

South African Institute for  
Drug-Free Sport



**I PLAY**

**FAIR**

**SAY NO!  
TO DOPING**

**ANNUAL REPORT**

2015

# 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 Public Financial Management Act (PFMA) standards applicable to the public entity.

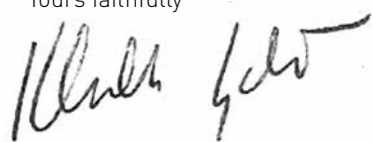
The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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.

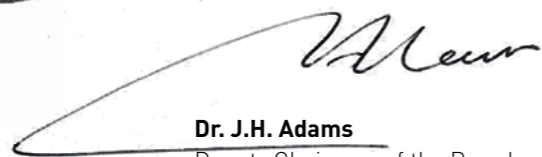
The external auditors are engaged to express an independent opinion on the annual financial statements.

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 2015.

Yours faithfully



**Khalid Galant**  
Chief Executive Officer



**Dr. J.H. Adams**  
Deputy Chairman of the Board

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# INTRODUCTION

**THE SOUTH AFRICAN INSTITUTE FOR DRUG-FREE SPORT (SAIDS) IS A PUBLIC ENTITY ESTABLISHED BY AN ACT OF PARLIAMENT ACT NO. 14 OF 1997**

TO PROMOTE 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 MATTERS CONNECTED THEREWITH.”

THE DRUG-FREE SPORT ACT GRANTS THE INSTITUTE STATUTORY DRUG-TESTING POWERS AND THE AUTHORITY TO CONDUCT AND ENFORCE A NATIONAL ANTI-DOPING PROGRAMME. BY VIRTUE OF THE INSTITUTE’S LEGISLATIVE AMBIT, ALL SPORTS ENTITIES ARE OBLIGATED TO CO-OPERATE WITH THE INSTITUTE.

South African Institute for  
Drug-Free Sport



# CHIEF EXECUTIVE OFFICER'S REPORT





SAIDS began 2015 as a World Anti-Doping Code compliant agency, meeting all the attendant requirements and rules. During the year we anticipated new compliance demands and restructured and expanded the agency to deliver on our mandate.

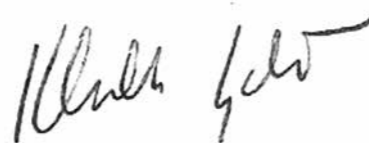
That mandate is defined by the Drug-Free Sport legislation of 1997, which we believe has now become outdated. In order to stay operationally nimble, we are helping review the existing legislation and have identified areas for adjustment that will give clearer and more effective direction to the activities of our agency. Among the proposed new legislation will be steps designed to address issues around the testing of high school learners for performance enhancing and illicit drugs.

The testing of high school learners in South Africa over the past four years has been undertaken under a special SAIDS project that is largely funded by the National Lottery Board (NLB). This funding from the NLB has fuelled the growth and expansion of our anti-doping education programme. We recognise that this funding source is not sustainable over the long term, and we will be motivating for an increased government grant to ensure that we continue to deliver on our anti-doping education services and programmes.

This year has also seen the agency take steps to consolidate the organisational diagram and move from outsourced, part-time posts to full-time positions. Full time managers will now head our education and finance departments. With respect to legal counsel, I am excited by steps we have taken to develop a working relationship with the ENS Law Firm's sports unit, which will provide all legal support to SAIDS. This will include the prosecution of cases.

These new appointments and partnerships have stabilised the growth phase of the agency, at least in the short term. I believe, we now have an opportunity to revisit our strategic objectives and corporate values so that we can continue to deliver services of an impeccable standard to sports bodies in South Africa and the Continent.

I invite you to review the enclosed pages where our operational and financial performances over the past financial year are displayed.



Khalid Galant  
Chief Executive Officer



## GRATITUDE AND THANKS TO OUR DOPING CONTROL STAFF FOR THEIR CONTINUED DEDICATION AND COMMITMENT

# GENERAL MANAGER'S REPORT

The preparation for and introduction of the 2015 World Anti-Doping Code as of 1 January presented a new set of set of challenges for anti-doping agencies, especially for doping control. While Testing has been a mandatory part of the code since inception and Education since 2009, the Testing component of the Code was revamped to include some crucial elements, viz. an investigations component, as well as aggressive changes with regard to test distribution planning and its execution. While this has placed additional pressures on the resources of anti-doping agencies, it has ensured more detailed planning and effective utilization of resources than previously. This has certainly been our experience during this initial phase of the code implementation. The changes in the Code necessitated a change in our operations, which has resulted in the expansion of our doping control department with the addition of new staff in with special reference to scientific expertise. This has ensured that we create a solid foundation on which to better execute our testing plans and bodes well for the future.

In conclusion, I would like to thank the full time and support staff in the doping control department for their commitment during the past year especially for their after hours work when they are required to communicate and answer queries from our Doping Control Officers. Last but not least I would like to extend my gratitude and thanks to our Doping Control Staff for their continued dedication and commitment to ensure that we meet our strategic goals and objectives.



Fahmy Galant  
General Manager



South African Institute for  
Drug-Free Sport





**W**HETHER you do the Madiba five or ten-to-ten, Sports Minister Fikile Mbalula is on a campaign to get the nation moving and adopting a healthier lifestyle.

Inspired by Nelson Mandela, who was a fitness enthusiast, Mbalula says this year's Unite 4 Mandela event will be a razzamatazz occasion that will see key government figures walking the talk.

"We need to live as a nation and living means that we have to follow a healthy lifestyle by partaking in different activities such as running, walking and cycling," says Mbalula.

Mbalula keeps fit by cycling 40km every morning, he says. His addiction for the sport started two years ago when he took part in the Cape Argus Pick n Pay Momentum Cycle Tour, now the Cape Town Cycle Tour.

"The cycle tour will forever be a key experience when it comes to me adopting a healthy lifestyle. Personally, I think I got addicted to cycling then," he says.

For the cycle tour, the sports minister teamed up with Western Cape Premier Helen Zille and 22 other cyclists as part of the 'I Play Fair Campaign'. They cycled 104km.

He says cycling has made a big impact in improving his health. "My cardiac situation is well-protected. Not entirely, but it's well-cushioned," he says.

Mbalula explains that he changed his lifestyle after a health scare a few years ago which saw him collapse during a cabinet meeting. The doctor warned him that he stood a chance of suffering from high blood pressure if he didn't change his diet and lifestyle.

"We work hard, overwork at times and we don't take into consideration the simple things. If you don't eat properly and you don't run, there is a 100 percent chance that you are going to fall (like me). Whether you will come back from falling, I doubt it," he says.

He says even the meals at Parliament have had a makeover and are much healthier than the greasy meals they were served over the years.

"Diet is very serious and important. We lose special people such as Eddie Zondi, who was a very good friend of mine," says Mbalula. Zondi, a Metro FM deejay, died after suffering a heart attack in June.

The theme for this year's Nelson Mandela Sport and Culture day is Unite 2.0. The event will be held at Pretoria's Loftus Stadium on November 22. It will be a day of sporting activities that will combine major sports such as cycling, walking and running.

On the day, members of the cabinet, as well as President Jacob Zuma will join in the sporting festivities.

The main events which the public can take part in to honour Mandela include a 27km run symbolising the years Mandela spent in jail; a 9.4km run/walk for the year (1994) in which the country's first democratic government was inaugurated and when Mandela became the first black president; a 5km fun walk symbolising Mandela's years as president; as well as a 62km cycling event for the years Mandela spent in general service to the liberation of the country.

Mbalula will take part in the 67km cycle. He says Mandela and fellow anti-apartheid activist Adelaide Tambo are his biggest inspirations when it comes to living a healthy lifestyle and keeping fit.

# Minister on the move to make a healthier nation

Fikile Mbalula has become a fitness fanatic and aims to share his newfound passion with all South Africans, writes **Nontando Mposo**



**KEEPING FIT:** Sports and Recreation Minister Fikile Mbalula is promoting a healthier lifestyle for all South Africans including MPs. Left: Mbalula practises for a cycle race.

He says "Mama" Tambo once told him: "You are short. And the image of a short person with a big stomach is not good for the nation."

Mbalula also remembers a time when Mandela gave the then president of the ANC Youth League Julius Malema a lengthy tongue-lashing. "We thought he was going to reprimand him, but he gave him a tongue lash about weight," says Mbalula. He says Mandela told Madema that as the president of the youth he must be slimmer and lead a healthy lifestyle. "That was how conscious he (Mandela) was (about the issue)," Mbalula says. Mandela walked

5km every morning, without fail. "What kept him going, what was his shepherd, was his health and a healthy lifestyle. He didn't eat just everything, he chose what he ate."

Mbalula says he will also use the event to call on municipalities to cater for cyclists, joggers, as well as walkers when

designing roads. Since he started cycling in the early morning he has come to realise how unsafe the roads are for cyclists.

"Cycling is an important sport in South Africa, yet there are no lanes (in most cities). Cyclists are forever exposed to danger. We have lost some of our best

cyclists because of this, such as Barry Stander."

Stander was killed last year while riding on KwaZulu-Natal's South Coast. "I am pushing for the safety of cyclists. In Cape Town they have begun to create lanes for cyclists. All our local municipalities must cater for walking. When they design roads they must cater for cycling lanes. The call is for municipalities to commit themselves to partnering with us to design roads that will cater for cycling lanes and athletes."

Leading up to the event there will be the Unite 2.0 colloquium, themed "Youth of South Africa - Our time is Now". The colloquium will include various leaders of South African society, including President Jacob Zuma, Deputy President Cyril Ramaphosa, former president Thabo Mbeki and retired politician and businessman Roelf Meyer, reviewing 20 years of democracy, including the celebration of the constitution. It is set to be attended by a thousand "born frees" - generation 2.0.

**We work hard, and we don't take into consideration the simple things. If you don't eat properly and you don't run, there is a 100 percent chance that you are going to fall (like me).**

Sports Minister Fikile Mbalula



## BOARD MEMBERS

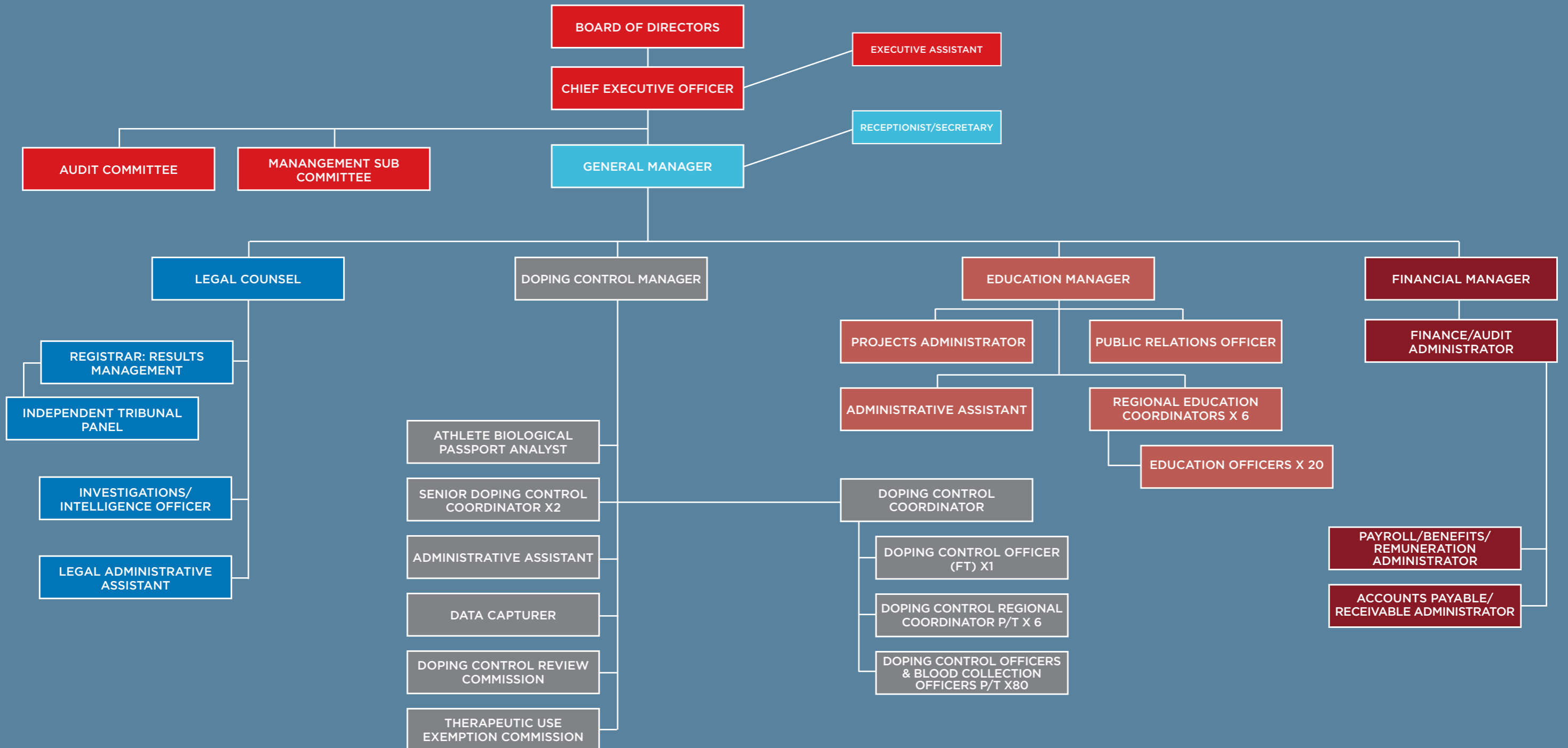
- Dr J Harold Adams (Deputy Chairman)
- Judge Lex Mpati
- Prof Linda Skaal
- Mr Graham Abrahams
- Mr Mthobi Tyamzashe
- Mr David Bayever
- Dr Muziwake Qobose
- Ms Natalie Du Toit
- Dr V Ramathesele (resigned)
- Prof Rochelle le Roux (resigned)

## APPEAL BOARD

- Denver Hendricks (Chairman)
- Alex Abercrombie
- Ephraim Nemetswerani
- Glen Haggeman
- Yoga Coopoo
- Sello Motaung
- Cele Phato
- Mami Diale
- Rebaone Gaoraelwe
- Ismail Jakoet
- Raymond Hack
- Shuaib Manjra
- Metja Ledwaba

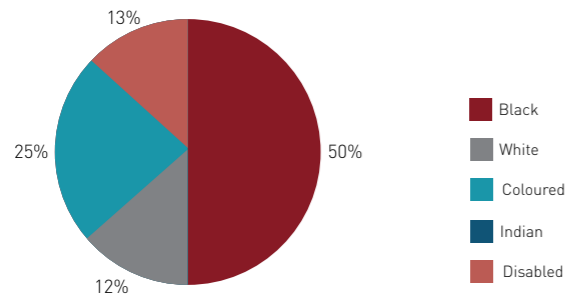


# SAIDS ORGANOGRAM

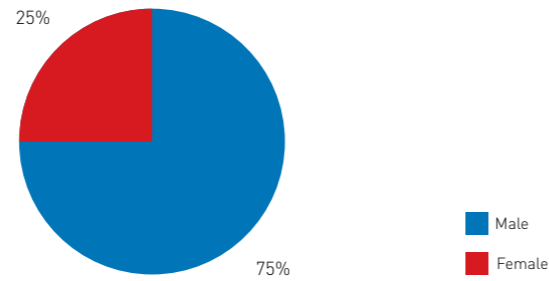


# GENDER AND DIVERSITY SCALES

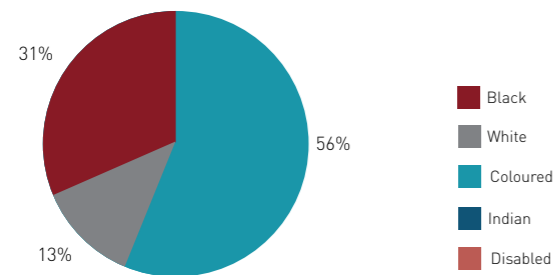
**BOARD OF DIRECTORS: DIVERSITY**



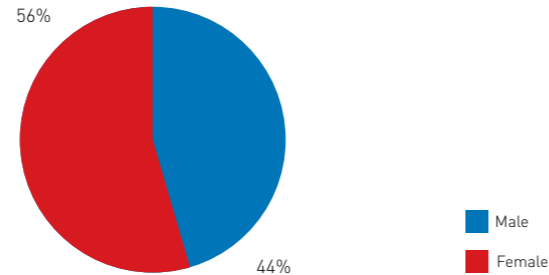
**BOARD OF DIRECTORS: GENDER**



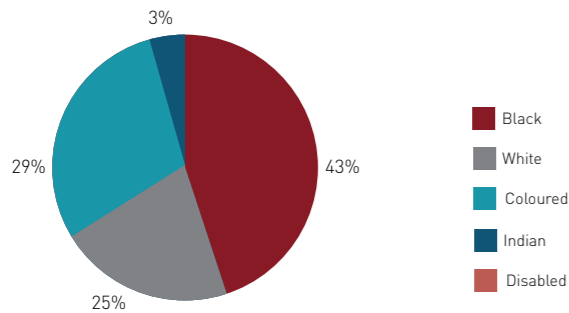
**STAFF: DIVERSITY**



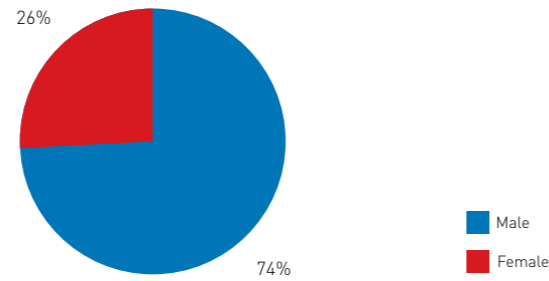
**STAFF: GENDER**



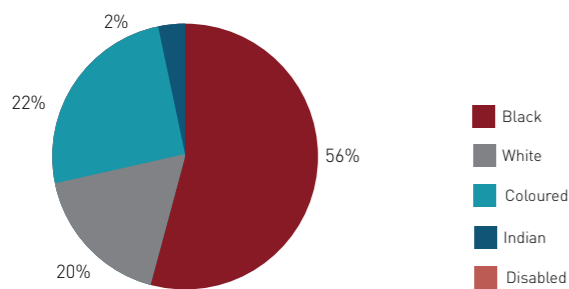
**DOPING CONTROL OFFICERS: DIVERSITY**



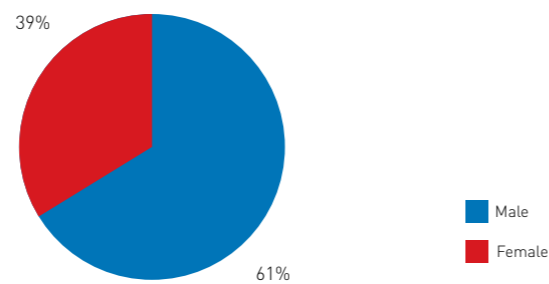
**DOPING CONTROL OFFICERS: GENDER**



**TRAINEE DOPING CONTROL OFFICERS: DIVERSITY**

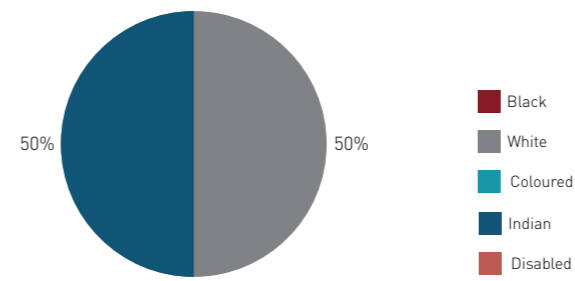


**TRAINEE DOPING CONTROL OFFICERS: GENDER**

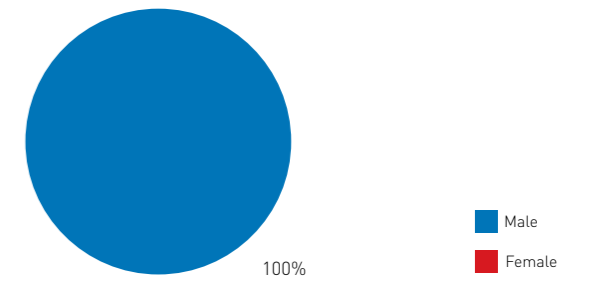


# GENDER AND DIVERSITY SCALES

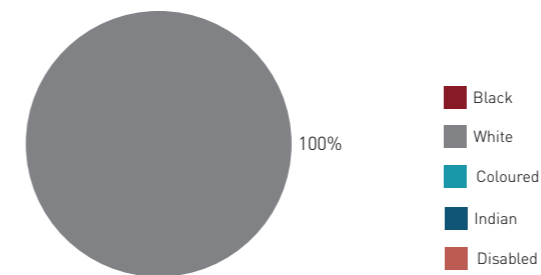
**THERAPEUTIC USE EXEMPTION: DIVERSITY**



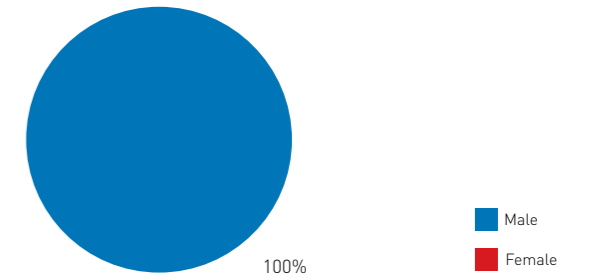
**THERAPEUTIC USE EXEMPTION: GENDER**



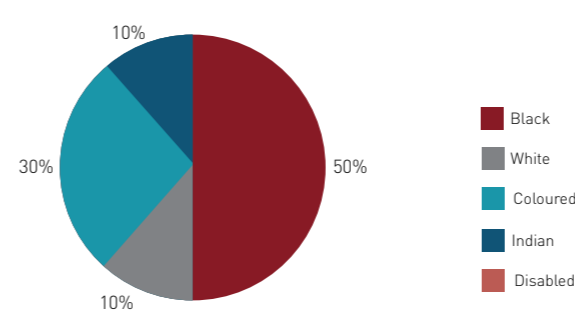
**DOPING CONTROL REVIEW COMMISSION: DIVERSITY**



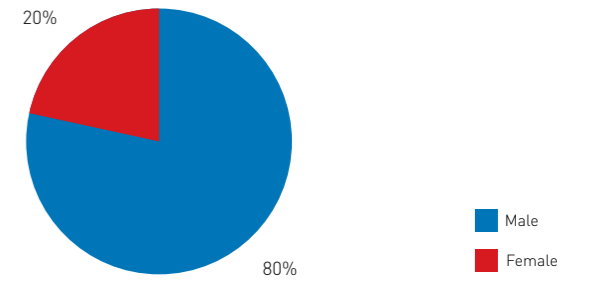
**DOPING CONTROL REVIEW COMMISSION: GENDER**



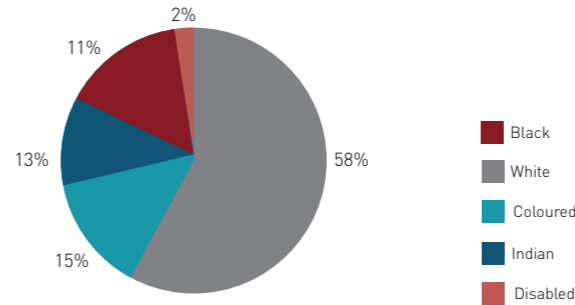
**APPEAL BOARD: DIVERSITY**



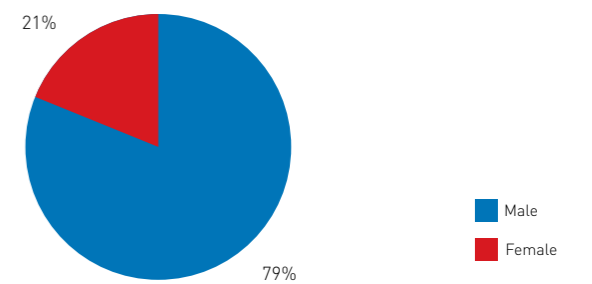
**APPEAL BOARD: GENDER**



**INDEPENDENT DOPING HEARING PANEL: DIVERSITY**



**INDEPENDENT DOPING HEARING PANEL: GENDER**







# OBJECTIVES AND ACHIEVEMENTS 31 MARCH 2015

South African Institute for  
Drug-Free Sport





## FROM THE DESK OF THE EDUCATION MANAGER



# ANTI-DOPING EDUCATION AND OUTREACH

**IT HAS CERTAINLY BEEN A PRIVILEGE FOR ME TO MANAGE THE EDUCATION PORTFOLIO AT THE SA INSTITUTE FOR DRUG-FREE SPORT (SAIDS) OVER THE PAST FIVE YEARS AND HAVE THE OPPORTUNITY TO DEVELOP DIFFERENT PROGRAMS FOR VARIOUS AUDIENCES.**

South African Institute for  
Drug-Free Sport



The increased funding from the National Lottery was a catalyst that allowed me to implement programs on a national level covering both rural and urban areas in South Africa.

Our education strategies are constantly being developed and existing ones tweaked in pursuit of the most effective programs that SAIDS is able to offer in order to address anti-doping issues. To date we have experimented with a few different approaches to anti-doping education and outreach: from chalk-and-talk methods to more creative drama-in-education sessions, to workshops and lectures. We have also begun to address the linguistic challenges unique to South Africa by offering workshops in English, Afrikaans and Zulu. Our literature on the "Dangers of Doping" and the "Supplements Use Under the Spotlight" has now been translated into Zulu. Over the past year, our anti-doping education programs have included values-based education principles as outlined in the 2015 World Anti-Doping Code.

Another approach in anti-doping education is our outreach model, based on more fun ways of learning through games and quizzes, that we developed for the younger age groups, with a system of reward: answer questions correctly from the anti-doping literature we provide; then you may win SAIDS-branded prizes like t-shirts, caps and water bottles. The questions come from the WADA (World Anti-Doping Agency)/SAIDS Anti-doping pamphlets. The use of social media as part of our pedagogical approach is still a bit of an untapped area and holds the potential to communicate quickly and succinctly to younger audiences. Leveraging social media for anti-doping education is a focus area for 2015/2016.

A milestone in the education unit from the past year was the National Anti-Doping Education Symposium on Sports Nutrition in October 2014. The aims of the symposium program was firstly to provide an overview of the current status quo of the sports supplement industry and to educate consumers regarding the risks associated with using these products. Secondly, to give a wide range of role-players the opportunity to discuss the issues from their perspective - from athletes, coaches, parents, and health professionals, to supplement manufacturers and retailers. The program also offered practical sessions highlighting the value and

role of sound performance nutrition principles to boost performance and health, in a safe and effective way. One of the symposium sessions highlighted the issues around supplements and steroid use in school-going athletes.

Hosting of education symposia allows SAIDS to foster and build relationships with entities that can enhance our programs. Relationship building with various sporting and professional bodies remains a priority for the agency. The education unit collaborated with the SA Sports Confederation and Olympic Committee (SASCOC) in developing a coaches training manual that included modules on the anti-doping rules and responsibilities.

Our bond with professional bodies such as The South African Sports Medicine Association (SASMA) and the Association for Dietetics in South Africa (ADSA) is also constantly being strengthened, with SAIDS hosting a one-day symposium as part of SASMA'S Congress in Johannesburg in October 2015.

Always to remember with education is this: there is no one-size-fits all. Education has always been, and will always be dynamic. It is my belief that anti-doping education at SAIDS - five years on - is on the right track. 30 June 2015 is my last day as Education manager for the agency. Exciting times lie ahead for the education and outreach unit at SAIDS under the capable leadership of newly appointed full-time manager, Dr Amanda Claassen-Smithers who will head the unit from July 2015.

RAFIEK MAMMON  
Education Manager

# ANNUAL PERFORMANCE PLAN 2014/2015

|  |  |                 |        |
|--|--|-----------------|--------|
| <b>KPA 1-A.<br/>A. DOPING CONTROL AND DRUG TESTING</b> |  | Budgeted Amount | 13 331 |
|  |  | Actual Spent    | 11 645 |
| <b>Strategic Goal 1</b>                                | 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. |                 |        |
| <b>Strategic Objective 1</b>                           | Manage and Administer doping control services that are required in terms of international sport regulations by national and international sport organizations.   |                 |        |

| REF   | PLANNING LEVEL | OBJECTIVE / KPI/ ACTIVITY/ TASKS   | RESPONSIBLE OFFICIAL   | TARGET                      | COMPLETED    | CONSTRAINTS / COMMENTS   |
|-------|----------------|--|------------------------|-----------------------------|--------------|--|
| A 1   | Obj            | Implementing a national test distribution plan   | Doping Control Manager | 3500                        | 3038         | Total Includes 2357 urine tests, 323 EPO tests, 114 IRMS tests and 244 blood tests.  |
| A 1.1 | KPI            | Implement one registered testing pool (RTP) that targets priority sport.   | Doping Control Manager | 120 Athletes                | 82 Athletes  | Specified number of tests to be conducted on RTP athletes (3)  |
| A 1.2 | KPI            | Implement the Athlete Biological Passport (ABP) testing program targeting high risk athletes/ sports                 | Doping Control Manager | X                           | Implemented  | ABP Coordinator appointed on a part-time basis to ensure more rigorous implementation of ABP programme                           |
| A 1.3 |                | Blood tests  |                        | 120 Tests                   | 244          | More focus on ABP program  |
| A 1.4 | KPI            | EPO tests  | Doping Control Manager | 200                         | 323          | More focus on ABP program  |
| A 1.5 | KPI            | Implement steroid testing at schools   |                        |                             |              |  |
| A 1.6 | KPI            | Establish a working group with law enforcement to share intelligence matters around drug trafficking and manufacture | CEO                    | Quarterly Meetings          | Not Achieved | Adhoc working group has not been able to meet due to capacity issues with Dept of Health. Strategy meeting planned for Feb 2015. |
| A 1.7 | KPI            | Revised doping control quality manual by March 2015 as per quality assurance certification (ISO9001)                 | Doping Control Manager | Review and Amend Procedures | Achieved     |  |

|   |  |                 |       |
|---|--|-----------------|-------|
| <b>KPA 2-B.<br/>B. RESULTS MANAGEMENT</b> |  | Budgeted Amount | 1 990 |
|   |  | Actual Spent    | 985   |
| <b>Strategic Goal 1</b>                   | 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. |                 |       |
| <b>Strategic Objective 2</b>              | Ensure that an independent Results Management System is maintained within the confines of SA Anti Doping regulations.  |                 |       |

| REF   | PLANNING LEVEL | OBJECTIVE / KPI/ ACTIVITY/ TASKS  | RESPONSIBLE OFFICIAL | TARGET          | COMPLETED | CONSTRAINTS / COMMENTS  |
|-------|----------------|---|----------------------|-----------------|-----------|---|
| B 1   | Obj 1          | Administer Independent Results Management System  | CEO                  | X               | X         |   |
| B 1.1 | KPI 1          | Review and amend current anti-doping rules  | General Manager      | Review          | Achieved  | SAIDS Anti-Doping Rules amended in accordance with 2015 WADC                                      |
| B 1.2 | KPI 2          | Establish a working group to evaluate the current drug-free sport legislation and its application to the 2009 and 2015 World Anti-doping Code |                      | X               | Ongoing   | Project group to be finalised   |
| B 1.3 | KPI 3          | Build legal capacity of results management infrastructure through hosting sports law seminars   | General Manager      | 1 International | Achieved  |   |
| B 1.4 | KPI 4          | Review results management system of schools steroid testing program   | General Manager      | X               | Ongoing   | SAIDS in discussions with DBE to include schools testing in Schools Act. Project team established |





# ANNUAL PERFORMANCE PLAN 2014/2015

|  |  |                 |       |
|--|--|-----------------|-------|
| <b>KPA 3-C.</b>                            |  | Budgeted Amount | 2 570 |
| <b>C. EDUCATION, RESEARCH AND OUTREACH</b> |  | Actual Spent    | 3 245 |
| <b>Strategic Goal 2</b>                    | 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. |                 |       |
| <b>Strategic Objective 3</b>               | Provide Anti-doping education to differentiated target audiences.  |                 |       |

| REF   | PLANNING LEVEL | OBJECTIVE / KPI/ ACTIVITY/ TASKS  | RESPONSIBLE OFFICIAL | TARGET              | COMPLETED | CONSTRAINTS / COMMENTS   |
|-------|----------------|---|----------------------|---------------------|-----------|--|
| C 1   | Obj            | Deliver effective anti-doping programmes and projects to different target audiences   | CEO                  | X                   | X         |  |
| C 1.1 | KPI            | Conduct and Implement anti-doping outreach projects, specific to adolescent and teen sports events.   | Education Manager    | 7 Outreach Projects | 31        | Additional activity funded by Lottery Grant                                      |
| C 1.2 | KPI            | Deliver anti-doping workshops/seminars to schools, provincial sports federations, sports academies and other interested sports entities   | Education Manager    | 8 Seminars          | 81        | Additional activity funded by Lottery Grant                                      |
| C 1.3 | KPI            | Deliver anti-doping seminar or outreach in partnership with Regional Anti-Doping Organization to southern african countries   | Education Manager    | 1                   | 1         |  |
| C 1.4 | KPI            | Organize and host one national seminar on specific themes around doping matters to sports public  | Education Manager    | 1                   | 1         |  |
| C 1.5 | KPI            | Organize and host annual doping control officers training seminar to update on DCO on new standards and procedures  | Education Manager    | 1                   | 1         |  |
| C 1.6 | KPI            | Organize and host annual education officers (EO) training seminar to update on EO on new anti-doping matters and new materials  | Education Manager    | 1                   | 1         |  |
| C 1.7 | KPI            | Include "I Play Fair" campaign/team/activities in mass based sports events (Argus, Two Oceans, Triathlon etc)   | Education Manager    | 3                   | 7         | Additional activity funded by Lottery Grant                                      |
| C 1.8 | KPI            | Fund research projects 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 it's broader sense - 2012 | "Education Manager   | 1                   | 0         | Funds committed to research project but project still has to pass ethics review. |

## KPA 4-D. D. STRATEGIC ALLIANCES & PARTNERSHIPS

|                              |  |
|------------------------------|--|
| <b>Strategic Goal 2</b>      | 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. |
| <b>Strategic Objective 4</b> | Develop and Enhance strategic alliances to advance the course of anti-doping agenda.   |

| REF   | PLANNING LEVEL | OBJECTIVE / KPI/ ACTIVITY/ TASKS   | RESPONSIBLE OFFICIAL | TARGET | COMPLETED | CONSTRAINTS / COMMENTS   |
|-------|----------------|--|----------------------|--------|-----------|--|
| D 1   | Obj            | Develop strategic relationships to government/Non Profit Agencies/private sector that share common strategic objectives as it pertains to drug abuse   | CEO                  | X      | X         |  |
| D 1.1 | KPI            | Establish relationships to support "I Play Fair" campaign  | CEO                  | 2      | 5         | Relationships established with Sanalm Cape Town Marathon and Springbok Legends for Cape Town Cycle Tour event. Continue to build on existing relationships (Momentum 94.7 race, Ironman). Part of Mandela Unite Event Organisers |
| D 1.2 | Obj            | Develop and Enhance Communication to Sports Entities that share common strategic objectives as it pertains to drug abuse   | CEO                  | X      | X         | Distributed the published 2015 SA National Anti-Doping Rules to all national sports federations  |
| D 1.3 | KPI            | Participate and contribute to forums/conferences on a yearly basis that hav strategic relevance to SAIDS in order to share and exchange best practices and to explore potential for joint venture projects - 2012 – 2014 | CEO                  | 1      | 5         | ENS Law Firm/SAIDS Seminars (x3). Chaired International Anti-Doping Arrangement (IADA) forum: Paris- Nov 2014. CEO presented paper on Schools Testing in London at Tackling Doping in Sport Summit                               |



# ANNUAL PERFORMANCE PLAN 2014/2015

## KPA 5-E. E. FINANCE PERSPECTIVE

|                              |   |
|------------------------------|---|
| <b>Strategic Goal 3</b>      | 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. |
| <b>Strategic Objective 6</b> | Ensure financial stability over the long term.  |

| REF   | PLANNING LEVEL | OBJECTIVE / KPI/ ACTIVITY/ TASKS   | RESPONSIBLE OFFICIAL | TARGET | COMPLETED | CONSTRAINTS / COMMENTS   |
|-------|----------------|--|----------------------|--------|-----------|--|
| E 1   | Obj            | Develop and implement a 5 Year Revenue Plan in compliance with ENE guidelines - 2011 | CEO                  | X      | Achieved  |  |
| E 1.1 | KPI            | Identify and secure alternative funding sources to compliment grant funding.         | CEO                  | R500k  | Achieved  | Signed Lottery Grant for 7.7m. Submitted a funding application to the National Lottery for R2.6million |

## KPA 6-F. F. OPERATIONAL PROCESSES

|                              |   |
|------------------------------|---|
| <b>Strategic Goal 4</b>      | 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. |
| <b>Strategic Objective 8</b> | Ensure that all activities are performed within a robust quality management framework.  |

| REF   | PLANNING LEVEL | OBJECTIVE / KPI/ ACTIVITY/ TASKS   | RESPONSIBLE OFFICIAL | TARGET | COMPLETED | CONSTRAINTS / COMMENTS                  |
|-------|----------------|--|----------------------|--------|-----------|---|
| F 1   | Obj            | Maintain a Quality Assurance System for all operations - annual                                  | CEO                  | X      | Achieved  |   |
| F 1.1 | KPI            | Achieve ISO 9001 Re-Accreditation - 2015   | General Manager      | X      | Achieved  |   |
| F 1.2 | KPI            | Complete an Internal Quality Audit for high risk processes - 2016                                | General Manager      | X      | Achieved  | Conducted by Deloitte and Quality Track |
| F 1.3 | KPI            | Update quality policy and manual to reflect changes in the WADC & ISO 9001 standards - 2015-2016 | General Manager      | X      | Achieved  | This process is ongoing                 |

## KPA 7-G. G. MANAGEMENT PROCESSES

|                              |   |
|------------------------------|---|
| <b>Strategic Goal 4</b>      | 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. |
| <b>Strategic Objective 9</b> | Maintain an Effective Governance Infrastructure to provide assurance to compliance to legislative and internal policies and procedures  |

| REF   | PLANNING LEVEL | OBJECTIVE / KPI/ ACTIVITY/ TASKS   | RESPONSIBLE OFFICIAL    | TARGET                             | COMPLETED | CONSTRAINTS / COMMENTS   |
|-------|----------------|--|-------------------------|------------------------------------|-----------|--|
| G 1   | Obj            | Establish a sound management infrastructure that provides assurance to compliance framework  | CEO                     | New Updated Organisational Diagram | Achieved  |  |
| G 1.1 | KPI            | Ensure compliance findings with PMFA and minimal amendments to the AFS (unqualified financial audit opinion)                                       | Chief Financial Officer | X                                  | Achieved  | Unqualified audit opinion  |
| G 1.2 | KPI            | Review HR Policies (recruitment, induction, confidentiality clauses, declarations of interest) by 2014   | CEO                     | X                                  | Ongoing   | Contracted HR consultant to review and draft new HR manual   |
| G 1.3 | KPI            | Ensure an effective Governance structure across all levels in the organization by ensuring a Board self-assessment is done on a yearly basis 2014. | CEO                     | New Organisational Diagram         | Achieved  | Start of recruitment to implement new org diagram. Currently board is chaired by Deputy Chairperson. Transition period for Board |

## KPA 8-H. H. COMPLIANCE

|                               |   |
|-------------------------------|---|
| <b>Strategic Goal 4</b>       | 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. |
| <b>Strategic Objective 10</b> | Ensure compliance to all regulatory and legislative requirements.   |

| REF   | PLANNING LEVEL | OBJECTIVE / KPI/ ACTIVITY/ TASKS   | RESPONSIBLE OFFICIAL | TARGET          | COMPLETED | CONSTRAINTS / COMMENTS   |
|-------|----------------|--|----------------------|-----------------|-----------|--|
| H 1   | Obj            | Ensure compliance to all international Regulatory requirements   | CEO                  | X               |           |  |
| H 1.1 | KPI            | Ensure Compliance with the World Anti-Doping Code on a yearly basis through passing WADA compliance review (every two years) through a project plan. 2014-2016 | CEO                  | 100% Compliance | Achieved  | Received compliance sign-off from WADA for the 2015 SA Anti-Doping Rules |
| H 1.2 | KPI            | Ensure compliance with UNESCO Anti-Doping Convention - completing UNESCO survey  | CEO                  | 100% Compliance | n/a       |  |



# ANNUAL PERFORMANCE PLAN 2014/2015

FOR THE PERIOD APRIL 2014 - MARCH 2015

|  |   |
|--|---|
| <b>KPA 9-I.<br/>I. LEARNING AND GROWTH PROCESS<br/>PERSPECTIVE HUMAN CAPITAL</b> |   |
| <b>Strategic Goal 4</b>  | 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. |
| <b>Strategic Objective 11</b>  | Strive to become a learning organization.   |

| REF   | PLANNING LEVEL | OBJECTIVE / KPI/ ACTIVITY/ TASKS  | RESPONSIBLE OFFICIAL | TARGET | COMPLETED  | CONSTRAINTS / COMMENTS   |
|-------|----------------|---|----------------------|--------|------------|--|
| I 1   | Obj            | Develop and Implement a Skills development strategy                         | CEO                  | X      |            |  |
| I 1.1 | KPI            | Develop a training plan for staff and management succession plan: 2014-2015 | CEO                  | X      | Incomplete | New organisational diagram completed. Positions not filled yet |

|   |   |
|---|---|
| <b>KPA 10-J.<br/>J. INFORMATION CAPITAL</b> |   |
| <b>Strategic Goal 4</b>                     | 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. |
| <b>Strategic Objective 12</b>               | Ensure a sound and robust IT platform.  |

| REF   | PLANNING LEVEL | OBJECTIVE / KPI/ ACTIVITY/ TASKS  | RESPONSIBLE OFFICIAL | TARGET | COMPLETED | CONSTRAINTS / COMMENTS  |
|-------|----------------|---|----------------------|--------|-----------|---|
| J 1   | Obj            | Develop and Implement an IT Strategy  | CEO                  | X      |           |   |
| J 1.1 | KPI            | Maintain an effective information technology infrastructure to support operations | General Manager      | X      | Ongoing   | Made application to install fibre optic cables to increase internet speed. In the process of upgrading IT infrastructure to meet growing demands on increased staff |
| J 1.2 | ACT            | Ensure effective data disaster recovery and planning (back-up storage)            | CEO                  | X      | n/a       |   |
| J 1.3 | ACT            | Implement internal risk audit of IT infrastructure: 2016                          | CEO                  | X      | Completed | Deloitte conducted internal audit on some aspects of our IT system  |

X - represents a non-numerical target

# STATISTICS

| Sporting Code  | Urine Tests | EPO Tests  | Blood Tests | AAF's     |
|----------------|-------------|------------|-------------|-----------|
| Rugby          | 528         | 38         | 65          | 11        |
| Athletics      | 262         | 49         | 21          | 9         |
| Cycling        | 257         | 69         | 79          | 4         |
| Triathlon      | 180         | 71         | 32          | 0         |
| Mountain Bike  | 171         | 95         | 108         | 2         |
| Powerlifting   | 136         | 0          | 0           | 2         |
| Football       | 100         | 31         | 4           | 0         |
| Cricket        | 71          | 18         | 0           | 0         |
| Swimming       | 62          | 1          | 0           | 0         |
| Rowing         | 50          | 29         | 0           | 0         |
| Basketball     | 45          | 1          | 0           | 0         |
| Canoeing       | 26          | 0          | 0           | 0         |
| Wrestling      | 22          | 0          | 0           | 1         |
| Boxing         | 18          | 0          | 0           | 0         |
| Weightlifting  | 14          | 0          | 0           | 0         |
| Duathlon       | 14          | 0          | 0           | 0         |
| Tennis         | 10          | 0          | 0           | 0         |
| Motor Sport    | 8           | 0          | 0           | 0         |
| Golf           | 6           | 0          | 0           | 0         |
| Equestrian     | 6           | 0          | 0           | 0         |
| Archery        | 6           | 0          | 0           | 0         |
| Sailing        | 4           | 0          | 0           | 0         |
| MultiSport     | 4           | 0          | 0           | 0         |
| Judo           | 4           | 0          | 0           | 1         |
| Figure Skating | 4           | 0          | 0           | 0         |
| Hockey         | 3           | 0          | 0           | 0         |
| Bodybuilding   | 3           | 0          | 0           | 0         |
| Gymnastics     | 2           | 0          | 0           | 0         |
| BMX            | 2           | 0          | 0           | 0         |
| Shooting       | 1           | 0          | 0           | 0         |
| <b>TOTAL</b>   | <b>2019</b> | <b>402</b> | <b>309</b>  | <b>30</b> |

\* Statistics per Performance Report submitted for audit are as at 10 March 2015. The statistics as per the table above are as at 31 March 2015.

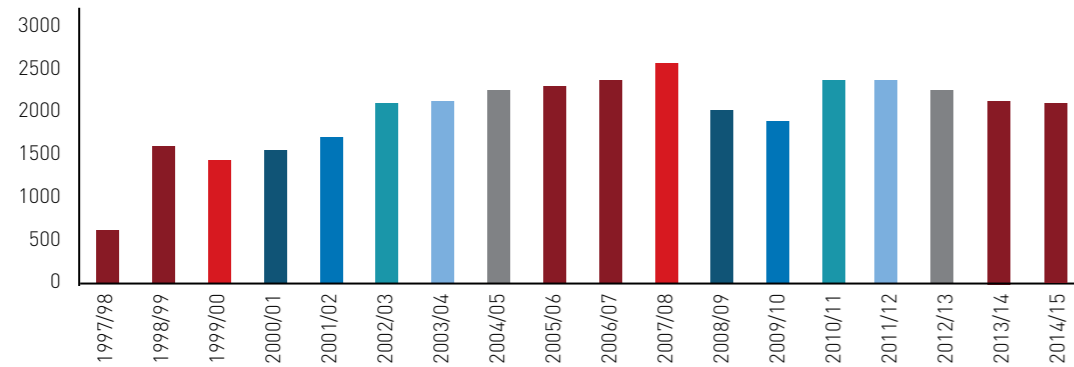
A reconciliation of the two is performed below:

| TOTAL               | URINE      | EPO       | BLOOD     | AAF's    |
|---------------------|------------|-----------|-----------|----------|
| As at 31 March 2015 | 2019       | 402       | 309       | 30       |
| As at 10 March 2015 | 2357       | 323       | 244       | 30       |
| Difference          | <b>338</b> | <b>79</b> | <b>65</b> | <b>0</b> |

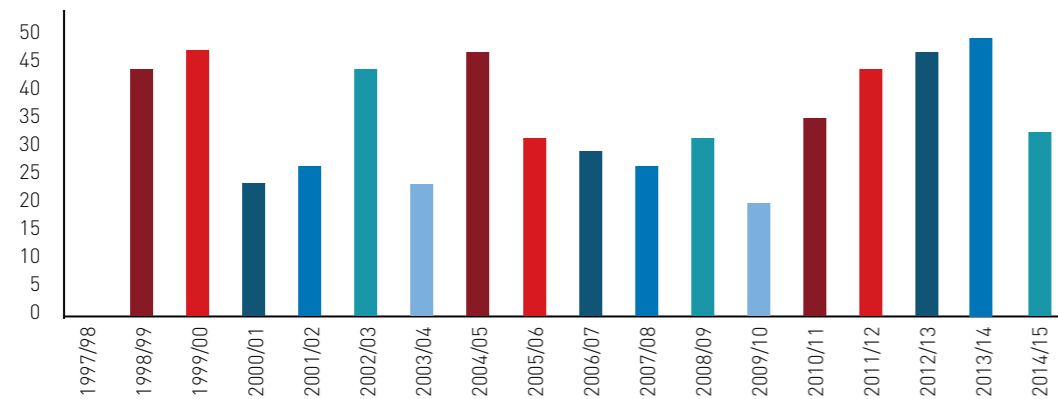
\* The Statistics at 10 March are inclusive of Missed Tests i.e.: 2357 missions were deployed, only 2019 were completed/accomplished.



## NUMBER OF URINE TESTS



## ANTI-DOPING RULE VIOLATIONS



## DOPING CONTROL REVIEW COMMISSION:

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

| Surname            | Name         | Role                | Region         |
|--------------------|--------------|---------------------|----------------|
| Abrahams           | Yusuf        | Sport Administrator | Western Cape   |
| Abrahams           | Colin        | Sport Administrator | Port Elizabeth |
| Berg               | Corrine      | Legal               | Pretoria       |
| Branfield          | Andy         | Medical             | Gauteng        |
| Breetzke           | Andrew       | Legal               | Western Cape   |
| Brink              | Ray          | Legal               | Western Cape   |
| Brook              | Norman       | Sport Administrator | Western Cape   |
| Bush               | John         | Legal               | Western Cape   |
| Carrim             | Yusuf        | Sport Administrator | Gauteng        |
| Cloete             | Rian         | Legal               | Pretoria       |
| Coetzer            | Gerhardus    | Medical             | East London    |
| Collins            | Rob          | Sport Administrator | Gauteng        |
| Coopoo             | Yoga         | Sport Administrator | Gauteng        |
| Cornelius          | Steve        | Legal               | Pretoria       |
| Domingo            | Wendell      | Sport Administrator | Port Elizabeth |
| Du Plessis         | Luc          | Legal               | Western Cape   |
| Fleiser            | Leon         | Sport Administrator | Gauteng        |
| Fourie             | Willien      | Sport Administrator | Bloemfontein   |
| Hacker             | Monty        | Legal               | Gauteng        |
| Hagemann           | Glen         | Medical             | Kwazulu Natal  |
| Hamman             | Debbie       | Legal               | Western Cape   |
| Hansraj            | Rishi        | Sport Administrator | Kwazulu Natal  |
| Heynes             | Errol        | Sport Administrator | Port Elizabeth |
| Hurter             | Marius       | Sport Administrator | Western Cape   |
| Ismail             | Hasnodien    | Sport Administrator | Western Cape   |
| Jaffer             | Nasir        | Medical             | Western Cape   |
| Janse van Rensburg | Christa      | Medical             | Gauteng        |
| Marshall           | Mike         | Medical             | Kwazulu Natal  |
| Motaung            | Sello        | Medical             | Gauteng        |
| Muller             | Louis        | Legal               | Western Cape   |
| Murphy             | Michael      | Legal               | Kwazulu Natal  |
| Nameng             | Sunnyboy     | Legal               | Rustenberg     |
| Nkanunu            | Silas        | Legal               | Port Elizabeth |
| Nonkhonyana        | Norma        | Sport Administrator | Western Cape   |
| Peters             | Beverley     | Sport Administrator | Kwazulu Natal  |
| Pieterse           | Deon-Jacques | Medical             | Port Elizabeth |
| Prinsloo           | DB           | Sport Administrator | Free State     |
| Ramagole           | Dimakatso    | Medical             | Gauteng        |
| Readhead           | Clint        | Sport Administrator | Western Cape   |
| Rossa              | Yolanda      | Legal               | Western Cape   |
| Samuel             | Siven        | Legal               | Kwazulu Natal  |
| Stelzner           | Rob          | Legal               | Western Cape   |
| Suter              | Jason        | Medical             | Western Cape   |
| Terblanche         | Elmarie      | Sport Administrator | Western Cape   |
| Theron             | Nicolas      | Medical             | Free State     |
| Thomas             | Jerome       | Legal               | Western Cape   |
| Thompson           | Craig        | Medical             | Western Cape   |
| Tshabalala         | Mandla       | Legal               | Gauteng        |
| van Dugteren       | George       | Medical             | Western Cape   |
| van Helden         | Karen        | Medical             | Western Cape   |
| Viviers            | Pierre       | Medical             | Western Cape   |
| Volsteedt          | Johan        | Sport Administrator | Free State     |

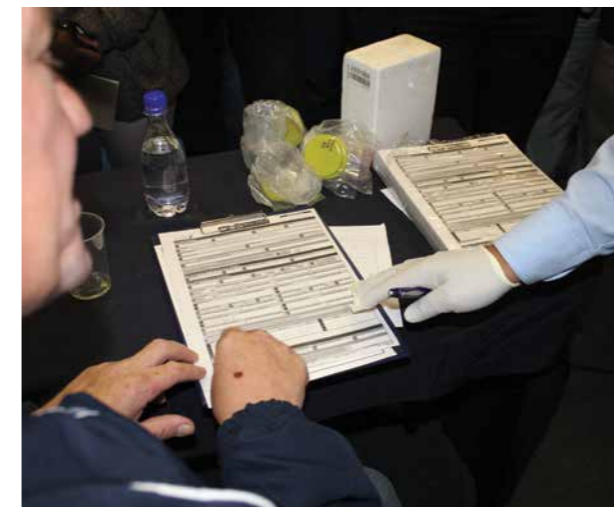


# INTERNATIONAL RELATIONS

# SCHOOL TESTING PROTOCOL - STATISTICAL DATA

| Best Practice topic/s  | Anti-Doping Agency                             | SAIDS Delegation  | Suggested Time of Year |
|--|--|---|------------------------|
| African Youth Games - Gaborone   |  | Fahmy Galant - General Manager<br>Zinzi Sitoto - Doping Control Manager | May-14                 |
| RADO Board meeting - Victoria Falls, Zimbabwe                              | RADO: Africa Zone VI                           | Fahmy Galant - General Manager  | Nov-14                 |
| International Anti-Doping Arrangement (IADA) Meeting - Paris, France       |  | Khalid Galant - CEO   | Nov-14                 |
| WADA Foundation Meeting - Paris, France                                    | World Anti-doping Agency                       | Dr JH Adams - Deputy Chairman   |                        |
| 2nd International Conference on the Pharmaceutical Industry - Tokyo, Japan | Japan Anti-Doping Agency                       | Dr JH Adams - Deputy Chairman<br>Mr David Bayever - Board member        | Jan-15                 |
| Tackling Doping in Sport - London, United Kingdom                          | UK Anti-doping                                 | Khalid Galant - CEO (presenter)   | Mar-15                 |
| iNADO Meeting - Switzerland  | Institute of National Anti-doping Organisation | Khalid Galant - CEO<br>Dr JH Adams - Deputy Chairman                    | Mar-15                 |
| WADA Symposium and Board Meeting - Lausanne, Switzerland                   | World Anti-doping Agency                       | Khalid Galant - CEO<br>Dr JH Adams - Deputy Chairman                    | Mar-15                 |
| Cologne Laboratory Visit - Cologne, Germany                                |  | Khalid Galant - CEO<br>Dr JH Adams - Deputy Chairman                    | Mar-15                 |

| Sporting Code | Urine Tests | EPO Tests | Blood Tests | AAF's |
|---------------|-------------|-----------|-------------|-------|
| Schools Tests | 173         | 0         | 0           | 12    |



# ANTI-DOPING RULE VIOLATIONS



| NO. | SURNAME             | NAME           | SPORT        |
|-----|---------------------|----------------|--------------|
| 1   | Marais              | Edmar          | Rugby Union  |
| 2   | Potgieter           | Martnique      | Athletics    |
| 3   | Short               | Chad           | Cycling      |
| 4   | Mgugbo              | Thabani        | Rugby Union  |
| 5   | Manjezi             | Sintu          | Rugby Union  |
| 6   | Name Redacted Minor |                | Rugby Union  |
| 7   | Name Redacted Minor |                | Rugby Union  |
| 8   | Pieterse            | Dylan John     | Rugby Union  |
| 9   | Chokore             | Chiyedza       | Athletics    |
| 10  | Steyn               | Austin         | Cycling      |
| 11  | Name Redacted Minor |                | Wrestling    |
| 12  | Mabane              | Elias          | Athletics    |
| 13  | April               | Thozama        | Athletics    |
| 14  | La Grange           | Daniel Jacobus | Judo         |
| 15  | Motsieola           | Paul Ramolefi  | Athletics    |
| 16  | van der Westhuizen  | Joe            | Cycling      |
| 17  | Tjoka               | Mamorallo      | Athletics    |
| 18  | Grobler             | Gerbrandt      | Rugby Union  |
| 19  | Vermaak             | Jacques        | Rugby Union  |
| 20  | Name Redacted Minor |                | Rugby Union  |
| 21  | Nkonde              | Siyabonga      | Athletics    |
| 22  | van Niekerk         | George         | Rugby Union  |
| 23  | Mphuthi             | Joseph         | Athletics    |
| 24  | Matheleli           | Tamo           | Athletics    |
| 25  | Roos                | Stuart         | M Bike       |
| 26  | Howison             | Stewart        | M Bike       |
| 27  | Terblanche          | Zanmare        | Cycling      |
| 28  | Williams            | Juandre        | Rugby Union  |
| 29  | Pregolato           | Faik           | Powerlifting |
| 30  | Lekopa              | Papa Peter     | Powerlifting |

| Substance Identified or Failure to Comply   | Class of Substance                                 | Sanctions Imposed                                    |
|---|--|--|
| Stanozolol<br>3'-hydroxystanozolol<br>4 $\beta$ -hydroxystanozolol<br>16 $\beta$ -hydroxystanozolol | Anabolic Agent                                     | 1 Year Sanction                                      |
| Phentermine and Furosemide  | Stimulant/Furosemide                               | 2 Year Sanction                                      |
| Methylhexaneamine   | Stimulant  | 2 Year Sanction                                      |
| Methylhexaneamine   | Stimulant  | Adjourned Hearing Convened for July                  |
| Methylhexaneamine   | Stimulant  | 1 Year Sanction                                      |
| 19-norandrosterone and 19-noreticholanolone   | Anabolic Agent                                     | Adjourned Hearing Convened for July                  |
| 19-norandrosterone and 19-noreticholanolone   | Anabolic Agent                                     | 2 Year Sanction                                      |
| Methylhexaneamine   | Stimulant  | 4 Month Sanction                                     |
| Methylhexaneamine   | Stimulant  | Decision Pending From Zimbabwe Athletics Association |
| Phentermine   | Stimulant  | 2 Year Sanction                                      |
| Use/Attempted Use and Possession  | Prohibited Method                                  | Decision Pending from Tribunal                       |
| 19-norandrosterone and 19-noreticholanolone   | Anabolic Agent                                     | Adjourned Hearing Convened for July                  |
| 19-norandrosterone and 19-noreticholanolone<br>Phentermine<br>Prednisone and Prednisolone           | Anabolic Agent<br>Stimulant<br>Glucocorticosteroid | 2 Year Sanction                                      |
| Hydrochlorothiazide   | Diuretic   | 2 Year Sanction                                      |
| Methylhexaneamine   | Stimulant  | Decision Pending From Lesotho Athletics Association  |
| Clenbuterol<br>Prednisone and Prednisolone  | Anabolic Agent<br>Glucocorticosteroid              | 2 Year Sanction                                      |
| 19-norandrosterone and 19-noreticholanolone   | Anabolic Agent                                     | Decision Pending From Lesotho Athletics Association  |
| Drostanolone  | Anabolic Agent                                     | 2 Year Sanction                                      |
| Drostanolone  | Anabolic Agent                                     | Hearing Convened for July                            |
| Testosterone  | Anabolic Agent                                     | 2 Year Sanction                                      |
| Methylhexaneamine   | Stimulant  | 6 Month Suspension                                   |
| 19-norandrosterone and 19-noreticholanolone   | Anabolic Agent                                     | 2 Year Sanction                                      |
| 19-norandrosterone and 19-noreticholanolone   | Anabolic Agent                                     | Hearing Convened for July                            |
| 19-norandrosterone and 19-noreticholanolone   | Anabolic Agent                                     | Decision Pending From Lesotho Athletics Association  |
| 19-norandrosterone and 19-noreticholanolone   | Anabolic Agent                                     | 2 Year Sanction                                      |
| Boldenone   | Anabolic Agent                                     |  |
| Oxandrolone and Clenbuterol   | Anabolic Agent                                     | Decision Pending From United Arab Emirates Cycling   |
| Methandienone LT  | Anabolic Agent                                     | Hearing to be Convened                               |
| 19-norandrosterone and 19-noreticholanolone   | Anabolic Agent                                     | Hearing to be Convened                               |
| Clenbuterol   | Anabolic Agent                                     | Hearing to be Convened                               |
| 19-norandrosterone and 19-noreticholanolone   | Anabolic Agent                                     | Hearing to be Convened                               |





# ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

South African Institute for  
Drug-Free Sport



# ANNUAL FINANCIAL STATEMENTS CONTENT

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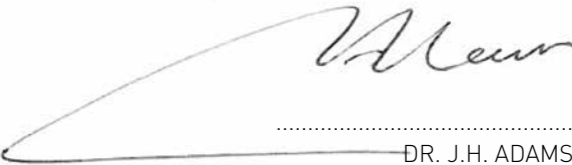
**THE ANNUAL FINANCIAL STATEMENTS, SET OUT ON PAGES 44 TO 69, HAVE BEEN APPROVED BY THE DEPUTY CHAIRPERSON AND ARE SIGNED BY HIM**

#### BOARD MEMBERS

DR. J.V. RAMATHESELE (Resigned - 10 July 2014)  
DR M. QOBOSE  
PROF R. LE ROUX (Resigned - January 2015)  
DR. J.H. ADAMS (Deputy Chairperson)  
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 2015



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

## REPORT ON THE FINANCIAL STATEMENTS

### Introduction

1. I have audited the financial statements of the South African Institute for Drug-free Sport set out on pages 44 to 67, which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

### Accounting authority's responsibility for the financial statements

2. The board, which constitutes the accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with 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) 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.

### Auditor-General's responsibility

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

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

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

### Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Institute for Drug-free Sport as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA.

### Additional matter

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

### Unaudited supplementary information

8. The supplementary information set out on pages 68 to 69 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion thereon.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. 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 findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each sub-heading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objectives presented in the annual performance report of the public entity for the year ended 31 March 2015:

- Objective 1: doping control and drug testing on pages 18 and 19
- Objective 2: results management on page 19
- Objective 3: education, research and outreach on page 20

11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

12. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information.

13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following objectives:

- Objective 1: doping control and drug testing
- Objective 2: results management
- Objective 3: education, research and outreach

### Additional matter

15. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected objectives, I draw attention to the following matter:

### Achievement of planned targets

16. Refer to the annual performance report on pages 18 - 24 for information on the achievement of the planned targets for the year.

## COMPLIANCE WITH LEGISLATION

17. I performed procedures to obtain evidence that the public entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

### Procurement and contract management

18. Goods and services were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.

19. Contracts and quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulations 16A9.1(d) and the Preferential Procurement Regulations.

20. Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury regulation 16A8.3.

#### Annual financial statements

21. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1) (b) of the PFMA.

#### Expenditure management

22. The accounting authority did not take effective steps to prevent irregular expenditure as required by section 51(1) (b) (iii) of the PFMA.

#### INTERNAL CONTROL

23. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on non-compliance with legislation included in this report.

#### Leadership

24. Leadership did not ensure that there are systems to ensure compliance with laws and regulations with regard to supply chain management. In addition, compilation of financial statements which comply fully with GRAP, is still not in place.

#### Financial and performance management

25. Management did not perform a thorough review of both the financial statements and the compliance with laws and regulations throughout the year. They do however provide quarterly financial information to the Board and the Audit Committee. Although this is interrogated corrective actions recommended, they are not systematically implemented. The entity's financial improvement plan was not adequately monitored and thus sufficient progress to address the control deficiencies relating to compliance with laws and regulations and financial information has not been made, as also reported during the previous financial year.

*Auditor - General*

Cape Town  
 29 July 2015



AUDITOR - GENERAL  
 SOUTH AFRICA

*Auditing to build public confidence*

# 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 2015.

#### 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 met three times during the year to 31 March 2015 and have met three times subsequent to the year end, in accordance with its approved terms of reference.

| Name of Member                                  | Number of Meetings | Attended        |
|---|--------------------|-----------------|
|   | Year to 31.3.2015  | Since 31.3.2015 |
| Adv. David Mitchell (Chairperson)               | 3                  | 3               |
| Mr Graham Abrahams *                            | 3                  | 3               |
| Mr Jonathan George                              | 3                  | 3               |
| Ms Masaccha Mbonambi (appointed 8 October 2014) | 1                  | 3               |
| Mrs Penny White (term expired 31 August 2014)   | 2                  | -               |
| * 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 work conducted during the year focused on a doping control process review, an assessment of IT processes and security, and a review of performance management information. Weaknesses revealed have been raised with management and the Board. A review of controls over private and personal information arising from doping control operations is currently underway.

The Auditor-General has highlighted areas where internal audit support can assist the entity in improving its track record in key areas such as compliance, supply chain management and contract management.

#### Audit review of predetermined objectives

The Auditor-General's review of performance against predetermined objectives has rated the supporting information supplied by the entity as useful and reliable, an unqualified conclusion which demonstrates the benefit of closer attention having been paid to this area of reporting. However only three out of nine performance programmes were examined and further attention is needed to ensure that the entity identifies and retains sufficient evidence across all its performance programmes. It is anticipated that the Auditor-General will extend the scope of the performance management information review in the future.



### Internal control, financial management and administration

While there has been improvement in all areas of operations including internal control, financial management, compliance and reporting, the entity has still not attained the desired standard of compliance and proficiency especially with procurement and contract management. Focussed attention to the analysis flowing from a quarterly dashboard review has been recommended and this should be closely monitored by the Audit Committee. The Committee notes and supports the steps already taken by the Board to enhance management's operational capacity.

Acknowledgement is also given to the Auditor-General's team who assisted in identifying certain errors and omissions in the financial statements.

### Implementation of corrective actions

The Auditor-General's review shows that roughly two-thirds of the audit recommendations made and accepted in the prior year were implemented with appropriate corrective actions. The entity needs to ensure that it can, and indeed does, take sufficient and effective steps to introduce all the improvements and corrections that are identified.

### Evaluation of Financial Statements

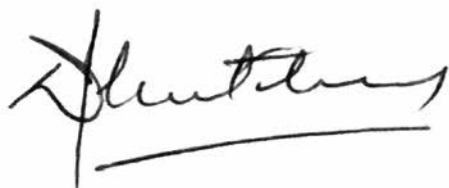
The Audit Committee has:

- 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
- has 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 and other legal and regulatory matters, and is of the view that the audited annual financial statements 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, CA (SA)  
Chairperson of the Audit Committee

Date: 31 July 2015

# ACCOUNTING AUTHORITY REPORT

## 1. 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 2015.

The entity was established by an Act of Parliament ( Act 14 of 1997 ) and is listed as a national public entity in schedule 3A of the Public Finance Management Act, 1999, as amended (PFMA).

The board of directors is the accounting authority in terms of the PFMA.

## 2. DIRECTORS OF THE ENTITY

Executive Director:

Mr. K. Galant

Non-Executive Directors:

Dr. JRV Ramathesele – Chairperson (resigned 10 July 2014)

Dr. MTD Qobose

Prof. R Le Roux (resigned January 2015)

Dr. JH Adams (appointed as Deputy Chairperson on 18 July 2014)\*

Mr. G Abrahams

Ms. N Du Toit

Judge L Mpati

Dr. L Skaal

Mr. M Tyamzashe

Mr. DN Bayever

\* - appointed in terms of section 3 of the Drug Free Sport Act.

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

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

P O Box 2553  
Clareinch  
7740

## 3. 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.

#### 4. 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.

#### 5. EVENTS SUBSEQUENT TO BALANCE SHEET 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.

#### 6. 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

#### 6. JURISDICTION AND DOMICILE

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

#### 7. EXECUTIVE AUTHORITY

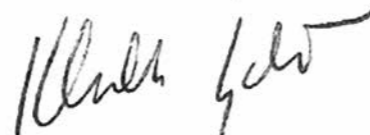
The executive authority of the entity is the Minister of Sport and Recreation.

#### APPROVAL

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



.....  
DR. JH. ADAMS  
CHAIRPERSON  
29 May 2015



.....  
K GALANT  
CEO  
29 May 2015

# COMPILATION REPORT TO MANAGEMENT

On the basis of information provided by the management we have compiled, in accordance with the statements of standards applicable to compilation engagements as issued by The South African Institute of Chartered Accountants, the statement of financial position of The South African Institute for Drug-Free Sport at 31 March 2015, and the related statement of financial performance and cash flow statement for the year then ended, as set out on pages 44 to 69.

The management is responsible for these financial statements. We have not audited or reviewed these financial statements and accordingly express no assurance thereon.



L BRINDERS CA (SA)  
BRADFORD CONSULTING CC  
CAPE TOWN  
29 MAY 2015

THE SOUTH AFRICAN INSTITUTE FOR DRUG-FREE SPORT  
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2015

|                            | Notes | 2015<br>R'000 | 2015<br>Budget<br>R'000 | 2014<br>R'000 |
|----------------------------|-------|---------------|-------------------------|---------------|
| <b>Revenue</b>             |       | <b>25 654</b> | <b>29 312</b>           | 33 455        |
| Non-exchange revenue       | 2.1   | 22 764        | 27 599                  | 29 931        |
| Interest received          |       | 437           | 123                     | 334           |
| Exchange revenue           | 2.2   | 2 453         | 1 590                   | 3 190         |
| <b>Expenses</b>            |       | <b>24 377</b> | <b>29 312</b>           | 33 637        |
| Administration expenditure |       | 7 355         | 8 689                   | 6 140         |
| Education programme        |       | 3 245         | 2 570                   | 1 755         |
| Doping control             |       | 11 645        | 13 331                  | 9 222         |
| Results management         |       | 985           | 1 990                   | 1 224         |
| International projects     |       | 575           | 940                     | 14 030        |
| Corporate services         |       | 572           | 1 792                   | 1 266         |
| NET DEFICIT                | 13    | <u>1 277</u>  | <u>-</u>                | <u>(182)</u>  |

Detailed schedules of expenses are listed on pages 68-69.

THE SOUTH AFRICAN INSTITUTE FOR DRUG-FREE SPORT  
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

|   | Notes | 2015<br>R'000 | 2014<br>R'000 |
|---|-------|---------------|---------------|
| <b>ASSETS</b>                           |       |               |               |
| <b>Non-current assets</b>               |       | <b>592</b>    | 743           |
| Property, plant and equipment           | 3     | 584           | 714           |
| Intangible assets                       | 4     | 8             | 29            |
| <b>Current assets</b>                   |       | <b>16 213</b> | 4 321         |
| Inventories                             | 5     | 316           | 395           |
| Trade and other receivables             | 6     | 902           | 1 114         |
| Cash and cash equivalents               | 7     | 14 995        | 2 812         |
| <b>Total assets</b>                     |       | <u>16 805</u> | <u>5 064</u>  |
| <b>NET ASSETS AND LIABILITIES</b>       |       |               |               |
| <b>Net assets</b>                       |       |               |               |
| <b>Reserves</b>                         |       | <b>49</b>     | (1 229)       |
| Retained Income / (Accumulated deficit) |       | 49            | (1 229)       |
| <b>Non-Current Liabilities</b>          |       |               |               |
| Finance lease liabilities               | 8     | 7             | -             |
| <b>Current liabilities</b>              |       | <b>16 750</b> | 6 293         |
| Finance lease liabilities               | 8     | 8             | 12            |
| Credit card facilities                  | 7     | 128           | 36            |
| Payables from exchange transactions     | 9     | 5 025         | 2 416         |
| Financial liabilities                   | 10    | 11 589        | 3 829         |
| <b>Total net assets and liabilities</b> |       | <u>16 805</u> | <u>5 064</u>  |



THE SOUTH AFRICAN INSTITUTE FOR DRUG-FREE SPORT  
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2015

|                                | Note | GENERAL<br>RESERVE<br>R'000 | ACCUMULATED<br>FUNDS<br>R'000 | TOTAL<br>R'000 |
|--------------------------------|------|-----------------------------|-------------------------------|----------------|
| Balance at 31 March 2013       |      | 58                          | (1 105)                       | (1 047)        |
| Utilisation of general reserve |      | ( 58)                       | 58                            | -              |
| Net deficit for the year       |      | -                           | <b>( 182)</b>                 | <b>( 182)</b>  |
| Balance at 31 March 2014       |      | -                           | <b>(1 229)</b>                | <b>(1 229)</b> |
| Net surplus for the year       |      | -                           | <b>1 277</b>                  | <b>1 277</b>   |
| Balance at 31 March 2015       |      | -                           | <b>49</b>                     | <b>49</b>      |

THE SOUTH AFRICAN INSTITUTE FOR DRUG-FREE SPORT  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

NET CASH FLOW FROM OPERATING ACTIVITIES

|                                      | Notes | 2015<br>R'000   | 2014<br>R'000 |
|--------------------------------------|-------|-----------------|---------------|
| Cash received from customers         |       | <b>32 765</b>   | 33 268        |
| Cash paid to suppliers and creditors |       | <b>(20 994)</b> | (30 608)      |
| Cash generated from operations       | 15.1  | <b>11 771</b>   | 2 660         |
| Investment income                    |       | <b>437</b>      | 334           |
| Finance costs                        |       | -               | (3)           |
|                                      |       | <b>12 208</b>   | 2 991         |

NET CASH FLOW USED IN INVESTING ACTIVITIES

|   |   |              |       |
|---|---|--------------|-------|
| Additions to property, plant and equipment          | 3 | <b>(119)</b> | (569) |
| Additions to intangible assets                      | 4 | -            | (39)  |
| Proceeds from sale of property, plant and equipment |   | <b>1</b>     | -     |
| Net cash outflow from investing activities          |   | <b>(118)</b> | (608) |

NET CASH FLOW FROM FINANCING ACTIVITIES

|  |      |               |       |
|--|------|---------------|-------|
| (Decrease)/Increase in financial lease liabilities     |      | <b>3</b>      | (25)  |
| Net cash (outflow)/inflow from financing activities    |      | <b>3</b>      | (25)  |
| Net increase/(decrease) in cash and cash equivalents   |      | <b>12 093</b> | 2 358 |
| Cash and cash equivalents at the beginning of the year | 15.2 | <b>2 774</b>  | 416   |
| Cash and cash equivalents at the end of the year       | 15.2 | <b>14 867</b> | 2 774 |

**THE SOUTH AFRICAN INSTITUTE FOR DRUG-FREE SPORT  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR  
ENDED 31 MARCH 2015**

|                            | Actual<br>2015<br>R'000 | Approved<br>Budget<br>2015<br>R'000 | Difference<br>Actual vs<br>Approved<br>R'000 |
|----------------------------|-------------------------|-------------------------------------|--|
| <b>Revenue</b>             | 25 654                  | 29 312                              | 3 658  |
| Non-exchange revenue       | 22 764                  | 27 599                              | 4 835  |
| Interest received          | 437                     | 123                                 | (315)  |
| Exchange revenue           | 2 453                   | 1 590                               | 863  |
| <b>Expenses</b>            | 24 377                  | 29 312                              | 4 935  |
| Administration expenditure | 7 355                   | 8 689                               | 1 334  |
| Education programme        | 3 245                   | 2 570                               | (675)  |
| Doping control             | 11 645                  | 13 331                              | 1 686  |
| Results management         | 985                     | 1 990                               | 1 005  |
| International projects     | 575                     | 940                                 | 365  |
| Corporate services         | 572                     | 1 792                               | 1 220  |
| <b>NET DEFICIT</b>         | <u>1 277</u>            | <u>-</u>                            | <u>1 277</u>                                 |

Refer to note 21 for explanations of differences in approved budget vs actual expenditure







# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

South African Institute for  
Drug-Free Sport





## 1. 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:

### 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 thousands of South African Rands since it is the currency in which the majority of the entity's transactions are denominated.

### Going concern assumption

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

The Board has performed a formal 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.

### 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 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 would 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 recovered.

### 1.3 FOREIGN CURRENCIES

Transactions in currencies other than the entity's reporting currency (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 income statement.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling on the balance sheet date. Unrealised differences on monetary assets and liabilities are recognised in the income statement 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.

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                 |
| Erythropoietin Equipment | 7 - 12 yrs            |
| Furniture and Fittings   | 3 - 6 yrs             |
| Motor Vehicles           | 4 - 6 yrs             |
| Office Equipment         | 1.5 - 6 yrs           |

The residual values, useful lives and depreciation method of property, plant and equipment are reviewed on an annual basis. Profit 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 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 of any credit balance existing 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 amount 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 realisable value. 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 realisable value 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.

Financial assets are recognised when the entity has rights to access to 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 income statement 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 and other 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

Cash and cash equivalents are initially recognised at fair value. 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.

## 1.7 FINANCIAL INSTRUMENTS (continued)

### (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 a cash basis and is presented by function. The budget is approved for the 2014/2015 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.

## 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.

## 1.12 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

|   | 2015<br>R'000 | 2014<br>R'000 |
|---|---------------|---------------|
| <b>2.1 Non-exchange revenue</b>                         |               |               |
| Grant - Sport and Recreation South Africa               | 18 504        | 14 024        |
| Supplementary Grant - Sports and Recreation Sout Africa | -             | 682           |
| National Lottery  | 4 048         | 14 971        |
| Sponsorship   | 212           | 197           |
| Subsidy income  | -             | 57            |
|   | <b>22 764</b> | <b>29 931</b> |
| <b>2.2 Exchange revenue</b>                             |               |               |
| Doping control sales                                    | 2 428         | 2 744         |
| Profit on foreign exchange                              | 4             | 59            |
| Sundry income   | 21            | 387           |
|   | <b>2 453</b>  | <b>3 190</b>  |



### 3. PROPERTY, PLANT AND EQUIPMENT

|   | R '000             | R '000        | R '000               | R '000         | R '000           | R '000  |
|---|--------------------|---------------|----------------------|----------------|------------------|---------|
|   | Computer equipment | EPO equipment | Furniture & fittings | Motor vehicles | Office equipment | Total   |
| 2015                                    |                    |               |                      |                |                  |         |
| Carrying value at the beginning of year | 57                 | 0             | 99                   | 403            | 155              | 714     |
| Cost                                    | 254                | 395           | 399                  | 686            | 420              | 2 154   |
| Accumulated depreciation                | (197)              | (395)         | (300)                | (283)          | (265)            | (1 440) |
| Depreciation                            | (48)               | (0)           | (14)                 | (31)           | (33)             | (128)   |
| Additions                               | 75                 | -             | 27                   | -              | 17               | 119     |
| Disposals                               | -                  | -             | (59)                 | -              | (64)             | (123)   |
| Cost                                    | (27)               | (395)         | (250)                | (283)          | (242)            | (1 197) |
| Accumulated depreciation                | 27                 | 395           | 191                  | 283            | 178              | 1 074   |
| Carrying value at the end of year       | 84                 | -             | 53                   | 372            | 75               | 584     |
| Cost                                    | 302                | -             | 176                  | 403            | 195              | 1 076   |
| Accumulated depreciation                | (218)              | -             | (123)                | (31)           | (120)            | (492)   |

|   | R '000             | R '000        | R '000               | R '000         | R '000           | R '000  |
|---|--------------------|---------------|----------------------|----------------|------------------|---------|
|   | Computer equipment | EPO equipment | Furniture & fittings | Motor vehicles | Office equipment | Total   |
| 2014                                    |                    |               |                      |                |                  |         |
| Carrying value at the beginning of year | 63                 | 1             | 62                   | 15             | 185              | 326     |
| Cost                                    | 213                | 395           | 328                  | 283            | 366              | 1 585   |
| Accumulated depreciation                | (150)              | (394)         | (266)                | (268)          | (181)            | (1 259) |
| Depreciation                            | (47)               | (1)           | (34)                 | (15)           | (84)             | (181)   |
| Additions                               | 41                 | -             | 71                   | 403            | 54               | 569     |
| Disposals                               | -                  | -             | -                    | -              | -                | -       |
| Cost                                    | -                  | -             | -                    | -              | -                | -       |
| Accumulated depreciation                | -                  | -             | -                    | -              | -                | -       |
| Carrying value at the end of year       | 57                 | 0             | 99                   | 403            | 155              | 714     |
| Cost                                    | 254                | 395           | 399                  | 686            | 420              | 2 154   |
| Accumulated depreciation                | (197)              | (395)         | (300)                | (283)          | (265)            | (1 440) |

### 4. INTANGIBLE ASSETS

|                                | Cost<br>R'000 | Accumulated<br>Depreciation<br>R'000 | Carrying<br>Value<br>R'000 |
|--------------------------------|---------------|--------------------------------------|----------------------------|
| Computer software              | 14            | (14)                                 | -                          |
| Interactive media applications | 61            | (53)                                 | 8                          |
|                                | <u>75</u>     | <u>(67)</u>                          | <u>8</u>                   |

#### 2014

|                                |            |              |           |
|--------------------------------|------------|--------------|-----------|
| Computer software              | 134        | (130)        | 4         |
| Interactive media applications | 298        | (273)        | 25        |
|                                | <u>432</u> | <u>(403)</u> | <u>29</u> |

#### Reconciliation

|   | 2015<br>R'000 | 2014<br>R'000 |
|---|---------------|---------------|
| Carrying value at the beginning of the year | 29            | 45            |
| Additions                                   | -             | 39            |
| Disposals - Cost                            | (356)         | -             |
| Disposals - Accumulated Depreciation        | 356           | -             |
| Amortisation                                | (21)          | (55)          |
| Carrying value at the end of the year       | <u>8</u>      | <u>29</u>     |

### 5. INVENTORIES

|  |            |            |
|--|------------|------------|
| The amounts attributable to the different categories are as follows: |            |            |
| Consumable stores  | <u>316</u> | <u>395</u> |

The cost of inventories recognised as an expense during the year amounts to R925,000 (2014: R573,000).

### 6. TRADE AND OTHER RECEIVABLES

#### Trade receivables from exchange transactions

|   |            |              |
|---|------------|--------------|
| Trade receivables                           | 750        | 981          |
| Prepayments                                 | 84         | 84           |
| Other                                       | 68         | 49           |
|   | <u>902</u> | <u>1 114</u> |
| Trade receivables past due but not impaired | -          | -            |

The carrying value of trade and other receivables approximate the fair value thereof. A provision for doubtful debt is made after assessing each individual debtor and recovery thereof appears to be doubtful.

#### Trade receivables analysis

|               |            |            |
|---------------|------------|------------|
| 0 - 30 days   | 380        | 536        |
| 30 - 60 days  | 44         | 147        |
| 60 - 120 days | 34         | (12)       |
| Over 120 days | 291        | 310        |
|               | <u>750</u> | <u>981</u> |

|  | 2015<br>R'000 | 2014<br>R'000 |
|--|---------------|---------------|
| <b>7. CASH AND CASH EQUIVALENTS</b>                                  |               |               |
| Bank and cash balances   | 14 995        | 2 812         |
| Credit card balances   | ( 128)        | ( 36)         |
| <b>8. FINANCE LEASE LIABILITIES</b>                                  |               |               |
| <b>Non-current</b>   |               |               |
| Finance lease liabilities  | 7             | -             |
| <b>Current</b>   |               |               |
| Finance lease liabilities  | 8             | 12            |
| <b>Total Borrowings</b>  | <b>15</b>     | <b>12</b>     |
| Non-current liabilities  | 7             | -             |
| Current liabilities  | 8             | 12            |
|  | <b>15</b>     | <b>12</b>     |
| <b>Gross finance lease liabilities – minimum lease payments:</b>     |               |               |
| No later than 1 year   | 9             | 13            |
| Not later than 1 year and no later than 5 years                      | 7             | -             |
| Later than 5 years   | -             | -             |
|  | <b>16</b>     | <b>13</b>     |
| Future finance charges on finance leases                             | (1)           | (1)           |
| <b>Present value of finance lease liabilities</b>                    | <b>15</b>     | <b>12</b>     |
| <b>The present value of finance lease liabilities is as follows:</b> |               |               |
| No later than 1 year   | 8             | 13            |
| Later than 1 year and no later than 5 years                          | 7             | -             |
| Later than 5 years   | -             | -             |
|  | <b>15</b>     | <b>13</b>     |
| These finance lease agreements relate to cellphone contracts.        |               |               |
| <b>9. PAYABLES FROM EXCHANGE TRANSACTIONS</b>                        |               |               |
| Payables   | 3 522         | 1 002         |
| Operating lease liability  | -             | 30            |
| Accruals   | 1 502         | 1 384         |
|  | <b>5 025</b>  | <b>2 416</b>  |

|   | 2015<br>R'000                      | 2014<br>R'000    |                    |                        |               |               |
|---|------------------------------------|------------------|--------------------|------------------------|---------------|---------------|
| <b>10. FINANCIAL LIABILITIES</b>  |                                    |                  |                    |                        |               |               |
| <b>Unspent conditional grants</b>   |                                    |                  |                    |                        |               |               |
| Balance unspent at the beginning of the year                                    | 3 829                              | -                |                    |                        |               |               |
| Current year receipts   | 11 808                             | 18 800           |                    |                        |               |               |
| Conditions met and transferred to revenue                                       | (4 048)                            | (14 971)         |                    |                        |               |               |
| <b>Conditions still to be met at the end of the year</b>                        | <b>11 589</b>                      | <b>3 829</b>     |                    |                        |               |               |
| <b>Conditional grant</b>  |                                    |                  |                    |                        |               |               |
| Lottery income subject to restrictions as per funding approval                  | 11 808                             | 18 800           |                    |                        |               |               |
| <b>11. DIRECTORS AND AUDIT COMMITTEE REMUNERATION</b>                           |                                    |                  |                    |                        |               |               |
| The following emoluments were paid or credited to the directors during the year |                                    |                  |                    |                        |               |               |
| <b>Executive Director</b>   | Salary                             | Bonus            | Allowances         | Employer Contributions |               |               |
|   | R'000                              | R'000            | R'000              | R'000                  |               |               |
| Mr. K Galant (CEO)  | 889                                | -                | 38                 | 9                      | <b>936</b>    | 854           |
| <b>Non-Executive Directors</b>  |                                    |                  |                    |                        |               |               |
| Board members appointed on 1 December 2012                                      |                                    |                  |                    |                        |               |               |
|   |                                    |                  |                    |                        | 2015<br>R'000 | 2014<br>R'000 |
|   | <b>Number of Meetings attended</b> | <b>Honoraria</b> | <b>Subsistence</b> |                        |               |               |
|   | board                              | Other            | R'000              | R'000                  |               |               |
| Dr. JRV Ramathesele<br>(Chairperson) (resigned 10 July 2014)                    | 2                                  | 7                | 26                 | 19                     | <b>45</b>     | 127           |
| Prof. R Le Roux (resigned January 2015)   | 2                                  | 3                | 9                  | -                      | <b>9</b>      | 39            |
| Dr. MTD Qobose  | 5                                  | 2                | 21                 | -                      | <b>21</b>     | 64            |
| Dr. JH Adams (appointed as deputy<br>Chairperson with effect from 18 July 2014) | 3                                  | 12               | 39                 | 17                     | <b>56</b>     | 28            |
| Mr. G Abrahams *  | 5                                  | 4                | -                  | -                      | -             | -             |
| Mr. DN Bayever  | 3                                  | 3                | 18                 | 5                      | <b>23</b>     | 33            |
| Ms. N Du Toit   | 3                                  | 1                | 8                  | -                      | <b>8</b>      | 23            |
| Prof. L Skaal   | 4                                  | 3                | 19                 | 14                     | <b>33</b>     | 32            |
| Judge L Mpati**   | 2                                  | -                | -                  | -                      | -             | 1             |
| Mr. M Tyamzashe   | 4                                  | 3                | 15                 | -                      | <b>15</b>     | 34            |
|   |                                    |                  |                    |                        | <b>210</b>    | 381           |
| Total directors remuneration  |                                    |                  |                    |                        | <b>1 146</b>  | 1 235         |

\* this member serves on a pro-bono basis

\*\* no remuneration due to employment in the public sector

**11. DIRECTORS AND AUDIT COMMITTEE REMUNERATION (continued)** 2015  
R'000 2014  
R'000

**Audit Committee**

The following emoluments were paid or credited to the audit committee members during the year

|  | Audit Committee Meetings | Other meetings | Honoraria R'000 | Re-imbursments R'000 | 2015 R'000 | 2014 R'000 |
|--|--------------------------|----------------|-----------------|----------------------|------------|------------|
| Adv. D Mitchell (Chairperson)*           | 3                        | 1              | 18              | 2                    | 20         | 21         |
| Mr. J George*                            | 3                        | 1              | 12              | -                    | 12         | 14         |
| Mrs. P White (term expired 31 May 2014)  | 2                        | -              | 6               | -                    | 6          | 11         |
| Mr. G Abrahams **                        | 3                        | -              | -               | -                    | -          | -          |
| Ms M Mbonambi (appointed 8 October 2014) | 1                        | 1              | 6               | -                    | 6          | -          |
|  |                          |                |                 |                      | <b>44</b>  | <b>46</b>  |

\* term expired 1 May 2014, extended to 31 Aug 2014, and reappointed on 30 Sep 2014  
\*\* 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. This is funded by both member and entity contributions, which are charged to the statement of financial performance as they are incurred.

The total entity contribution to such schemes in 2015 was R89,650 (2014: R110,688).

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 in 2015 was R86,190 (2014: R94,000).

**13. SURPLUS / (DEFICIT) FROM OPERATIONS**

Surplus / (deficit) from operations has been arrived at after the following:

|   | 2015 R'000 | 2014 R'000 |
|---|------------|------------|
| <b>Revenue</b>                                |            |            |
| Interest received                             | 437        | 334        |
| Doping control sales                          | 2 428      | 2 744      |
| Government grants                             | 18 504     | 14 706     |
| Profit on foreign exchange                    | 4          | 59         |
| <b>Expenditure</b>                            |            |            |
| Auditor's remuneration                        | 815        | 674        |
| Audit committee remuneration                  | 44         | 46         |
| Amortisation of intangible assets             | 21         | 55         |
| Depreciation of property, plant and equipment | 128        | 181        |
| Directors' remuneration                       | 1 146      | 1 235      |

**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 potential 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 ZAR against the respective foreign currencies. As the risks are symmetrical in nature, a strengthening or weakening of the ZAR would result in an equal but opposite amount to that detailed in the sensitivity analysis below:

|                              | 2015 R'000 | 2014 R'000 |
|------------------------------|------------|------------|
| USD: 12% (2014 - 15%)        | 11,88      | 10,57      |
|                              | <b>52</b>  | <b>68</b>  |
| EUR: -8% (2014 - 23%)        | 13,34      | 14,53      |
|                              | <b>-</b>   | <b>11</b>  |
| <b>Foreign Currency Risk</b> |            |            |
| Financial Assets             | <b>437</b> | <b>618</b> |

**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 major 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 | <b>150</b> | <b>28</b> |
|------|------------|-----------|

**Credit Risk**

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

Trade accounts receivable comprise a widespread customer base. On-going credit evaluations of the ability of customers to settle their debt is performed. At 31 March 2015 the entity had R14,992 million invested in National Treasury approved banking institutions (2014 - R2,182 million).

|                    |            |             |
|--------------------|------------|-------------|
| Account receivable | <b>855</b> | <b>1114</b> |
|--------------------|------------|-------------|



#### 14. FINANCIAL RISK MANAGEMENT (continued)

##### 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.

|                                     | 2015<br>R'000 | 2014<br>R'000 |
|-------------------------------------|---------------|---------------|
| Finance lease liabilities           | 8             | 12            |
| Credit card facilities              | 128           | 36            |
| Payables from exchange transactions | 5 025         | 2 416         |
| Financial liabilities               | <u>11 589</u> | <u>3 829</u>  |

#### 15. CASH FLOW NOTES

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

|  | 2015<br>R'000 | 2014<br>R'000 |
|--|---------------|---------------|
| Net surplus / (deficit) for the year                         | 1 277         | ( 182)        |
| Adjusted for:  |               |               |
| Amortisation of intangible assets                            | 21            | 55            |
| Depreciation of property, plant and equipment                | 128           | 181           |
| (Profit)/loss on foreign exchange                            | ( 4)          | 3             |
| Bad debts  | 9             | -             |
| Loss on transfers/disposals of assets                        | 118           | -             |
| Movement in provisions                                       | -             | ( 56)         |
| Investment income  | ( 437)        | ( 334)        |
| Finance costs  | -             | 3             |
| Operating surplus / (deficit) before working capital changes | <u>1 112</u>  | <u>( 330)</u> |
| Working capital changes                                      | 10 660        | 2 990         |
| Decrease in accounts receivable                              | 212           | 187           |
| Increase in accounts payable                                 | 10 369        | 2 921         |
| Decrease / (increase) in inventories                         | 79            | ( 118)        |
| Cash generated from operations                               | <u>11 772</u> | <u>2 660</u>  |

##### 15.2 Cash and cash equivalents

###### At the beginning of the year

|                        |              |            |
|------------------------|--------------|------------|
| Bank and cash balances | <u>2 774</u> | <u>416</u> |
|------------------------|--------------|------------|

###### At the end of the year

|                        |               |              |
|------------------------|---------------|--------------|
| Bank and cash balances | 14 995        | 2 812        |
| Credit card facilities | (128)         | (36)         |
|                        | <u>14 867</u> | <u>2 774</u> |

#### 16. OPERATING COMMITMENTS

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

|                               | 2015<br>R'000 | 2014<br>R'000 |
|-------------------------------|---------------|---------------|
| Due within one year           | 115           | 115           |
| Due between one to five years | -             | -             |
|                               | <u>115</u>    | <u>115</u>    |

The entity leases offices from the Sports Science Institute of South Africa from 1 June 2014 to 31 May 2015. The lease payment is R57,465 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 | <u>-</u> | <u>-</u> |
|--------------|----------|----------|

#### 18. IRREGULAR EXPENDITURE

##### Reconciliation of irregular expenditure

|   |              |            |
|---|--------------|------------|
| Opening balance                                       | 936          | 308        |
| Add: Irregular expenditure – relating to prior year   | -            | -          |
| Add: Irregular expenditure – relating to current year | 995          | 936        |
| Less: Amounts condoned                                | -            | 308        |
| Less: Amounts recoverable (Not condoned)              | -            | -          |
| Less: Amounts not recoverable (Not condoned)          | -            | -          |
| Irregular expenditure awaiting condonation            | <u>1 931</u> | <u>936</u> |

##### Analysis of awaiting condonation per age classification

|              |              |            |
|--------------|--------------|------------|
| Current year | 995          | 936        |
| Prior years  | 936          | -          |
| Total        | <u>1 931</u> | <u>936</u> |

|   |   |
|---|---|
| Incidents   | Disciplinary steps taken/criminal proceedings   |
| Non-compliance with Treasury Regulations/Instructions | No disciplinary steps or criminal proceedings were required as the expenditures were incurred in the best interest of the entity. |

##### Irregular expenditure relating to the current year

###### Nature of spend

|  |     |     |
|--|-----|-----|
| Accounting fees                          | 577 | -   |
| Advertising and promotion                | 44  | 222 |
| Insurance - assets / medical malpractice | -   | 54  |
| Internal audit                           | -   | 145 |
| Payroll expenses                         | -   | 34  |
| Printing and stationery                  | -   | 83  |
| Public relations and communications      | -   | 6   |
| Repairs and maintenance                  | -   | 7   |
| Results management                       | -   | 9   |

## 18. IRREGULAR EXPENDITURE (continued)

|   | 2015<br>R'000 | 2014<br>R'000 |
|---|---------------|---------------|
| Seminars, workshops and DCO training    | 374           | -             |
| Computer expenses                       | -             | 33            |
| Expenditure relating to WADA conference | -             | 124           |
| Vehicle hire                            | -             | 171           |
| Other                                   | -             | 48            |
|   | <u>995</u>    | <u>936</u>    |

## 19. CONTINGENT LIABILITY

The entity has a surplus for the year under review. The entity has requested permission from National Treasury to retain the surplus. Should permission not be granted, the entity would be liable to repay the amount of R1,266m to National Treasury.

## 20. RELATED PARTIES

The following have been identified as related parties:

| Related party   | Nature of relationship  |
|---|---|
| The Department of Sports and recreation (SRSA)<br>Directors | Executive authority and major funder<br>Ability to exercise significant influence |

### Sport and Recreation South Africa

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                   | <u>18 504</u> | <u>14 706</u> |
| <b>Balances</b>                  |               |               |
| Related party balances           | <u>-</u>      | <u>-</u>      |
| <b>Directors (refer note 11)</b> | <u>1 146</u>  | <u>1 235</u>  |

## 21. EXPLANATION OF DIFFERENCE IN APPROVED BUDGET AND ACTUAL AMOUNTS

|   | 2015<br>R'000 |
|---|---------------|
| <b>Revenue</b>  |               |
| 'Non-exchange revenue: Lower spend of National Lottery Fund grant   | ( 4 835)      |
| 'Exchange revenue: Higher doping control sales than budgeted  | 863           |
| <b>Expenses</b>   |               |
| 'Administration: Reduced salary costs due to delayed implementation of new organisational structure   | 1 334         |
| Education: Increased activity due to Lottery funding for education initiatives '  | ( 675)        |
| Doping control: Efficiency cost measures achieved in test distribution plan through more targeted tests based on intelligence information   | 1 686         |
| 'Results Management: Efficiency cost measures achieved through implementation of settlement agreement procedure where athletes settle for a guilty plea agreement and forgo the costly tribunal hearing process | 1 005         |
| 'International projects: Reduced activity   | 365           |
| 'Corporate services: Reduced activity   | 1 220         |

## 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  | - Service Concession Arrangement: Grantor |
| GRAP 108 | - Statutory Receivables                   |

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

|  | 2015<br>R'000 | 2014<br>R'000 |
|--|---------------|---------------|
| <b>Revenue</b>                                 | 4 048         | 14 971        |
| <b>Expenditure</b>                             | 4 048         | 14 971        |
| WADA Conference - accommodation and flights    | -             | 5 250         |
| WADA Conference (Venue Hire)                   | -             | 8 000         |
| I-Play-Fair media campaign                     | 10            | 141           |
| I-Play-Fair outreach team mobile unit          | -             | 403           |
| I-Play-Fair team kit                           | 59            | -             |
| Test kits                                      | 788           | 773           |
| Doping control stationery for schools          | -             | 12            |
| Regional education workshops                   | -             | 23            |
| Anti-doping awareness seminar                  | 60            | 16            |
| Laboratory analysis - schools testing          | -             | 221           |
| Sample collection - schools testing            | 74            | 111           |
| Schools outreach                               | -             | 4             |
| Legal consultation to schools for prosecutions | 5             | 8             |
| Advertising in school sports publications      | -             | 9             |
| Education equipment                            | 7             | -             |
| Education literature                           | 79            | -             |
| Education promotional materials                | 281           | -             |
| Education team services                        | 739           | -             |
| Event competitor hospitality/Expo stand        | 29            | -             |
| Guest speakers fees                            | 132           | -             |
| Publications/Literature                        | 12            | -             |
| Radio / television promotions                  | 20            | -             |
| Social media                                   | 43            | -             |
| Flight and accommodation                       | 281           | -             |
| Presentation fees                              | 168           | -             |
| Education officer's fees                       | 240           | -             |
| Training & workshop venues                     | 289           | -             |
| Train the trainer programme                    | 11            | -             |
| Education material and printing                | 4             | -             |
| Conference presentations and publications      | 1             | -             |
| Anti-doping code implementation                | 531           | -             |
| Blood and urine testing apparatus              | 185           | -             |

|   | 2015<br>R'000 | 2014<br>R'000 |
|---|---------------|---------------|
| <b>ADMINISTRATION EXPENDITURE</b>       | <b>7 355</b>  | <b>6 140</b>  |
| Accounting fees                         | 601           | 387           |
| Advertising                             | 57            | -             |
| Amortisation of intangible assets       | 21            | 55            |
| Audit fee - external                    | 815           | 674           |
| Audit fee - internal                    | 110           | 144           |
| Bad debts                               | 9             | 7             |
| Bank charges                            | 40            | 46            |
| Computer expenses                       | 165           | 178           |
| Consulting fees                         | 106           | -             |
| Depreciation                            | 128           | 181           |
| Electricity and water                   | 33            | 32            |
| Finance cost                            | -             | 3             |
| Gifts and entertainment                 | 1             | 2             |
| Insurance                               | 77            | 60            |
| Legal fees                              | -             | 30            |
| Loss on foreign exchange                | -             | 62            |
| Office consumables                      | 326           | -             |
| Office rental                           | 748           | 562           |
| Postage and telephone                   | 221           | 216           |
| Printing and stationery                 | 97            | 113           |
| Payroll costs                           | 3 163         | 2 862         |
| Repairs and maintenance                 | 16            | 32            |
| Security                                | -             | 1             |
| Staff amenities                         | 37            | 33            |
| Staff recruitment and training          | 80            | 105           |
| Storage costs                           | 5             | -             |
| Temporary staff costs                   | 110           | 45            |
| Travelling and accommodation            | 389           | 310           |
| <b>EDUCATION PROGRAMME</b>              | <b>3 245</b>  | <b>1 755</b>  |
| Education management and administration | 194           | 715           |
| FIFA Legacy fund expenses               | 83            | -             |
| Vehicle costs                           | 18            | 12            |
| Gifts and entertainment                 | -             | 1             |
| Public relations and communications     | 2 546         | 361           |
| Printing and publishing                 | -             | 18            |
| Research                                | 69            | -             |
| Seminars and workshops                  | 171           | 314           |
| Subscriptions                           | 17            | 16            |
| Travelling, accommodation and lecture   | 90            | 195           |
| Website costs                           | 57            | 123           |

|  | 2015<br>R'000 | 2014<br>R'000 |
|--|---------------|---------------|
| <b>DOPING CONTROL</b>                          | <b>11 645</b> | <b>9 222</b>  |
| Courier costs                                  | 963           | 870           |
| Testing kits                                   | 924           | 581           |
| Doping test consumables                        | 66            | 51            |
| Doping control review commission               | 208           | 107           |
| Doping control uniforms                        | 251           | 95            |
| Doping control officers training and workshops | -             | 213           |
| Entertainment and staff amenities              | 2             | 2             |
| Insurance - medical malpractice                | 107           | 119           |
| Legal costs - school testing                   | 5             | 8             |
| Mobile unit                                    | -             | 9             |
| Printing and stationery                        | 19            | 43            |
| Schools project                                | -             | 8             |
| International testing services                 | 53            | 44            |
| Travelling accommodation and DCO remuneration  | 3 521         | 3 188         |
| Therapeutic use exemption commission           | 59            | 48            |
| Laboratory analysis                            | 4 928         | 3 830         |
| Long service award                             | 8             | 6             |
| WADA Code implementation project               | 531           | -             |
| <b>RESULTS MANAGEMENT</b>                      | <b>985</b>    | <b>1 224</b>  |
| Appeals  | 28            | 3             |
| Legal Counsel                                  | 442           | 393           |
| Legal Project / Investigations                 | 2             | -             |
| Remuneration - Tribunal members                | 275           | 491           |
| Transcription services                         | 63            | 81            |
| Travel and accommodation                       | 161           | 241           |
| Tribunal expenses                              | 14            | 15            |
| <b>INTERNATIONAL PROJECTS</b>                  | <b>575</b>    | <b>14 030</b> |
| International drug doping agency               | -             | 4             |
| International liaison-other                    | 38            | 137           |
| INADO services                                 | 3             | 5             |
| Subsistence and travel allowances              | 97            | 523           |
| WADA-conference expenses                       | -             | 13 325        |
| Travelling and accommodation                   | 437           | 36            |
| <b>CORPORATE SERVICES</b>                      | <b>572</b>    | <b>1 266</b>  |
| Audit committee                                | 54            | 46            |
| Board meetings                                 | 79            | 23            |
| Board members honoraria                        | 179           | 271           |
| Corporate gifts and entertainment              | -             | 2             |
| Corporate uniforms                             | 22            | 58            |
| Quality assurance                              | 16            | 14            |
| Sports law project                             | 25            | 643           |
| Travelling and accommodation                   | 197           | 209           |
| <b>TOTAL EXPENSES</b>                          | <b>24 377</b> | <b>33 636</b> |



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 From dust to dreams  
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**INSIDE STORY**  
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# Steroids rife in schools

Principals accused of turning a blind eye to risky substances

**KATHARINE CHILD**

STEROID use by high school boys is becoming more sophisticated and is showing no sign of slowing down. Experts revealed yesterday that boys as young as 13 from elite boarding and ordinary middle-class high schools were using illegal substances — often placing themselves at risk of liver damage, life-long infertility and shrunken testicles. Speaking on the sidelines of a SA Institute for Drug-Free Sport supplement summit yesterday, Dr Glen Hagemann said at least 5% of boys surveyed at 23 KwaZulu-Natal high schools last year admitted to using steroids. In higher grades, more than 10% of the 12 000 boys surveyed admitted to at least having tried illegal steroids.

Hagemann is managing director of SharkSmart, a programme that works with high schools in KwaZulu-Natal to address steroid use by pupils and promote good coaching. A senior government official, who did not want to be named for fear of repercussions, told the conference that principals were hiding steroid use to prevent their schools from getting a bad name. Steroids such as Winstrol, Dianabol, testosterone and Clenbuterol were sold at schools for between R300 and R400. "Children are dealing in schools. Principals are covering it up to allow their kiddies to get somewhere," he said. Guys at gyms, whose bodies teenagers admired, were looking children into steroid use, he said. Hagemann said: "There is a split between boys using steroids to get big and bulk up and (those using

**LEGGING IT**



An outfit by Gert Johan Coetzee floats down the catwalk at SA Fashion Week in Johannesburg yesterday. See Page 3. Picture: IVAN NAUDE

## 'Toxic' sauces recalled

GIVING flavour to your rice might very well be bad for you. Certain Tastic Simply Delicious rice-and-curry sauces have been recalled from retailers and wholesalers in case they contain cancer-causing colouring, the brand's owner, Tiger Brands, announced yesterday. The company's laboratories recently picked up traces of methyl yellow and Sudan I in a shipment from India. "These colourants can make food unsafe because of the possible toxicity and carcinogenic properties of such compounds," the company said. Sudan I, also known as Sudan red, was found in spices in South Africa in 2005 — following an outcry in the UK — and again in 2007. "Any consumer who has Simply Delicious cook-in-sauces or ready-to-eat rice products — specifically produced in June or July 2014 — is advised to return them to any of the major supermarkets in their neighbourhood," the company said. Customers will be given a coupon to the value of the returned product, which they can use to purchase any product of their choice. Only the specified batches of Simply Delicious products have been affected and all other Tastic rice products meet Tiger Brands' "very high standards of perfection", the company said. — T J Strydom

them) for better sports performance." Steroids were easily bought on the internet, from people selling dagga or at gyms, he said. A Gauteng teacher said yesterday she had seen pupils selling steroids and had reported it to her principal but nothing was done. When police came to investigate,

Continued on Page 2



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