementation of a test distribution plan that is based on doping risk and where sports codes are divided into high-, medium- and low-risk categories. These categories permit the efficient allocation of anti-doping services to sports codes so that these are used to mitigate doping risks.

The performance environment of SAIDS is also influenced by the independent WADA accredited laboratory in South Africa, the SA Doping Control Laboratory in Bloemfontein. In the sport environment, doping control samples can only be analysed within a global network of accredited laboratories. When the accreditation of the Bloemfontein laboratory is under threat, suspended or revoked, SAIDS still has to fulfil its mandate and is required to send its samples to another accredited international laboratory. The transfer of samples to another laboratory is influenced by international foreign exchange rates and international courier costs. For the year under review, the WADA accreditation of the Bloemfontein laboratory was suspended. The laboratory suspension required us to use our back-up accredited laboratories overseas. Testing costs increased predominantly due to a weak South African currency and increased courier costs. Exacerbating expenses further was that the suspension occurred in an Olympic year and that South Africa fielded one of the largest and strongest teams to the Olympics. Testing of Team SA in the lead up to the Olympics could therefore not be reduced. Further austerity measures and project cuts were implemented to meet our testing obligations.



# ANNUAL PERFORMANCE PLAN 2016/17



KPA 1-A. A. Doping Control and Drug Testing	Budgeted Amount	10 604 000
	YTD Actual Spent	13 582 000

Strategic Goal 1	To conduct an effective and efficient documented doping prevention programme, that is independent, unannounced, reliable, secure and suitable for the purpose of detecting and deterring the use of prohibited substances and methods.
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Strategic Objective 1	Manage and Administer doping control services that are required in terms of international sport regulations by national and international sport organizations.
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REF	PLANNING LEVEL	OBJECTIVE / KPI/ ACTIVITY/ TASKS	RESPONSIBLE OFFICIAL	Target - Full year	YTD	Reasons for deviations
1	Obj	Administer a national test distribution plan	General Manager			
1.1	KPI	Update the doping risk profile of targeted sports codes in South Africa to serve as a guide to the test distribution plan.	General Manager	X	X	Compliance to World Anti-Doping Code to update doping risk profile annually as and when required.
1.2.1	KPI	Urine testing	General Manager	2700	1799	Reducing tests as part of our austerity measures. Our first quarter targets were exceeded due to the Olympics in Brazil.
1.2.2	KPI	Blood tests	General Manager	450	213	Reducing tests as part of our austerity measures.
1.2.3	KPI	EPO tests	General Manager	550	331	Reducing tests as part of our austerity measures. Our first quarter our targets were exceeded due to the Olympics in Brazil.
1.3	KPI	Host a doping control officer workshop to address system improvements and changes in international standards for testing.	Education Manager	1	5	5 Regional workshops were held as part of our focus on improvement on standards.

KPA 2-B B. Results Management	Budgeted Amount	1 364 000
	YTD Actual Spent	1 726 000

Strategic Objective 2	Ensure that an independent Results Management System is maintained within the confines of SA Anti Doping laws and the World Anti-Doping Code
-----------------------	--

REF	PLANNING LEVEL	OBJECTIVE / KPI/ ACTIVITY/ TASKS	RESPONSIBLE OFFICIAL	Target - Full year	YTD	Reasons for deviations
2.1	Obj 1	To strengthen the legal framework of SAIDS in order to better be able to implement a results management program that is robust, independent and fair.	CEO			
2.1.1	KPI 1	Build legal capacity through hosting education seminars for tribunal members on the national anti-doping rules.	General Manager	1	1	
2.1.2	KPI 2	Develop a project plan to review and amend the Drug-Free Sport Act to better capture the expanding mandate and jurisdiction of SAIDS.	General Manager	-	n/a	The project plan is still part of the strategic goals.



C. Education, Research and Outreach				Budgeted Amount	3 737 000
				YTD Actual Spent	1 559 000
Strategic Goal 2		To implement a comprehensive national education and awareness programme, that is relevant to specific target groups, accessible, valid and measurable, for the purpose of preventing and deterring the use of prohibited substances and methods.			
Strategic Objective 3		Provide anti-doping education to differentiated target audiences.			

REF	PLANNING LEVEL	OBJECTIVE / KPI/ ACTIVITY/ TASKS	RESPONSIBLE OFFICIAL	Target - Full year	YTD	Reasons for deviations
3.1	Obj	"Deliver effective anti-doping programmes and projects to different target audiences".	CEO			
3.1.1	KPI	Implement a national public awareness campaign around anti-doping themes to sports public by leveraging at least two mass-based sports events.	Education Manager	2	1	Budget constraints.
3.1.2	KPI	Conduct and implement anti-doping outreach projects specific to adolescent and teen sports events, including schools.	Education Manager	15	47	Many schools, clubs and federations are taking anti-doping more serious and the partnership we have with some sport organisations also increased the awareness to schools and clubs.
3.1.3	KPI	Deliver and implement education sessions to youth (>19 years) / university sports / sports federations.	Education Manager	35	99	Increased demand, combined with increased networking efforts by the education team.
3.1.4	KPI	Deliver national training seminar for anti-doping education officers.	Education Manager	1	0	Education manager had to reschedule because of budget constraints.
3.1.5	KPI	Host a national anti-doping education conference on current trends/issues in anti-doping.	Education Manager	1	3	Hosted an Anti-Doping session at the 2017 SSISA School Sport Summit 24-25 March 2017. Coaches seminar with coaches in partnership with SASCOG and 1 coaches seminar in Port Elizabeth.
3.2	Obj	Initiate research in the areas of relevance to the broader functions of SAIDS and to ensure that research conducted is of relevance to national and international matters of doping in its broader sense.	CEO			
3.2.1	KPI	Identify areas of relevance around anti-doping research and promoting it to sports stakeholders through a call for proposals.	Education Manager	X	X	Presented relevant areas around anti-doping at the annual SA Sports Medicine Association's conference. The possible proppsals that can be received could not be determined. Read with indicator 3.2.2.
3.2.2	KPI	Select and fund research project.	Education Manager	1	0	We are currently funding the research project of Prof. Myburg at Stellenbosch University. Ongoing project. Delays in reporting by the University thus delaying the release of funds.

KPA 5-E. Budget Perspective	
E. Finance	
Strategic Goal 3	To manage and administer the operations of the agency in a fiscally conservative manner by adopting and implementing efficiency measures and practices that are in compliance with legislation which governs public entities.
Strategic Objective 5	Ensure compliance with applicable legislation governing public entities.

REF	PLANNING LEVEL	OBJECTIVE / KPI/ ACTIVITY/ TASKS	RESPONSIBLE OFFICIAL	Target - Full year	YTD	Reasons for deviations
5.1	Obj	Update and maintain a 5 year budget plan in compliance with ENE guidelines.	FM			
5.1.1	KPI	Timely submission of ENE database to National Treasury.	FM	1	1	ENE database submitted as per Treasury deadlines.
5.2	Obj	Maintain effective control of operational budget in compliance with PFMA.	FM			
5.2.1	KPI	Develop and monitor operating budget in accordance with the relevant treasury regulations; ie quarterly performance reporting.	FM	4 quarterly reports and a clean audit	4	Quarterly reports submitted to SRSA, National Treasury and National Lotteries Commission. Clean audit not obtained.

KPA 6-F.	
F. Management Processes	
Strategic Objective 6	Maintain an effective governance infreastucture to provide assurance and compliance to legislative and internal policies and procedures.

REF	PLANNING LEVEL	OBJECTIVE / KPI/ ACTIVITY/ TASKS	RESPONSIBLE OFFICIAL	Target - Full year	YTD	Reasons for deviations
6.1	Obj	Establish a sound management infrastructure that provides assurance to compliance framework.	CEO			
6.1.1	KPI	Ensure an effective Governance structure across all levels in the organization by ensuring regular board meetings and audit committee meeting.	CEO	4 meetings per year	4	

KPA 7-JG	
G. Information Capital	
Strategic Objective 7	Ensure a sound and robust IT platform

REF	PLANNING LEVEL	OBJECTIVE / KPI/ ACTIVITY/ TASKS	RESPONSIBLE OFFICIAL	Target - Full year	YTD	Reasons for deviations
7.1.1	KPI	Update server to ensure robust IT operating platform.	General Manager	X	Yes	Installed Optic fibre to boost IT.
J 1.3	KPI	Perform data recovery /disaster recovery exercise.	General Manager	X	Yes	Performed in conjunction with the landlord, as well as monthly backup certificates received from IT service provider.

KEY: X REPRESENTS A NON-NUMERICAL TARGET - REPRESENTS NO TARGET FOR THE YEAR



# 2017 Governance

South African Institute for  
Drug-Free Sport

## INTRODUCTION

SAIDS is an independent statutory authority within the portfolio of the Ministry of Sport and Recreation in South Africa, and is responsible for leading the development of a national strategy on anti-doping issues in sport. This includes implementing an effective and credible national anti-doping programme that encompasses drug testing, results management, education, research and corporate governance.

## PORTFOLIO COMMITTEES

### Dates of Meetings:

- **21 February 2017:**
  - Post Olympics doping results
- **11 October 2016:**
  - Briefing on the Annual Report and Financial Statements
  - Briefing by the office of the Auditor General on Financial Statements and Performance information of SRSA, Boxing SA and SAIDS
- **6 April 2016**
  - Briefing of the Annual Performance Plan (2013-2018)
- **10 March 2016**
  - Submission of the Annual Performance/Business Plan 2016/17 and Strategic Plan (tabled at Parliament, SAIDS' presence was not requested)

## EXECUTIVE AUTHORITY

- 1. Annual Report Submission:**
  - 31 August 2016 (received emailed confirmation of receipt of 5 copies from Treasury: Thomas Matjeni)
- 2. Strategic Plan Submission:**
  - 30 August 2016
- 3. Quarterly Reporting:**
  - Quarter One: 19 July 2016
  - Quarter Two: 13 October 2016
  - Quarter Three: 11 January 2017
  - Quarter Four: 18 April 2017

# THE ACCOUNTING AUTHORITY/BOARD

SOUTH AFRICAN INSTITUTE FOR DRUG-FREE SPORT ACT, 1997  
No. 14 of 1997 Government Gazette, Vol. 383, No. 18028, 23 May 1997

## 1. ACT

To promote the participation in sport free from the use of prohibited substances or methods intended to artificially enhance performance, thereby rendering impermissible doping practices, which are contrary to the principles of fair play and medical ethics, in the interest of the health and well being of sportspersons; and to provide for matters connected therewith.

*(Afrikaans text signed by the Acting President.) (Assented to 20 May 1997.)*

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows: -

## 2. Establishment of South African Institute for Drug-free Sport

There is hereby established a corporate body to be known as the South African Institute for Drug- Free Sport.

## 3. Composition of Institute

(1) The Institute shall consist of a chairperson and as many other members as may be agreed upon by the Minister in consultation with NSC and NOCSA, all of whom shall be appointed by the Minister in terms of subsection (4). (2) In addition to the members referred to in subsection (1) the Chief Executive Officer of the Institute shall be a member of the Institute by virtue of his or her office.

# FRAUD AND CORRUPTION

In March 2017 an athlete was charged with an Anti-Doping Rule Violation through attempting to induce or entice the Doping Control Officer to cancel the test. The charge was in compliance with Article 2.5 of the SA Anti-Doping Rules.

The written decision of the Independent Tribunal Panel instructed SAIDS to report the case to the South African Police Services (SAPS), in terms of the Prevention and Combating of Corrupt Activities Act. The case was registered at the Brooklyn Police Station Pretoria (CA5213/8/2017). The Athlete was given the maximum four-year sanction for each offence and the panel ruled that they should run consecutively – an eight-year ban.

# CODE OF CONDUCT:

- A register is kept of any declarations of interest from Board Members.
- All staff members are required to sign and adhere to a Code of Conduct and Confidentiality policy
- Declarations of any conflict of interests are a permanent agenda item on staff meetings.
- Annual criminal background checks are conducted on all staff members
- Academic qualifications of all new staff appointments are verified.
- Doping Control Officers and all operational commission members are bound by a signed Code of Conduct policy
- Annual criminal background checks are conducted on all doping control officers.

# REPORT OF THE AUDIT COMMITTEE



We are pleased to present the Audit Committee Report for the South African Institute for Drug Free Sport for the financial year ended 31 March 2017.

## Audit Committee Members and Attendance:

The Audit Committee consists of three independent persons together with a non-executive member of the Board. All members of the Audit Committee have the required expertise and experience in business and financial matters. The Committee meets quarterly and has met four times during the year to 31 March 2017 and twice subsequently, in accordance with its approved terms of reference.

Name of Member	Number of Meetings Attended	
	Year to 31.3.2017	Since 31.3.2017
Adv. David Mitchell (Chairperson)	4	2
Mr Graham Abrahams *	4	2
Mr Jonathan George	4	1
Ms Masaccha Mbonambi	2	0
* Board member		

Representatives of the Auditor-General have attended all Audit Committee meetings.

## Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from sections 51(1)(a)(ii) and 76(4)(d) of the Public Finance Management Act and Treasury Regulation 27.

The Committee further reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter and has regulated its affairs and discharged its responsibilities in compliance with this charter.

## Internal audit

Internal audit services are provided by an independent professional auditing firm. In accordance with a policy of rotation a new appointment was made, effective from 1 December 2016. A re-examination of all key internal audit areas has been conducted and a fresh approach is underway.

## Audit review of predetermined objectives

The Auditor-General has confirmed the quality, usefulness and reliability of performance management reporting which continues to be of a good standard. The Auditor-General's assistance is appreciated in pinpointing instances of misstatement that were subsequently corrected.

## Internal control and compliance

Several instances were identified in internal control, compliance monitoring, policy development and performance management where closer monitoring and stricter leadership would improve the entity's operating performance and audit readiness. An action plan for implementing these improvements or remedying these deficiencies is in progress.

What has been particularly pleasing is the strong approach adopted to supply chain management where procurement practices now achieve a high degree of compliance with all statutory prescripts as a routine.

## Operational threats affecting SAIDS as a going concern

The Institute continues to be affected by problematic operating constraints:

During the year World Anti-Doping Association accreditation was withdrawn or suspended for laboratories that the Institute depends upon for sample analyses, both in South Africa and abroad.

These are independent laboratories that the Institute does not, and may not, control or influence.

This has contributed to extraordinary and unforeseen costs, such as courier costs of R2,5 million (2016: R1,7 million), which would otherwise not have been incurred.

The collection of outstanding receivables from international debtors such as sporting bodies elsewhere in Africa remains a challenge – despite management’s proactive initiatives in this key responsibility area. Regretfully, many of these receivables ought now to be written off as bad debts as prospects of recovery appear slim.

The Institute’s annual grant from Sport & Recreation South Africa was released in a series of instalments with payments due for the latter half of the year being postponed. No entity can operate in terms of an approved budget if the approved funding is not made available to it. The fruitless and wasteful expenditure disclosed in Note 17 to the annual financial statements (R3 000) represents finance charges incurred on a deferred corporate credit card payment – this was not the result of negligence or carelessness, but was the result of a deliberate stratagem by management to avoid an unauthorised bank overdraft or other breaches in settling creditor commitments.

It is imperative that the Institute is supported in its endeavours to discharge its mandate, otherwise doubt is cast on its ability to continue as a going concern. Equally so, the Institute needs to take proactive steps to manage and realign its budgets and expenditure programmes, in accordance with its available funding.

## Overall audit result

The Institute is commended for achieving a good audit result, albeit with emphasis of matter, which demonstrates the substantial progress made by management in its quest to achieve an exemplary rating in all areas. We are confident that remaining shortcomings can and will be satisfactorily addressed.

The Institute has also passed an ISO 9001 certification and quality assurance audit conducted by Bureau Veritas SA (an international certification group operating in 140 countries) and has been recommended for recertification.

## Evaluation of Financial Statements

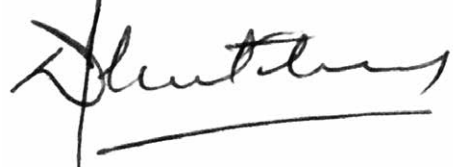
The Audit Committee has:

- reviewed and discussed the audited annual financial statements and performance report to be included in the annual report with the Auditor-General, with the Chief Executive Officer and with the Board as the Institute’s accounting authority
- reviewed the Auditor-General’s management report on the findings of the audit and management’s response, and has reviewed all changes in accounting policies and practices
- noted and reviewed the Auditor-General’s assessment of the usefulness and reliability of performance information examined.

The Committee concurs with and supports the Auditor-General’s opinion on the annual financial statements, annual performance report and other legal and regulatory matters, and is of the view that the audited annual financial statements and performance report can be accepted and read together with the Auditor-General’s report.

## Auditor-General South Africa

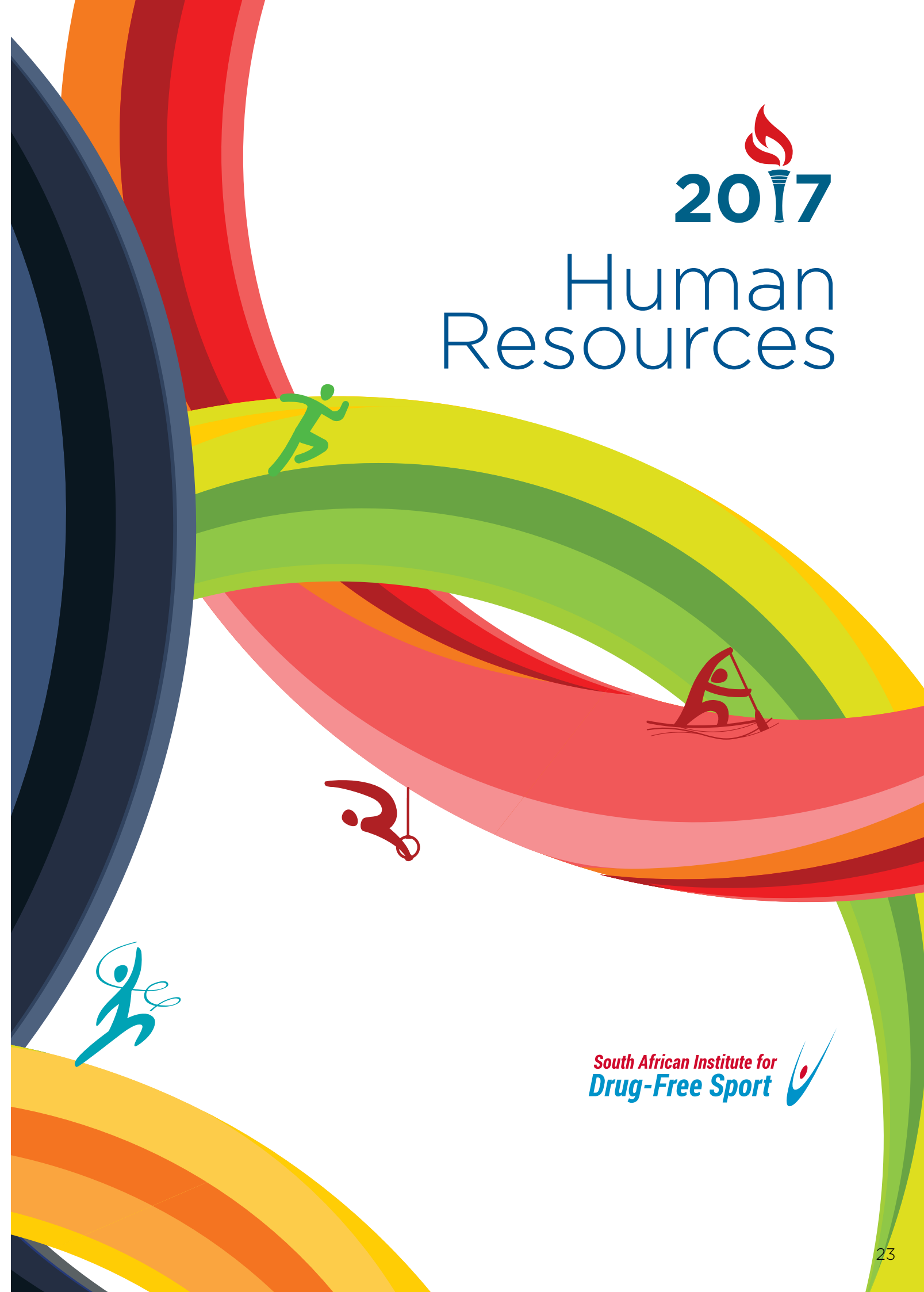
The Audit Committee confirms that it has met with the Auditor-General and that there are no unresolved issues.



Adv. D. J. Mitchell, C.A.(S.A.)  
Chairperson of the Audit Committee  
Date: 31 July 2017

2017

# Human Resources



South African Institute for  
Drug-Free Sport

# INTRODUCTION



SAIDS appointed consultants at Workplace Strategies to facilitate our employment equity initiatives. A briefing session was held with all employees and an Employment Equity Committee was formed with various employee representatives. Aisha Tape was appointed Employment Equity Manager. The Employment Equity Committee received training in employment equity obligations and an online survey was distributed and completed by all staff. We were very pleased with the results. An Employment Equity Plan has been implemented containing various objectives and numerical goals and targets to strive for in the next four years and our Employment Equity Report was submitted to the Department of Labour in December 2016.

## Oversight Statistics

### Personnel Cost by programme/ activity/ objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	10 229	5 625	55%	17	331

### Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	1 170	20.8%	1	1170
Senior Management	1 763	31.3%	3	588
Professional qualified	1 196	21.3%	5	239
Skilled	745	13.2%	3	248
Semi-skilled	662	11.8%	5	132
Unskilled	0	0	0	0
TOTAL	5 536		17	

### Performance Rewards

Programme//activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	0	0
Senior Management	0	0	0
Professional qualified	0	0	0
Skilled	0	0	0
Semi-skilled	0	0	0
Unskilled	0	0	0
TOTAL	0	0	0

### Employment and vacancies

Programme/activity/objective	2015/2016	Training Expenditure	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	15	17	17	0	0
Top Management	1	1	1	0	0
Senior Management	3	3	3	0	0
Professional qualified	4	5	5	0	0
Skilled	3	3	3	0	0
Semi-skilled	4	5	5	0	0
Unskilled	0	0	0	0	0
TOTAL	15	17	17	0	0

### Training Costs

Programme//activity/objective	Personnel Expenditure (R'000)	Training Expenditure	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Administration	5625	32	0.6%	4	8





## Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	3	0	0	3
Professional qualified	4	1	0	5
Skilled	3	0	0	3
Semi-skilled	4	1	1	4
Unskilled	0	0	0	0
Total	15	2	1	16

## Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Top Management	1	0
Senior Management	3	0
Professional Qualified	4	0
Skilled	3	0
Semi-Skilled	4	1
Unskilled	0	0
Total	15	1

## Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	
Written Warning	1
Final Written warning	
Dismissal	

## Equity Target and Employment Equity Status

Levels	MALE: FULL TIME							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	1	1	0	0	0	0
Senior Management	1	1	1	1	0	0	0	0
Professional qualified	1	1	0	1	0	1	0	0
Skilled	1	1	1	1	0	0	0	0
Semi-skilled	0	1	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	3	4	3	4	0	1	0	0

Levels	FEMALE: FULL TIME							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	1	0	0	0	0	1	1
Professional qualified	1	1	2	2	0	0	1	1
Skilled	0	1	1	1	0	0	0	0
Semi-skilled	1	2	3	3	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	2	5	6	6	0	0	2	2

Levels	DISABLED STAFF: FULL TIME			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	1	0	0
Skilled	0	0	0	1
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	1	0	1



# 2017 Other

South African Institute for  
Drug-Free Sport

## GENERAL MANAGER'S REPORT

An Olympic and Paralympic year signals the end of one cycle and the commencement of a new one. This involves reviews, planning, determining strategy and aligning our structures to ensure that we are able to address the demands and challenges that the next four years will bring.

Some of these key developments are highlighted below. The implementation of the World Anti-Doping Agency (WADA) compliance questionnaire audit for anti-doping organisations to measure compliance with the 2015 Code was launched during the past year. This was an invaluable exercise as it highlighted our strengths and areas of improvements. Furthermore, we are reviewing our ISO compliance as we are in a recertification year to ensure that our internal operational procedures meet the stringent requirements of the updated ISO 9001 standard. Both these developments bode well for the future of our organisation as we further develop our internal processes and strengthen our governance.

Additionally, we have reviewed and reorganised our external commissions who provide invaluable support to our operations viz. Doping Control Review Commission, the Therapeutic Use Exemption Commission and the Independent Doping Hearing Panels. The reorganisation of the hearing panel is of particular interest since we continued to ensure that it executes its functions independently of SAIDS. The expansion of our staff complement which has lead to the appointment of an Athlete Biological Passport Coordinator and Legal Manager has further increased the expertise and skills to enable us to be in a position to implement our mandate and strategy.

The continued suspension of the South African Doping Control Laboratory is a challenge to our testing strategy and while not debilitating, has resulted in more detailed and in depth planning. Despite this setback and the challenges that this has brought we have been able to address this.

In conclusion, I would like to extend my appreciation and gratitude to our Doping Control Staff for their continued support and commitment during the past year and for accepting the challenge in implementing the additional compliance requirements related to the implementation of the WADA Code. Last but not least, I would like to thank our Doping and Blood Control Officers for their dedication and commitment in ensuring that we continue to meet our strategic goals and objectives.



Fahmy Galant,  
General Manager

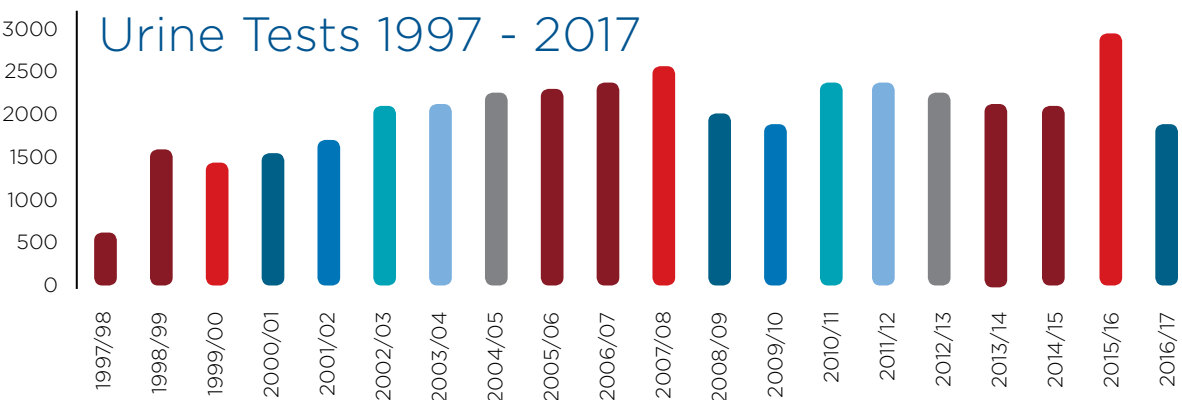


# DOPING CONTROL

## Statistics



Sporting Code	URINE TESTS	BLOOD	ABP	HGH	EPO TESTS	CIRMS	HG ISOFORMS	Total
Rugby	480	0	0	0	8	17	0	505
Athletics	302	56	54	2	53	9	1	477
Cycling	230	57	56	1	113	10	0	467
Aquatics	132	50	50	0	103	0	0	335
Football	150	0	0	0	0	3	0	153
Powerlifting	58	19	0	19	0	1	0	97
Rowing	38	7	7	0	0	0	0	52
Triathlon	35	19	19	0	11	1	0	85
Canoeing	32	5	5	0	4	0	0	46
Mixed Martial Arts	42	0	0	0	0	2	0	44
Boxing	41	0	0	0	0	2	0	43
Basketball	36	0	0	0	0	1	0	37
Netball	34	0	0	0	0	0	0	34
ParaSport	32	0	0	0	1	1	0	34
Wrestling	26	0	0	0	1	1	0	28
Golf	25	0	0	0	0	1	0	26
Field Hockey	20	0	0	0	0	2	0	22
Cricket	20	0	0	0	0	0	0	20
Weightlifting	14	0	0	0	0	2	0	16
Judo	13	0	0	0	0	0	0	13
Ice Hockey	8	0	0	0	0	1	0	9
Archery	8	0	0	0	0	0	0	8
Motor Sport	7	0	0	0	0	0	0	7
Bodybuilding	6	0	0	0	0	0	0	6
Lifesaving	3	0	0	0	0	0	0	3
Sailing	3	0	0	0	0	0	0	3
Figure Skating	2	0	0	0	0	0	0	2
Gymnastics	1	0	0	0	0	0	0	1
Squash	1	0	0	0	0	0	0	1

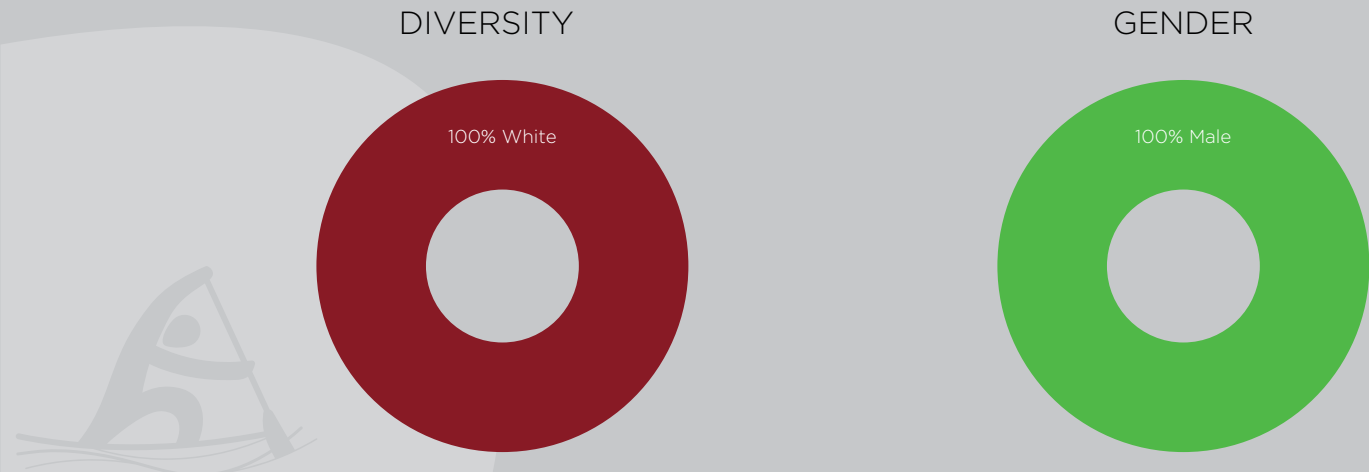


# GENDER AND DIVERSITY

## SCALES Employment equity statistics

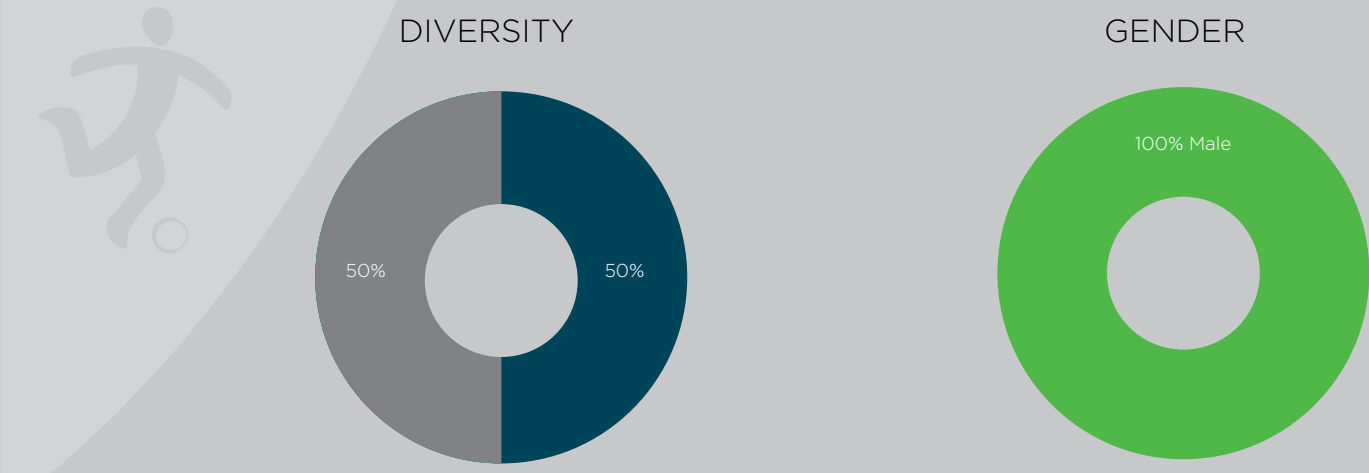
### Doping Control Review Commission

Dr. Louis Holtzhausen (Chairperson) Dr. Jeroen Swart Prof. Andrew Bosch



### Therapeutic Use Exemption

Prof. Demitri Constantinou (Chairperson) Dr. Kevin Subban



Male Female Black White Coloured Indian Disabled

# Rule Violations Anabolic Agent Findings

\*\*

Number of hearings: 36  
Number of multiple hearings: 4  
Number of Appeals held: 7



NO.	DATE OF TEST	SURNAME	NAME	S	SPORT	SUBSTANCE IDENTIFIED OR FAILURE TO COMPLY	CLASS OF SUBSTANCE	SANCTIONS IMPOSED
1	15-Apr-16	Hogan	Victor	M	Athletics	Methylhexaneamine	Stimulant	9 Months
2	23-Apr-16	Sibiya	Jabulani	M	Water Polo	Carboxy-THC	Cannabinoids	2 Years
3	05-May-16	Rapoo	Tshepo	M	Powerlifting	19-Norandrosterone	Anabolic Agent	2 Years
4	08-May-16	Katushabe	Tindi	M	Powerlifting	Metandienone and Tamoxifen	Anabolic Agent and Hormone and Metabolic Modulators	4 Years
5	21-May-16	Mxoli	Nqobasizwe	M	Rugby Union	Methylhexaneamine	Stimulant	18 Months
6	24-May-16	Benjamin	Storm	F	Powerlifting	Clenbuterol	Anabolic Agent	4 Years
7	28-May-16	Nel	Jonathan	M	Weightlifting	Oxandrolone	Anabolic Agent	4 Years
8	28-May-16	Matras	Revaldo	M	Powerlifting	Metandienone	Anabolic Agent	4 Years
9	30-Apr-16	White	Tyronne	M	Cycling	Dexamathasone	Glucocorticoids	6 Months
10	11-Jun-16	Wasserman	Charles	M	Boxing	Drostanolone	Anabolic Agent	4 Years
11	17-Jun-16	Mbuyi	Vandam	M	Mixed Martial Arts	Hydrochlorothiazide	Diuretic	4 Years
						4-amino-6-chloro-1,3-benzenedisulfonamide		
12	11-Jul-16	Name Redacted (Minor)		M	Rugby Union	18-nor-17b-hydroxymethyl-17a-methyl-androst-1,4,13-trien-3-one	Anabolic Agent	4 Years
13	13-Jul-16	Name Redacted (Minor)		M	Rugby Union	3'-hydroxystanozolol	Anabolic Agent	4 Years
						4b-hydroxystanozolol		
						16b-hydroxystanozolol		
14	08-Aug-16	Matthee	Maroesjka	M	Cycling	Pseudoephedrine	Stimulant	12 Months
15	30-Apr-16	Kipchirchir	Vincent	M	Athletics	19-Norandrosterone	Anabolic Agent	Decision Pending from Anti-Doping Kenya
16	30-Apr-16	Lukhwareni	Gladys	F	Athletics	Testosterone	Anabolic Agent	4 Years
17	12-Jul-16	Name Redacted (Minor)		M	Rugby Union	19-Norandrosterone	Anabolic Agent	4 Years
18	13-Jul-16	Name Redacted (Minor)		M	Rugby Union	19-Norandrosterone and Testosterone	Anabolic Agent	4 Years
19	03-Sep-16	Wait	Patrick	M	Rugby Union	4-Hydroxy Clomiphene	Hormone and Metabolic Modulator	4 Years
						Dehydrochloromethyl-Testosterone	Anabolic Agent	
20	03-Sep-16	Strydom	Johan	M	Rugby Union	Oxandrolone	Anabolic Agent	4 Years
21	10-Sep-16	Vermeulen	Inus	M	Rugby Union	Methylhexaneamine	Stimulant	4 Years
						Stanozolol	Anabolic Agent	
22	24-Sep-16	Turner	Mark	M	Hockey	Metandienone, Drostanolone, Dehydrochloromethyl-Testosterone,	Anabolic Agent	4 Years
						Trenbolone	Anabolic Agent	
						Letrozole	Hormone and Metabolic Modulator	
23	24-Sep-16	Drummond	James	M	Hockey	Ephedrine	Stimulant	2 Years
						Carboxy-THC	Cannabinoids	
24	01-Oct-16	Kobusch	Jarred	M	Bodybuilding	Stanozolol, Trenbolone, 19-norandrosterone, Clenbuterol	Anabolic Agent	4 Years
						Anastrozole	Hormone and Metabolic Modulator	
25	08-Oct-16	du Preez	Jovanian	M	Rugby Union	Methylhexaneamine	Stimulant	2 Years
26	08-Oct-16	Chabeli	Jackson	M	Rugby Union	Methylhexaneamine	Stimulant	2 Years
27	08-Oct-16	Walters	Raydall	M	Rugby Union	Hydrochlorothiazide	Diuretic	4 Years
						Sibutramine	Stimulant	
28	08-Oct-16	Ueckermann	Marthinus	M	Rugby Union	Methasterone	Anabolic Agent	4 Years
29	08-Oct-16	Coetzer	Brendan	M	Rugby Union	19-Norandrosterone and 19-noreticholanolone	Anabolic Agent	4 Years
30	11-Jun-16	Nielsen	Micki	M	Boxing	Testosterone	Anabolic Agent	4 Years
31	02-Sep-16	Opperman	Michiel	M	Mixed Martial Arts	19-norandrosterone	Anabolic Agent	4 Years
32	05-Dec-16	Pienaar	Stean	M	Rugby Union	Letrozole	Hormone and Metabolic Modulator	2 Years
33	05-Dec-16	Ngcamu	Nhlanhla	M	Rugby Union	Stanozolol, Drostanolone, Methyl-1-Testosterone, Trenbolone,	Anabolic Agent	4 Years
						Metenolone, Mastonolone		
34	11-Nov-16	Pena	Demarte	M	Mixed Martial Arts	Testosterone	Anabolic Agent	Warning
35	13-May-17	Gilbert	Gordon	M	Mountain Bike	Testosterone	Anabolic Agent	Decision Pending
36	08-Feb-17	Name Redacted (Minor)		F	Athletics	Ephedrine	Stimulant	Warning
37	20-Mar-17	Leballo	Louisa	F	Athletics	EPO	Peptide Hormone/Tampering With Doping Control	8 Years
38	13-Mar-17	Smit	Sean	M	Rugby Union	Testosterone	Anabolic Agent	4 Years

# GENDER & DIVERSITY SCALES



No	Surname	Name	Role	Region
1	Abrahams	Yusuf	Sports Administrator	WC
2	Abrahams	Colin	Sports Administrator	PE
3	Berg	Corinne	Attorney	Gauteng
4	Branfield	Andy	Sports MD	Gauteng
5	Breetzke	Andrew	Attorney	WC
6	Brink	Ray	Attorney	WC
7	Brook	Norman	Sports Administrator	WC
8	Bush	John	Lawyer	WC
9	Carrim	Yusuf	Sports Administrator	Gauteng
10	Cloete	Rian	Attorney	Gauteng
11	Coetzer	Gerhardus	Sports MD	E London
12	Collins	Rob	Sports MD	Gauteng
13	Coopoo	Yoga	Sports Administrator	Gauteng
14	Cornelius	Steve	Advocate	Gauteng
15	Domingo	Wendell	Sports Administrator	PE
16	du Plessis	Luc	Lawyer	WC
17	Fleiser	Leon	Sports Administrator	Gauteng
18	Fourie	Willien	Sports Administrator	Bloemfontein
19	Hacker	Monty	Attorney	Gauteng
20	Hagemann	Glen	Sports MD	KZN
21	Hamman	Debbie	Attorney	WC
22	Hansraj	Rishi	Sports Administrator	KZN
23	Hurter	Marius	Attorney	WC
24	Ismail	Hasnodien	Sports Administrator	WC
25	Jaffer	Nasir	Sports MD	WC
26	Janse van Rensburg	Christa	Sports MD	Gauteng
27	Marshall	Mike	Sports MD	KZN
28	Motaung	Sello	Sports MD	Gauteng
29	Muller	Louis	Judge	WC
30	Nameng	Sunnyboy	Attorney	Gauteng
31	Nkanunu	Silas	Attorney	PE
32	Nonkonyana	Norma	Sports Administrator	WC
33	Peters	Beverley	Sports Administrator	KZN
34	Pieterse	Deon-Jacques	Sports MD	PE
35	Prinsloo	DB	Sports Administrator	Bloemfontein
36	Ramagole	Dimakatso	Sports MD	Gauteng
37	Readhead	Clint	Sports Administrator	Cape Town
38	Rossa	Yolinda	Advocate	WC
39	Samuel	Siven	Sports Lawyer	KZN
40	Stelzner	Rob	Advocate	WC
41	Suter	Jason	Sports MD	WC
42	Terblanche	Elmarie	Sports Administrator	WC
43	Theron	Nicolas	Sports MD	Bloemfontein
44	Thomas	Jerome	Attorney	WC
45	Thompson	Craig	Sports MD	WC
46	Tshabalala	Mandla	Attorney	Gauteng
47	van Dugteren	George	Pediatrician	WC
48	van Helden	Karen	Medical	WC
49	Viviers	Pierre	Sports MD	WC
50	Volsteedt	Johan	Sports Administrator	Bloemfontein

## INDEPENDENT DOPING HEARING PANEL



# APPEAL BOARD MEMBERS



No	Surname	Name	Role	Region
1	Abercrombie	Alex	Lawyer	WC
2	Cele-Zondi	Phatho	Sports MD	WC
3	Diale	Mami	Sports Administrator	Gauteng
4	Gaoraelwe	Rebaone	Advocate	Gauteng
5	Hack	Raymond	Attorney	Gauteng
6	Hendricks	Denver	Sports Administrator	Gauteng
7	Jakoet	Ismail	Sports MD	WC
8	Ledwaba	Metja	Attorney	Gauteng
9	Manjra	Shuaib	Sports MD	WC
10	Nematswerani	Ephraim	Sports MD	Gauteng



## TRIBUTE

SAIDS is saddened by the passing of Dr. George van Dugteren. Dr. van Dugteren served as an independent arbitrator on the anti-doping tribunal panel. George will be sorely missed for his knowledge and input on implementations of anti-doping policies.

May his soul rest in peace.



# EDUCATION PERFORMANCE PLAN



C. Education, Research and Outreach						Budgeted Amount	3 737 000
						YTD Actual Spent	1 559 000
Strategic Goal 2		To implement a comprehensive national education and awareness programme, that is relevant to specific target groups, accessible, valid and measurable, for the purpose of preventing and deterring the use of prohibited substances and methods.					
Strategic Objective 3		Provide anti-doping education to differentiated target audiences.					
REF	PLANNING LEVEL	OBJECTIVE / KPI/ ACTIVITY/ TASKS	RESPONSIBLE OFFICIAL	Target - Full year	YTD	Reasons for deviations	
3.1	Obj	Deliver effective anti-doping programmes and projects to different target audiences.	CEO				
3.1.1	KPI	Implement a national public awareness campaign around anti-doping themes to sports public by leveraging at least two mass-based sports events.	Education Manager	2	1	Budget constraints.	
3.1.2	KPI	Conduct and implement anti-doping outreach projects specific to adolescent and teen sports events, including schools.	Education Manager	15	47	Many schools, clubs and federations are taking anti-doping more serious and the partnership we have with some sport organisations also increased the awareness to schools and clubs.	
3.1.3	KPI	Deliver and implement education sessions to youth (>19 years) / university sports / sports federations.	Education Manager	35	99	Increased demand, combined with increased networking efforts by the education team.	
3.1.4	KPI	Deliver national training seminar for anti-doping education officers.	Education Manager	1	0	Education manager had to reschedule because of budget constraints.	
3.1.5	KPI	Host a national anti-doping education conference on current trends/issues in anti-doping.	Education Manager	1	3	Hosted an Anti-Doping session at the 2017 SSISA School Sport Summit 24-25 March 2017. Coaches seminar with coaches in partnership with SASCOC and 1 coaches seminar in Port Elizabeth.	
3.2	Obj	Initiate research in the areas of relevance to the broader functions of SAIDS and to ensure that research conducted is of relevance to national and international matters of doping in its broader sense.	CEO				
3.2.1	KPI	Identify areas of relevance around anti-doping research and promoting it to sports stakeholders through a call for proposals.	Education Manager	X	X	Presented relevant areas around anti-doping at the annual SA Sports Medicine Association's conference. The possible proppsals that can be received could not be determined. Read with indicator 3.2.2.	
3.2.2	KPI	Select and fund research project.	Education Manager	1	0	We are currently funding the research project of Prof. Myburg at Stellenbosch University. Ongoing project. Delays in reporting by the University thus delaying the release of funds.	

REF	Q1 Target	Q1 Actual	Variance	Constraints/Comments
3.1				
3.1.1	0	0	0	n/a
3.1.2	10	16	6	We are over the target because a lot of schools signed up in our schools protocol, partnership with SA Legends Vuka schools and other youth programs.
3.1.3	15	21	6	As this is an Olympic year, we received a lot of requests from sport federations.
3.1.4	0	0	0	
3.1.5	0	0	0	Conference dealing with the athlete biological profile cancelled - financial austerity.
3.2				
3.2.1				
3.2.2	0	1	1	In the process of searching for projects to fund (Stellenbosch University, supplements research project through 2016)

REF	Q2 Target	Q2 Actual	Variance	Constraints/Comments
3.1				
3.1.1	1	1	0	n/a
3.1.2	0	10	10	Lots of schools, clubs and federations are taking anti-doping serious and the partnership we have made to some sport organisations also increased the awareness to schools and clubs.
3.1.3	5	21	16	Federations are also willing to work with us in our doping campaign, the campaign we are doing in social media, partnering with SISSA to organise School Sport Summit, these helps us to get the attention we want from the public. Also did 1 university lecture to sport course students.
3.1.4	0	0	0	To be organised in the 4th quarter.
3.1.5	0	2	2	Patnering with Sport Science Institute of SA to host School Sport Summit, And with SASCOC to do the Coaches seminar, due to budgetary constraints it was wise to partner with other organisations to reduce costs and 1 coaches workshop in PE.
3.2				
3.2.1				
3.2.2	0	0	0	n/a

REF	Q3 Target	Q3 Actual	Variance	Constraints/Comments
3.1				
3.1.1	1	0	1	Budget constraints.
3.1.2	2	13	11	Increased demand and increased awareness of SAIDS Anti-Doping Testing & Education in Schools project.
3.1.3	4	19	15	Increased demand combined with increased networking by education department and education officers. Including 2 lectures for univeristy students.
3.1.4	1	0	1	Awaiting education manager (Amanda's) return from maternity leave and budget constraints.
3.1.5	1	0	1	We did the School Sport Summit in partnership with Sports Science Institute of South Africa and Elite Coaches Seminar in partnership with SASCOC in the previous quarter.
3.2				
3.2.1				
3.2.2	0	0	0	n/a

REF	Q4 Target	Q4 Actual	Variance	Constraints/Comments
3.1				
3.1.1	0	0	0	n/a
3.1.2	1	6	5	Promotion of the Schools Education & Testing Protocol - start of new calendar year and invitation to renew enrollment and education for 2017.
3.1.3	4	31	27	Increased demand, combined with increased networking efforts by the education team.
3.1.4	0	0	0	n/a
3.1.5	0	1	1	Hosted an Anti-Doping session at the Sports Science Institute of South Africa School Sport Summit 24-25 March 2017.
3.2				
3.2.1				
3.2.2	1	0	1	We are funding the research project of Prof. Myburg at Stellenbosch University.



# EDUCATION STATISTICS

delivered in 2016/17



Education events delivered in 2016/17

# 150

Education events in 2015/16

# 93

- 34 National-level
- 29 Provincial / Regional level
- 35 Club-level
- 26 School-level Events at schools, as well as regional, provincial and national-level school sports events.
- 15 Coach-specific education sessions

Adult and Youth athletes and entourage

- 115 Workshops  
47 to youth athletes & school sports  
> 3 237 youth participants  
6 264 participants in total
- 28 Outreach  
(info booth at sports events)  
+/- 38 250 athletes attending the events
- 3 National Anti-Doping Seminars  
Athlete entourage / Professionals working in sport +/-450 attendees
- 3 Lectures (at tertiary institutions)  
+/- 250 students
- 1 Mass sports participation event  
2 Oceans Marathon  
#KeepingSportClean

## Top 5 Education Topics covered:

1. "I PLAY FAIR" - Values & Ethics in Sport (focus during youth education)
2. What is an Anti-Doping Rule Violation
3. Risks of supplements and unregulated products
4. Doping control - rights & responsibilities
5. Therapeutic use exemptions (TUEs)

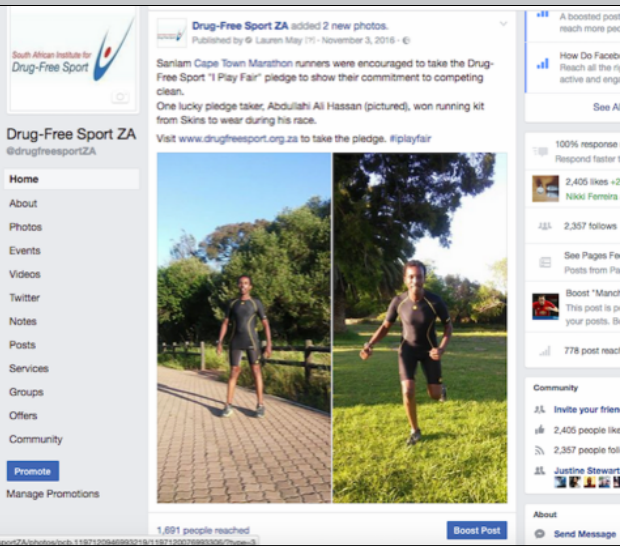
## Sports covered:

- Athletics, basketball, biathlon, bowls, boxing, cadets, cricket, cycling, hockey, judo, karate, lifesaving, netball, powerlifting, rowing, rugby, soccer, squash, swimming, synchronized swimming, triathlon (incl. ironman), tumbling, volleyball, water polo, and wrestling.
- TEAM SA going to 2016 African Union Sports Commission Region 5 U/20 Games (Luanda);
- TEAM SA going to 2016 Rio Olympic & Paralympic Games.

# SOCIAL MEDIA



Facebook top post: Energy drinks the cause of many sudden cardiac deaths in young people  
Reach of 6 155 people



Sanlam Cape Town Marathon runners were encouraged to take the "I PLAY FAIR" pledge. Adbillahi Ali Hasson (in picture) won the running kit



Griquas Rugby Team wearing the SAIDS logo on their jerseys

- 2 357 followers - 1 734 followers



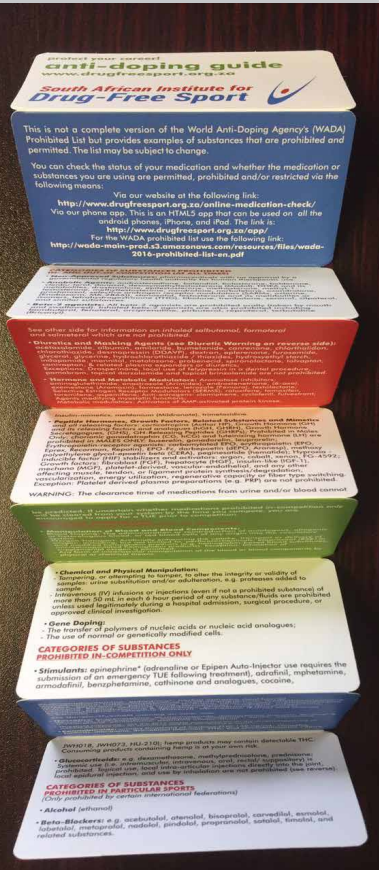
Tweets

Katlego Maboe (Expresso Morning presenter) running with blind runner David Jones, and Dalin Oliver (Goodhope FM Presenter and Comedian), supporting the SAIDS #KEEPINGSPORTSCLEAN campaign at the Two Oceans Marathon.



Education Events & Material Pics

Athlete 'quick reference' Pocket Guide with prohibited and Permitted medications



Gareth "Soldierboy" McLellan – a JHB based fighter competing in the Ultimate Fighting Championship (UFC). In his Tweet he welcomes and supports the Doping Control process. He has 9 102 twitter followers.







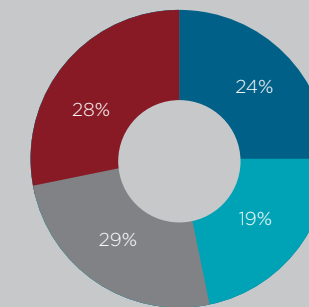
# GENDER & DIVERSITY SCALES



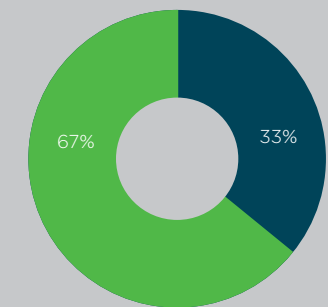
Education Officer Team

## DIVERSITY

Education Officers



## GENDER



Male Female Black White Coloured Indian Disabled






# 2017 Annual Financial Statements

South African Institute for  
Drug-Free Sport



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THE ANNUAL FINANCIAL  
STATEMENTS,  
SET OUT ON PAGES  
55 TO 86, HAVE BEEN  
APPROVED BY THE  
DEPUTY CHAIRPERSON  
AND ARE SIGNED BY HIM

#### BOARD MEMBERS

DR. J.H. ADAMS (Acting Chairperson)  
DR M. QOBOSE  
MR. G. ABRAHAMS  
MS. N. DU TOIT  
JUDGE L. MPATI  
Prof. L. SKAAL  
MR. M. TYAMZASHE  
MR. D.N. BAYEVER

#### APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements, set out on pages 44 to 69,  
have been approved by the Deputy Chairperson and are  
signed by him.



DR. J.H. ADAMS  
30 JULY 2017



# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SOUTH AFRICAN INSTITUTE FOR DRUG-FREE SPORT

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the South African Institute for Drug Free Sports set out on pages 55 to 83, which comprise the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Institute for Drug Free Sports at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### Irregular expenditure

7. Irregular expenditure disclosed in note 18 to the financial statements was due to overspending of the budget.

### Material uncertainty relating to going concern

8. I draw attention to the statement of financial performance, which indicates that the entity incurred a net loss of R663 000 during the year ended 31 March 2017 and as of 31 March 2017 the entity's total liabilities exceeded its total assets by R5 million as per the statement of financial position. The events or conditions set forth in note 1 indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. My opinion is not modified in respect of this matter.

### Other matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### Unaudited supplementary schedules

10. The supplementary information set out on page 84 to page 86 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, do not express an opinion thereon.

### Responsibilities of the accounting authority for the financial statements

11. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

12. In preparing the financial statements, the accounting authority is responsible for assessing the South African Institute for Drug Free Sports' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention to liquidate the public entity or to cease operations, or there is no realistic alternative but to do so.

### Auditor-general's responsibilities for the audit of the financial statements

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this report.

## Report on the audit of the annual performance report

### Introduction and scope

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the annual performance report of the public entity for the year ended 31 March 2017:

Objective	Page
Strategic objective 1 – doping control and drug testing	15
Strategic objective 2 – results management	15
Strategic objective 3 – education, research and outreach	16



18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

19. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following:

- Strategic objective 1 - doping control and drug testing
- Strategic objective 2 - results management
- Strategic objective 3 - education, research and outreach.

Other matter

20. I draw attention to the matters below.

Achievement of planned targets

21. Refer to the annual performance report on pages 15 and 16 for information on the achievement of planned targets for the year and explanations provided for the overachievement of a number of targets.

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in strategic objective 1 - doping control and drug testing and strategic objective 3 - education, research and outreach. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on audit of compliance with legislation  
Introduction and scope

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

24. Included below are material findings on compliance with selected subject matters.

Revenue management

25. Effective and appropriate steps were not taken to collect all money due, as required by section 51(1)(b)(i) of the PFMA and treasury regulation 31.1.2(a) and (e).

Expenditure management

26. Effective steps were not taken to prevent irregular expenditure amounting to R181 000 as disclosed in note 18 to the annual financial statements, in contravention of section 51(1)(b)(ii) of the PFMA. The majority of the disclosed irregular expenditure was caused by non-submission of the declaration of interest forms and a total of three quotations not being obtained.

Budget

27. Expenditure was incurred in excess of the approved budget, in contravention of section 53(4) of the PFMA.

Other information

28. The South African Institute for Drug Free Sports Public Entity's accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in the auditor's report.

29. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

30. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Internal control deficiencies

31. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon.

32. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

Leadership

33. Leadership did not sufficiently monitor the implementation of action plans to address internal control deficiencies identified in the previous year.

Financial and performance management

34. Management did not review and monitor compliance with applicable legislation; consequently instances of material non-compliance were identified.

Auditor General

Cape Town  
31 July 2017



# ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the public entity's compliance with respect to the selected subject matters.

## Financial statements

2. In addition to my responsibility for the audit of the financial statements, as described in the auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority
- conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the South Africa Institute for Drug Free Sports Public Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

2017

# ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

South African Institute for  
Drug-Free Sport



# ACCOUNTING AUTHORITY REPORT FOR THE YEAR ENDED 31 MARCH 2017

## INTRODUCTION

The directors present the audited annual financial statements that form part of the annual report of the entity for the year ended 31 March 2017.

The South African Institute for Drug-Free Sport was established by an Act of Parliament ( Drug Free Sport Act 14 of 1997 ) and is listed as a national public entity in schedule 3A of the Public Finance Management Act no. 1 of 1999, as amended (PFMA).

The board of directors is the accounting authority in terms of the Public Finance and Management Act no.1 of 1999.

## DIRECTORS OF THE ENTITY

Executive Director:  
Mr. K Galant

Non-Executive Directors:  
Dr. JH Adams  
Dr. MTD Qobose  
Mr. G Abrahams  
Ms. N Du Toit  
Judge L Mpati  
Dr. L Skaal  
Mr. M Tyamzashe  
Mr. DN Bayever

Mr. K Galant was the Chief Executive Officer and Board Secretary for the period under review. His business and postal addresses are as follows:

4th Floor, Sports Science Institute of South Africa  
Boundary Road  
Newlands  
7700

P O Box 2553  
Clareinch  
7740

## PRINCIPAL ACTIVITIES

The principal activities of the entity during the year comprise the development and implementation of anti-doping policy and procedures. This includes implementing a drug-testing programme across all the South African sporting codes, providing education and information programmes for all its target markets and collaborating internationally on the development and harmonisation of anti-doping standards and procedures.

## GOING CONCERN

The directors, having made appropriate enquiries, have a reasonable expectation that the entity has adequate resources to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## EVENTS SUBSEQUENT TO STATEMENT OF FINANCIAL POSITION DATE

The directors are not aware of any matters or circumstances arising since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affect the financial position of the entity or the results of its operations.

## ADDRESSES

The entity's business, registered and postal addresses are as follows:

Business and Registered Address:  
4th Floor, Sports Science Institute of South Africa  
Boundary Road  
Newlands  
7700

Postal Address:  
P O Box 2553  
Clareinch  
7740

## JURISDICTION AND DOMICILE

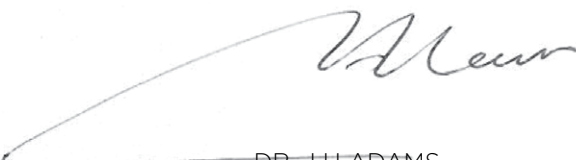
The entity resides and is managed in the Republic of South Africa.

## EXECUTIVE AUTHORITY

The executive authority for the entity is the Minister of Sport and Recreation.

## APPROVAL

The annual financial statements, set out on pages 58 to 83, have been approved by the Chairperson of the board of directors and are signed by him.

  
DR. J H ADAMS  
ACTING CHAIRPERSON  
31 JULY 2017

  
K GALANT  
CHIEF EXECUTIVE OFFICER  
31 JULY 2017



THE SOUTH AFRICAN INSTITUTE FOR DRUG-FREE SPORT  
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 R'000	2017 Budget R'000	2016 R'000
<b>Revenue</b>		<b>27 492</b>	<b>27 108</b>	30 375
Non-exchange revenue	2.1	23 072	25 908	27 392
Interest received		139	300	472
Exchange revenue	2.2	4 281	900	2 511
<b>Expenses</b>		<b>28 154</b>	<b>27 108</b>	34 728
Administration expenditure		10 229	9 348	9 117
Education programme		1 559	3 737	3 704
Doping control		13 558	10 604	18 910
Results management		1 726	1 364	1 377
International projects		391	638	851
Corporate services		691	876	769
Capital Expenditure		-	541	-
NET DEFICIT	13	(663)	-	( 4 353)

Detailed schedules of expenses are listed on pages 84-86.



THE SOUTH AFRICAN INSTITUTE FOR DRUG-FREE SPORT  
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

## ASSETS

### Non-current assets

Property, plant and equipment	3	1 015	1 129
Intangible assets	4	2	5

### Current assets

Inventories	5	751	640
Trade and other receivables	6	792	1 419
Cash and cash equivalents	7	6 506	1 976

### Total assets

## NET ASSETS AND LIABILITIES

### Net assets

#### Reserves

Retained Income / (Accumulated deficit)		( 4 966)	( 4 305)
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### Non-Current Liabilities

Finance lease liabilities	8	4	5
---------------------------	---	---	---

### Current liabilities

Finance lease liabilities	8	6	10
Credit card facilities	7	119	141
Payables from exchange transactions	9	6 066	5 304
Financial liabilities	10	7 837	4 013

### Total net assets and liabilities

Notes	2017 R'000	2016 R'000
	<b>1 017</b>	1 134
	<b>1 015</b>	1 129
	<b>2</b>	5
	<b>8 049</b>	4 035
	<b>751</b>	640
	<b>792</b>	1 419
	<b>6 506</b>	1 976
	<b>9 066</b>	5 168
	<b>( 4 966)</b>	( 4 305)
	<b>( 4 966)</b>	( 4 305)
	<b>4</b>	5
	<b>14 028</b>	9 468
	<b>6</b>	10
	<b>119</b>	141
	<b>6 066</b>	5 304
	<b>7 837</b>	4 013
	<b>9 066</b>	5 168

THE SOUTH AFRICAN INSTITUTE FOR DRUG-FREE SPORT  
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2017

	Note	GENERAL RESERVE R'000	ACCUMULATED FUNDS R'000	TOTAL R'000
Balance at 31 March 2015		-	50	50
Net surplus for the year		-	(4 353)	(4 353)
Balance at 31 March 2016		-	<b>(4 303)</b>	<b>(4 303)</b>
Net surplus for the year		-	<b>( 663)</b>	<b>( 663)</b>
Balance at 31 March 2017		-	<b>(4 966)</b>	<b>( 4 966)</b>

THE SOUTH AFRICAN INSTITUTE FOR DRUG-FREE SPORT  
STATEMENT FOR CASH FLOW OF THE YEAR ENDED 31 MARCH 201

NET CASH FLOW FROM OPERATING  
ACTIVITIES

	Notes	2017 R'000	2016 R'000
Cash received from customers		<b>31 474</b>	21 839
Cash paid to suppliers and creditors		<b>(26 893)</b>	(34 611)
Cash generated from operations	15.1	<b>4 581</b>	( 12 772)
Investment income		<b>139</b>	472
Finance costs		<b>(9)</b>	(2)
		<b>4 711</b>	( 12 302)

NET CASH FLOW USED IN INVESTING  
ACTIVITIES

Additions to property, plant and equipment	3	<b>(157)</b>	(732)
Additions to intangible assets	4	-	(6)
Proceeds from sale of property, plant and equipment		-	9
Net cash outflow from investing activities		<b>(157)</b>	(729)

NET CASH FLOW FROM FINANCING  
ACTIVITIES

Increase / (decrease) in financial lease liabilities		<b>(3)</b>	-
Net cash inflow/(outflow) from financing activities		<b>(3)</b>	-
Net decrease in cash and cash equivalents		<b>4 552</b>	( 13 031)
Cash and cash equivalents at the beginning of the year	15.2	<b>1 835</b>	14 867
Cash and cash equivalents at the end of the year	15.2	<b>6 387</b>	1 835



THE SOUTH AFRICAN INSTITUTE FOR DRUG-FREE SPORT  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR  
ENDED 31 MARCH 2017

	Actual 2017  R'000	Approved Budget 2017  R'000	Difference Actual vs Approved  R'000
<b>Revenue</b>	27 492	27 108	384
Non-exchange revenue	23 072	25 908	( 2 836)
Interest received	139	300	( 161)
Exchange revenue	4 281	900	3 381
<b>Expenses</b>	28 154	27 108	1 046
Administration expenditure	10 229	9 348	881
Education programme	1 559	3 737	( 2 178)
Doping control	13 558	10 604	2 954
Results management	1 726	1 364	362
International projects	391	638	( 247)
Corporate services	691	876	( 185)
Capital expenditure	* -	541	( 541)
<b>NET SURPLUS/(DEFICIT)</b>	<b>( 663)</b>	<b>-</b>	<b>( 663)</b>

Refer to note 20 for explanations of differences in approved budget vs. actual expenditure

\* This is capital expenditure and does not contribute to the deficit in the Income Statement. This figure is included to show that the entity did not budget for either a deficit or a surplus.

2017

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017



## ACCOUNTING POLICIES

The following are the policies of the entity which are, in all material respects, consistent with those applied in the previous year, except as otherwise indicated:

### 1. BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board. The annual financial statements have been prepared on the accrual basis of accounting and are in accordance with the historical cost convention, except where indicated otherwise.

The cash flow statement can only be prepared in accordance with the direct method.

The financial statements are presented in South African Rands as it is the currency in which the majority of the entity's transactions are denominated.

The figures as disclosed in the financial statements are rounded to the nearest thousand South African Rand (R'000).

#### Going concern assumption

The annual financial statements have been prepared on the going concern basis.

The Board has performed a review of the entity's results and its ability to continue as a going concern in the foreseeable future.

The directors confirm that they are satisfied that the entity has adequate resources to continue operations for the foreseeable future based on the following:

- the entity is the only anti-doping body in South Africa and the African continent
- the entity plays a pivotal role in the promotion of drug-free sport, and is a key and necessary constituent of society
- the entity has signed a service level agreement with the Department of Sport and Recreation of South Africa (SRSA) for the 2017/18 financial year
- the entity has received half of its allocated grant funding from SRSA for the 2017/18 financial year

### 1.1 REVENUE

Revenue is measured at the fair value of the consideration received or receivable.

#### 1.1.1 Revenue from non-exchange transactions

Revenue arising from non-exchange transactions is recognised in accordance with the requirements of the Standards of GRAP on revenue from non-exchange transactions. Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount. Where a transfer is subject to conditions that, if unfulfilled, require the return of the transferred resources, the entity recognises a liability until the condition is fulfilled. Lottery funding was received for specific projects as per the Lottery funding application. Revenue is recognised to the extent the funding has been utilised for the respective projects.

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognised by the entity.

#### 1.1.2 Revenue from exchange transactions

Revenue arising from exchange transactions is recognised when the outcome of the transaction can be

estimated reliably when all the following conditions are satisfied:

- i) The amount of revenue can be measured reliably;
- ii) It is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- iii) The stage of completion of the transaction at the reporting date can be measured reliably
- iv) The costs incurred for the transaction can be measured reliably.

#### 1.1.3 Interest received

Interest received is recognised using the effective interest rate method.

### 1.2 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Irregular expenditure means expenditure other than authorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation.

Fruitless and wasteful expenditure means expenditure which was made in vain and could have been avoided had reasonable care been exercised.

All irregular, fruitless and wasteful expenditure is charged against income in the period in which it is incurred.

Irregular, fruitless and wasteful expenditure previously charged against income and subsequently recovered shall be recognised against income in the period it is recovered

### 1.3 FOREIGN CURRENCIES

Transactions in currencies other than the entity's reporting currency (South African Rand) are initially recorded at the rates of exchange ruling on the dates of the transactions. Exchange differences arising from the settlement of such transactions are recognised in the statement of financial performance

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling on the balance sheet date. Unrealised differences on monetary assets and liabilities are recognised in the statement of financial performance in the period in which they occurred.

### 1.4 PROPERTY, PLANT AND EQUIPMENT

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- i) it is probable that the future economic benefits or service potential associated with the item will flow to the entity, and
- ii) the cost or fair value of the item can be measured reliably.

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

Improvements to leased property capitalised and classified as property, plant and equipment. The improvements are stated at cost .

The useful life of leasehold improvements is the period over which the improvements are expected to be available for use by the South African Institute for Drug-free Sport.

Depreciation is calculated on a straight-line basis over the useful life of the asset.

The useful lives are:

Item	Estimated useful life
Computer Equipment	3 yrs
Furniture and Fittings	3 - 6 yrs
Motor Vehicles	4 - 6 yrs
Office Equipment	1.5 - 6 yrs
Leasehold Improvements	5 yrs

The residual values, useful lives and depreciation method of property, plant and equipment are reviewed on an annual basis. Profits and losses on disposal of property, plant and equipment are credited and charged to the statement of financial performance. The assets are reviewed for impairment on an annual basis. When events or changes in circumstances indicate that the carrying value may not be recoverable, the assets are written down to their recoverable amount and any adjustments shall be recognised immediately in surplus or deficit; unless the asset is carried at a revalued amount, in which case the decrease shall be debited directly in net assets to the extent any credit balance exists in the revaluation surplus in respect of that asset. Property, plant and equipment is derecognised on disposal or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the derecognition is included in surplus or deficit when the item is derecognised. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised in profit or loss in the period.

1.5 INTANGIBLE ASSETS

An intangible asset is recognised when:

- i) it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- ii) the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. Subsequent to initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The cost (or depreciable amount) of intangible assets with finite useful lives is amortised over the estimated useful lives.

The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless:

- a) there is a commitment by a third party to acquire the asset at the end of its useful life; or
- b) there is an active market for the asset; and
  - i) residual value can be determined by reference to that market; and
  - ii) it is probable that such a market will exist at the end of the asset's useful life.

An annual assessment, at the reporting date, is calculated on intangible assets to determine if the assets are impaired.

Amortisation is charged so as to write off the cost of intangible assets with finite useful lives over their estimated useful lives using the straight-line method. Amortisation commences when the asset is ready for its intended use. The annual amortisation charges are based on the following estimated average asset lives:

Item	Estimated useful life
Computer Software	1 - 3 years
Interactive media applications	1 - 2 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the statement of financial performance.

An intangible asset is derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying amount and is included in surplus or deficit when the item is derecognised.

1.6 INVENTORIES

Inventories are initially measured at cost.

Inventories are recognised as an asset if;

- i) it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- ii) the cost of the inventories can be measured reliably.

Subsequently, inventories are measured at the lower of cost and net replacement cost. Cost is determined on a first -in-first-out basis.

Inventory consists of test kits.

The amount of any write-down of inventories to net replacement cost shall be recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-downs of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.7 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are initially recorded at fair value (plus any directly attributable transaction costs, except in the case of those classified at fair value through surplus or deficit). For those financial instruments that are not subsequently held at fair value, the entity assesses whether there is any objective evidence of impairment at each balance sheet date.

Cash and cash equivalents are initially recognised at fair value. Financial assets are recognised when the entity has rights to access economic benefits. Such assets consist of cash, equity instruments, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially favourable terms. Financial assets are derecognised when the right to receive cash flows from the asset has expired or has been transferred and the entity has transferred substantially all risks and rewards of ownership.

Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms. Financial liabilities are derecognised when they are extinguished, that is discharged, cancelled or expired.

If a legally enforceable right exists to set off recognised amounts of financial assets and liabilities, which are in determinable monetary amounts, and there is the intention to settle net, the relevant financial assets and liabilities are offset.

Interest costs are charged to the statement of financial performance in the year in which they accrue. Premiums or discounts arising from the difference between the net proceeds of financial instruments purchased or issued and the amounts receivable or repayable at maturity are included in the effective interest calculation and taken to net finance costs over the life of the instrument.

There are three categories of financial assets and financial liabilities. These are described as follows:

**(i) Financial assets and financial liabilities at fair value through surplus or deficit**

Financial assets and financial liabilities at fair value through surplus or deficit include derivative assets and derivative liabilities not designated as effective hedging instruments.

All gains or losses arising from changes in the fair value of financial assets or financial liabilities within this category are recognised in the statement of financial performance.

**(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They arise when the entity provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities of greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables are initially recognised at fair value including originating fees and transaction costs, and subsequently measured at amortised cost using the effective interest method less provision for impairment. Loans and receivables include trade receivables, accrued income and cash and cash equivalents.

**a. Trade receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the terms of the receivables. The amount of the provision is the difference between the asset's carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. This provision is recognised in the statement of financial performance.

**b. Cash and cash equivalents**

In the statement of financial position, cash and cash equivalents includes cash on hand, bank deposits repayable on demand and other short-term highly liquid investments with original maturities of three months or less. In the cash flow statement, cash and cash equivalents also includes bank overdrafts which are shown within borrowings in current liabilities on the statement of financial position.

**(iii) Financial liabilities held at amortised cost**

Financial liabilities held at amortised cost include trade payables, accruals, other payables and borrowings.

**a. Trade payables**

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade payables are analysed between current and non-current liabilities on the face of the statement of financial position, depending on when the obligation to settle will be realised.

**b. Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs and are subsequently stated at amortised cost and include accrued interest and prepaid interest. Borrowings are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability for at least 12 months from the statement of financial position date.

Bank overdrafts are shown within borrowings in current liabilities and are included within cash and cash equivalents on the face of the cash flow statement as they form an integral part of the entity's cash management

## 1.8 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 embodying economic benefits will be required to settle the obligation, and a reliable estimate of the obligation can be made.

Provisions are measured at the present value at the reporting date at the best estimate of the expenditure required to settle the obligation.

## 1.9 LEASES

Leases where the entity assumes substantially all the risks and rewards of ownership of assets, are classified as finance leases. All other leases are classified as operating leases.

**Finance Leases**

At the commencement of the lease term, assets and liabilities are recognised at the lower of the present value of future minimum lease payments and fair value of the leased item.

Assets subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the assets are depreciated at appropriate rates on the straight-line basis over the estimated useful lives of the assets. Minimum lease payments are apportioned between the lease finance cost and the reduction of the outstanding liability using the effective interest rate method. Lease finance costs are expensed when accrued.

**Operating Leases**

Lease payments under operating leases are recognised in profit and loss on a straight line basis over the expected lease term.

## 1.10 BUDGET INFORMATION

The budget is presented on the accrual basis and is presented by function. The budget is approved for the 2016/2017 financial year.

## 1.11 SIGNIFICANT JUDGEMENTS AND ESTIMATES

In determining and applying accounting policies, judgement is often required where the choice of specific policy, assumption or accounting estimate to be followed could materially affect the reported results or net position of the entity, should it later be determined that a different choice be more appropriate.

Management considers the following to be areas of significant judgement and estimation for the entity due to greater complexity and/or particularly subject to the exercise of judgement:

**Property, plant and equipment and intangible assets**

The determination of the useful economic life and residual value of property, plant and equipment and intangible assets is subject to management estimation. The entity regularly reviews all of its depreciation and amortisation rates and residual values to take account of any changes in circumstances, and any changes that could affect prospective depreciation and amortisation charges and asset carrying values.

**Trade and other receivables**

The determination of the provision for doubtful debts is subject to management estimation. Management examines each debtor on a line by line basis and determines the likelihood of recovery based on factors such as historical experience and payment history of the debtor. Management also considers the ability of the debtor to settle their account.

## 1.12 EMPLOYEE BENEFITS

Wages, salaries and statutory contributions for current employees are recognised in the statement of financial performance as the employees' services are rendered.

Contributions to defined contribution plans are recognised as an employee benefit expenses when they are due.

## 1.13 RELATED PARTIES

Related party relationships are deemed to exist where one party has the ability to:

- i) control the other party; or
- ii) exercise significant influence over the other party in making financial and operating decisions.

## 2. REVENUE

	2017	2016
	R'000	R'000
<b>2.1 Non-exchange revenue</b>		
Grant - Sport and Recreation South Africa	21 896	19 816
National Lottery	1 176	7 576
	<b>23 072</b>	<b>27 392</b>
<b>2.2 Exchange revenue</b>		
Doping control sales	3 939	2 495
Profit/(loss) on foreign exchange	330	(29)
Insurance	12	35
Sundry income	-	10
	<b>4 281</b>	<b>2 511</b>



## 3. PROPERTY, PLANT AND EQUIPMENT

2017	R'000 Computer equipment	R'000 Furniture & fittings	R'000 Motor vehicles	R'000 Office equipment	R'000 Leasehold improvements	TOTAL
Carrying value at the beginning of the year	156	70	343	536	25	1 130
Cost	486	456	403	763	26	2 133
Accumulated depreciation	(330)	(386)	(60)	(227)	(1)	(1 004)
Depreciation	(80)	(18)	(29)	(136)	(6)	(269)
Additions	4	7	-	146	-	157
Disposals	-	-	-	(2)	-	(2)
Cost	-	-	-	6	-	6
Accumulated depreciation	-	-	-	(4)	-	(4)
Carrying value at the end of the year	80	59	314	543	19	1 015
Cost	490	463	403	903	26	2 284
Accumulated depreciation	(410)	(405)	(89)	(359)	(7)	(1 270)
Fully depreciated assets still in use	0	0	-	0	-	0
Cost	260	356	-	159	-	775
Accumulated depreciation	(260)	(356)	-	(159)	-	(775)
<b>2016</b>						
Carrying value at the beginning of the year	84	55	372	75	-	586
Cost	335	428	403	253	-	1 418
Accumulated depreciation	(251)	(373)	(31)	(178)	-	(832)
Depreciation	(82)	(13)	(29)	(49)	(1)	(174)
Additions	163	28	-	514	26	732
Disposals	(9)	-	-	(5)	-	(14)
Cost	12	-	-	5	-	17
Accumulated depreciation	(3)	-	-	-	-	(3)
Carrying value at the end of the year	156	70	343	536	25	1 130
Cost	486	456	403	763	26	2 133
Accumulated depreciation	(330)	(386)	(60)	(227)	(1)	(1 004)
Fully depreciated assets still in use	0	0	-	0	-	0
Cost	260	356	-	159	-	775
Accumulated depreciation	(260)	(356)	-	(159)	-	(775)



## 4. INTANGIBLE ASSETS

	R'000 Cost	R'000 Accumulated Depreciation	R'000 Carrying Value
<b>2017</b>			
Computer software	29	(27)	2
Interactive media applications	62	(62)	-
	<u>91</u>	<u>(89)</u>	<u>2</u>
<b>2016</b>			
Computer software	29	(25)	5
Interactive media applications	62	(62)	-
	<u>91</u>	<u>(87)</u>	<u>5</u>

### Reconciliation

	2017 R'000	2016 R'000
Carrying value at the beginning of the year	5	8
Additions	-	6
Disposals - Cost	-	-
Disposals - Accumulated Depreciation	-	-
Amortisation	( 2)	( 9)
Carrying value at the end of the year	<u>2</u>	<u>5</u>

## 5. INVENTORIES

The amounts attributable to the different categories are as follows:

Consumable stores	751	640
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The cost of inventories recognised as an expense during the year amounts to R 1 094,000 (2016: R 1 747,000).

## 6. TRADE AND OTHER RECEIVABLES

### Trade receivables from exchange transactions

Trade receivables	639	1 386
Prepayments	133	7
Other	20	26
	<u>792</u>	<u>1 419</u>

The carrying value of trade and other receivables approximates their fair value. The recoverability of each debtor is assessed and where doubtful, a provision is raised.

Trade receivables analysis:

0 – 30 days	406	401
30 – 60 days	59	259
60 – 120 days	7	251
Over 120 days	445	474
Provision for doubtful debts	(279)	-
	<u>639</u>	<u>1 386</u>

### Provision for doubtful debts

Carrying amount at beginning of year	-	-
Prior year write offs	-	-
Provision raised in the current year	279	-
Prior year provision reversed	-	-
Carrying amount at end of year	<u>279</u>	<u>-</u>

## 7. CASH AND CASH EQUIVALENTS

Bank and cash balances	6 506	1 976
Credit card balances	( 119)	( 141)

## 8. FINANCE LEASE LIABILITIES

### Non-current

Finance lease liabilities	4	5
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### Current

Finance lease liabilities	6	10
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### Total borrowings

	<u>10</u>	<u>15</u>
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Non-current liabilities	4	5
Current liabilities	6	10
	<u>10</u>	<u>15</u>

Gross finance lease liabilities – minimum lease payments:

No later than 1 year	6	11
Later than 1 year but no later than 5 years	4	5
Later than 5 years	-	-
	<u>11</u>	<u>16</u>

Future finance charges on finance leases

	(1)	(1)
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Present value of finance lease liabilities

	<u>10</u>	<u>15</u>
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The present value of finance lease liabilities is as follows:

No later than 1 year	6	10
Later than 1 year but no later than 5 years	4	5
Later than 5 years	-	-
	<u>10</u>	<u>15</u>

These finance lease agreements relate to cellphone contracts.

## 9. PAYABLES FROM EXCHANGE TRANSACTIONS

	2017 R'000	2016 R'000
Payables	5 555	4 537
Operating lease liability	-	-
Sundry payables	-	-
Accruals	511	767
	<b>6 066</b>	<b>5 304</b>

## 10. FINANCIAL LIABILITIES

Unspent conditional grants		
Balance unspent at the beginning of the year	4 013	11 589
Current year receipts	5 000	-
Conditions met and transferred to revenue	(1 176)	( 7 576)
Conditions still to be met at the end of the year	<b>7 837</b>	<b>4 013</b>
Conditional grant		
Lottery income subject to restrictions as per funding approval	<b>5 000</b>	-

## 11. DIRECTORS & AUDIT COMMITTEE REMUNERATION

The following emoluments were paid or credited to the directors during the year

	Salary R'000	Bonus R'000	Allowances R'000	Employer Contributions R'000		
<b>Executive Director</b>						
Mr. K Galant (CEO)	1 146	-	28	12	<b>1 186</b>	1 134

### Non-Executive Directors

Board members appointed on 1 December 2012

	Number of Meetings attended		Honoraria	Subsistence & Reimbursement		
	board	Other	R'000	R'000		
Dr. JH Adams - (appointed as Acting Chairperson with effect from 18 July 2014)	3	5	31	18	<b>49</b>	72
Dr. MTD Qobose	3	5	22	-	<b>22</b>	23
Mr. G Abrahams *	2	8	-	-	<b>-</b>	-
Mr. DN Bayever	2	1	9	-	<b>9</b>	12
Ms. N Du Toit	3	2	15	-	<b>15</b>	5
Dr. L Skaal	3	2	15	2	<b>17</b>	18
Judge L Mpati **	2	0	-	15	<b>15</b>	3
Mr. M Tyamzashe	3	2	15	1	<b>16</b>	9
					<b>142</b>	143
Total directors remuneration					<b>1 328</b>	1 277

\* this member serves on a pro-bono basis

\*\* no remuneration as employed in the public sector

	Audit Committee Meetings	Other meetings	Honoraria R'000	Re- imbursements R'000	2017 R'000	2016 R'000
Adv. D Mitchell (Chairperson)	4	1	19	-	<b>19</b>	35
Mr. J George	4	1	15	-	<b>15</b>	24
Mr. G Abrahams *	4	-	-	-	<b>-</b>	-
Ms M Mbonambi	2	0	6	-	<b>6</b>	15
					<b>41</b>	74

\* this member serves on a pro bono basis

## 12. EMPLOYEE BENEFITS

### Defined Contribution Plan

Included in payroll costs are contributions to a defined contribution retirement plan in respect of services in a particular period. Contributions made by the entity are charged to the statement of financial performance as they are incurred.

The total entity contribution to such schemes for the year amounted to R 454,465 (2016: R 308,550).

The funds cover the eligible employees, other than those employees who opt to be or are required by legislation to be members of various Industry Funds.

### Medical Aid

The company contributes to a Medical Aid scheme for employees. The costs of these contributions, which are charged to the statement of financial performance as they are incurred.

The total entity contributions to such schemes for the year amounted to R177,450 (2016: R 151,086).

## 13. SURPLUS/(DEFICIT) FROM OPERATIONS

	2017 R'000	2016 R'000
<b>Revenue</b>		
Interest received	<b>139</b>	472
Doping control sales	<b>3 939</b>	2 495
Government grants	<b>21 896</b>	19 816
Profit on foreign exchange	<b>330</b>	29
<b>Expenditure</b>		
Auditor's remuneration	<b>952</b>	905
Internal audit fees	<b>379</b>	235
Amortisation of intangible assets	<b>2</b>	9
Depreciation of property, plant and equipment	<b>268</b>	174
Directors' remuneration	<b>1 328</b>	1 277
Laboratory analysis	<b>5 100</b>	8 333
Courier costs	<b>2 486</b>	1 726
DCO travel, accommodation and reimbursement	<b>3 683</b>	5 641
Doping control purchases	<b>1 011</b>	1 720

14 FINANCIAL RISK MANAGEMENT

Financial Risk Factors

The entity's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow, interest rate risk and liquidity risk. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potentially adverse effects on the entity's financial performance.

Foreign Exchange Risk

The entity carries out a significant portion of its sales in foreign currencies. Foreign exchange risk arises when recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The overall risk is not deemed to be material to the entity. The sensitivity analysis in the table below shows the pre-tax increase/(decrease) in surplus/(deficit) that would result from the noted percentages in listed exchange rates, all other factors remaining constant.

Foreign Currency Sensitivity

The following table details the entities sensitivity to a change in the South African Rand against the respective foreign currencies. As the risks are symmetrical in nature, a strengthening or weakening of the South African Rand would result in an equal but opposite amount to that detailed in the sensitivity analysis below:

	2017	2016	2017 R'000	2016 R'000
USD: -10% (2016: 25%)	13.40	14.83	380	160
EUR: -15% (2016: 26%)	14.32	16.84	14	66
CHF: -14% (2016: 24%)	13.93	16.16	1	2
Foreign Currency Risk Financial Assets USD			389	1 026
Financial Liabilities USD			4 185	385
EUR			95	252
CHF			8	9

Interest Rate Risk

The entity is not exposed to any interest rate risk on its financial liabilities. Short-term cash surpluses are deposited with a commercial bank of a high quality credit standing. These deposits attract interest at rates linked directly to the prime overdraft rate. The entity is also exposed to future cash flow fluctuation risk due to changes in variable market interest rates.

Interest Rate Sensitivity

The following table details the entities sensitivity to an increase in the interest rate payable on deposits held by financial institutions. As the risks are symmetrical in nature, a decrease in the interest rate would result in an equal but opposite amount. The cash flow risk associated with net cash is such that an increase/(decrease) of 100 basis points in interest rates at the reporting date would have impacted surplus/(deficit) for the year by:

Cash	65	20
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Credit Risk

The entity only deposits cash surpluses into Treasury approved banking institutions. The entity has no significant concentration of credit risk and it has suitable policies in place to ensure that sales are made to customers with an appropriate credit history.

Trade account receivables comprise a widespread customer base. On-going credit evaluations of the ability of customers to settle their debt is performed. At 31 March 2017 the entity had R 6,506 million invested in National Treasury approved banking institutions (2016: R 1,976 million).

	2017 R'000	2016 R'000
Account receivable	918	1 386

Liquidity Risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. Operational, capital and regulatory requirements are considered in the management of liquidity risk, in conjunction with short-term and long-term forecast information.

The entity has minimised its liquidity risk by monitoring forecast cash flows and ensuring that it has adequate resources to meet its financial obligations.

The table below analyses the entities financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contracted settlement date. The amounts disclosed in the table are the contractual undiscounted cash flows and are payable within a period of 12 months.

Finance lease liabilities	6	10
Credit card facilities	119	141
Payables from exchange transactions	6 066	5 205
Financial liabilities	7 837	4 013



## 15 CASH FLOW NOTES

### 15.1 Reconciliation of net surplus / (deficit) to cash generated from operations

	2017 R'000	2016 R'000
Net surplus/(deficit) for the year	(663)	(4 353)
Adjusted for:		
Amortisation of intangible assets	2	9
Depreciation of property, plant and equipment	268	174
(Profit)/loss on foreign exchange	( 330)	29
Bad debts	305	-
(Profit)/Loss on transfers/disposals of assets	2	4
Stock written off	13	26
Movement in provisions	-	-
Investment income	( 139)	( 472)
Finance costs	9	2
Operating surplus/(deficit) before working capital changes	( 533)	(4 581)
Working capital changes	5 114	(8 191)
Decrease/(Increase) in accounts receivable	322	( 550)
Increase/(Decrease) in accounts payable	4 916	(7 291)
Decrease/(increase) in inventories	( 124)	( 350)
Cash generated from operations	4 581	(12 772)

### 15.2

Cash and cash equivalents		
At the beginning of the year		
Bank and cash balances	1 835	14 867
At the end of the year		
Bank and cash balances	6 506	1 976
Credit card facilities	(119)	(141)
	6 387	1 835

## 16 OPERATING LEASE COMMITMENTS

The operating leases comprise rentals of premises.  
The total future minimum lease payments under these leases are as follows:

Due within one year	156	143
Due between one to five years	-	-
	156	143

The entity leases offices from The Sports Science Institute of South Africa from 01 June 2016 to 31 May 2017. The lease payment is R77 826.30 per month. No contingent rent is payable. The lease agreement is renewable at the end of the lease term.

## 17 FRUITLESS AND WASTEFUL EXPENDITURE

Current year	3	-
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Fruitless and wasteful expenditure relates to interest charged on Diners Card used for travel and accommodation expenditure

## 18 IRREGULAR EXPENDITURE

	2017 R'000	2016 R'000
Reconciliation of irregular expenditure		
Opening balance	6 562	1 931
Add: Irregular expenditure – relating to prior year	-	-
Add: Irregular expenditure – relating to current year	1 227	6 562
Less: Amounts condoned	( 6 562)	( 1 931)
Less: Amounts recoverable (not condoned)	-	-
Less: Amounts not recoverable (not condoned)	-	-
Irregular expenditure awaiting condonation	1 227	6 562
Analysis of awaiting condonation per age classification		
Current year	1 227	6 562
Prior years	-	-
Total	1 227	6 562

Incidents Disciplinary steps taken / criminal proceedings

Non-compliance with Treasury Instruction 01 of 2013/2014 - Para. 4.18  
No disciplinary steps or criminal proceedings were required for condoned expenditure as the expenditures were incurred in the best interest of the entity.

Irregular expenditure relating to the current year	1 227	6 562
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### Expenditure considered irregular as no declaration of interest received and/or 3 quotes were not obtained:

#### Nature of spend

Accounting fees	-	306
Computer expenses	15	-
Office equipment	12	-
IT services	155	90
Courier services	-	1 598
Repairs and maintenance	-	8
	181	2 001

### Expenditure considered irregular as a result of overspending on the budget:

Actual expenditure exceeds budgeted expenditure	1 046	4 561
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19 RELATED PARTIES

	2017 R'000	2016 R'000
The following have been identified as related parties:		
<b>Related party</b>		
Sport and Recreation South Africa		
Directors		
<b>Nature of relationship</b>		
Executive authority and major funder		
Ability to exercise significant influence		
<b>Sport and Recreation South Africa</b>		
The South African Institute for Drug-Free Sport receives the majority of its funding from Sport and Recreation South Africa. The following transactions were entered into between the two parties:		
<b>Revenue received</b>		
Grant received	21 896	19 816
<b>Balances</b>		
Related party balances	-	-
<b>Transactions</b>		
Directors (refer note 11)	1 328	1 277
Training of directors (refer to note 23)	390	65
Adv. D Mitchell (Audit and Risk Committee Chairperson) - other services	6	-

20 EXPLANATION OF DIFFERENCE IN APPROVED BUDGET AND ACTUAL EXPENDITURE

	2017 R'000
<b>Revenue</b>	
Non exchange revenue: Lower spend of National Lottery Fund grant	(2 836)
Exchange revenue: Higher doping control sales than budgeted	3 381
Interest received lower than budgeted	( 161)
<b>Expenses</b>	
Administration - Exceeded the budget on following expenses:	881
- Computer Expenses	126
- Postage and Telephone	295
- Internal Audit	166
- External Audit	152
Education: Underspending on Lottery funds	(2 178)
Doping control: Overspending on the following costs due to sending samples overseas. Olympic year, pressure to test vigorously.	2 954
- Laboratory analysis	1 204
- Doping control purchases	244
- Courier costs	1 086
- DCO remuneration, travel and reimbursement	400
Results management: increased activity in Tribunal hearings and the legal costs related thereto	362
International relations: reduced activity due to austerity measures	(247)
Corporate services: reduced activity due to austerity measures	(185)
Capital expenditure: lottery funding for Mobile Testing Unit not yet spent	(541)



## 21 CORRECTION OF ERROR IN TERMS OF GRAP 3

	2017 R'000	2016 R'000
<b>21.1 Property, plant and equipment</b>		
<b>Balance previously reported</b>		<b>586</b>
Cost of assets previously not capitalised		340
Opening accumulated depreciation of assets previously not capitalised		(340)
Correction of prior year depreciation		-
<b>Balance now reported</b>		<b>586</b>
<b>21.2 Intangible assets</b>		
<b>Balance previously reported</b>		<b>8</b>
Cost of assets previously not capitalised		9
Opening accumulated amortisation of assets previously not capitalised		(9)
Correction of prior year amortisation		-
<b>Balance now reported</b>		<b>8</b>
<b>21 Related parties</b>		
<b>Transactions</b>		
Training of directors not disclosed		65

## 22 GRAP STANDARDS APPROVED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following standards were approved but not yet effective.

GRAP 20 - Related Party Disclosures  
GRAP 32 - Standard of GRAP on Service Concession Arrangements: Grantor  
GRAP 37 - Joint Arrangements  
GRAP 108 - Statutory Receivables  
GRAP 109 - Accounting by Principals and Agents

The entity has conducted an assessment of the above standards and has determined that there will be no material impact on the entity.

## 23 NATIONAL LOTTERY FUNDING

	2017 R'000	2016 R'000
<b>Revenue</b>	<b>1 176</b>	<b>7 576</b>
<b>Expenditure</b>	<b>1 176</b>	<b>7 576</b>
I-Play-Fair media campaign	-	199
I-Play-Fair outreach team mobile unit	-	-
I-Play-Fair team kit	28	117
Test kits	-	689
Doping control stationery for schools	-	4
Regional education workshops	-	29
Anti-doping awareness seminar	58	66
Laboratory analysis - schools testing	-	937
Sample collection - schools testing	-	59
Schools outreach	-	22
Legal consultation to schools for prosecutions	-	200
Advertising in school sports publications	-	-
Education equipment	-	53
Education literature	21	-
Education promotional materials	71	31
Education team services	-	-
Education team uniforms	21	-
Event competitor hospitality/Expo stand	11	48
Guest speakers fees	-	-
Publications/Literature	62	23
Radio / television promotions	-	4
Social media	8	10
Sports medicine seminar	-	130
Flight and accommodation	-	272
Presentation fees	-	-
Education officer's fees	-	10
Training & workshop venues	-	-
Train the trainer programme	-	4
Education material and printing	75	274
Head researchers (Master's/PHD)	-	400
Secondary researchers (Honours)	-	-
Research assistants (Undergraduate)	150	-
Conference presentations and publications	212	24
Anti-doping code implementation	-	334
Blood and urine testing apparatus	70	369
Training of operational staff	-	200
Urine testing for national federation	-	1 000
Blood testing for national federation	-	2 000
Mobile testing unit	-	5
Training of board directors	390	65

## SCHEDULE OF EXPENSES FOR THE YEAR ENDED 31 MARCH 2017

	2017 R'000	2016 R'000
<b>ADMINISTRATION EXPENDITURE</b>	<b>10 229</b>	<b>9 117</b>
Accounting fees	-	306
Advertising	26	6
Amortisation of intangible assets	2	9
Audit fee - external	952	905
Audit fee - internal	379	235
Bad debts	305	-
Bank charges	63	43
Computer expenses	226	214
Consulting fees	72	102
Depreciation	268	174
Electricity and water	41	35
Finance cost	9	2
Gifts and entertainment	2	9
Insurance	117	106
Investigations and intelligence framework	-	-
Legal fees	-	-
Loss on foreign exchange	-	-
Loss on sale/scrapping of assets	2	4
Motor vehicle expenses	-	-
Office consumables	-	-
Office rental	921	845
Postage and telephone	482	305
Printing and stationery	179	188
Payroll costs	5 625	4 658
Repairs and maintenance	1	72
Relocation	16	8
Security	-	21
SRSA unrecoverable	-	-
Staff amenities	44	51
Staff recruitment and training	49	187
Storage costs	11	9
Temporary staff costs	51	235
Travelling and accommodation	386	388

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	2017 R'000	2016 R'000
<b>EDUCATION PROGRAMME</b>	<b>1 559</b>	<b>3 704</b>
Education management and administration	-	132
Publications/Literature	83	-
FIFA Legacy fund expenses	-	44
Vehicle costs	36	21
Gifts and entertainment	1	-
Public relations and communications	274	442
Printing and publishing	-	2
Research	150	671
Seminars and workshops	739	1 277
Subscriptions	18	39
Travelling, accommodation and lecture	13	298
Website costs	44	56
I PLAY FAIR Media campaign	28	316
Outreach - schools testing	-	22
Education equipment and promotional material	146	358
Education officers fees	-	10
Education team uniforms	21	-
Radio/television promotions	-	4
Social media	8	10
Train the trainer programme	-	4
<b>DOPING CONTROL</b>	<b>13 558</b>	<b>18 910</b>
Courier costs	2 486	1 726
Testing kits	1 081	1 720
Doping test consumables	10	30
Doping control review commission	177	196
Doping control uniforms	13	57
Stock written off	13	26
Doping control officers training and workshops	-	37
Entertainment and staff amenities	-	2
Insurance - medical malpractice	110	108
Legal costs - school testing	-	200
Mobile unit	-	5
Printing and stationery	-	14
Schools project	-	-
International testing services	473	204
Travelling accommodation and DCO remuneration	3 683	5 641
Therapeutic use exemption commission	72	62
Laboratory analysis	5 100	8 333
ABP Specialist	132	-
Investigations and Intelligence	208	-
Long service award	-	15
WADA Code implementation project	-	334
Training of operational staff	-	200

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	2017 R'000	2016 R'000
<b>RESULTS MANAGEMENT</b>	<b>1 726</b>	<b>1 377</b>
Appeals	112	50
Legal Counsel	510	559
Legal Project / Investigations	-	3
Remuneration - Tribunal members	577	400
Transcription services	142	96
Travel and accommodation	285	254
Tribunal expenses	92	13
Counselling fees	9	3
<b>INTERNATIONAL PROJECTS</b>	<b>391</b>	<b>851</b>
International doping agency	-	-
International membership subscription	-	-
International liaison-other	15	8
INADO services	10	8
Africa Anti-Doping projects	-	-
Legal project	-	-
Subsistence and travel allowances	95	158
WADA-conference expenses	-	-
Travelling and accommodation	271	677
<b>CORPORATE SERVICES</b>	<b>691</b>	<b>769</b>
Audit committee	59	85
Board meetings	-	201
Board members honoraria	113	88
Corporate gifts and entertainment	10	20
Corporate uniforms	-	27
Printing and stationery	-	-
Quality assurance	33	18
Sports law project	-	-
Travelling and accommodation	87	266
Training of board directors	390	65
<b>TOTAL EXPENSES</b>	<b>28 154</b>	<b>34 728</b>

## Sponsors & Partners



**sport & recreation**

Department:  
Sport and Recreation South Africa  
**REPUBLIC OF SOUTH AFRICA**



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Drug-Free Sport**

