

# ANNUAL REPORT 17-18

South African Sports  
Confederation and Olympic  
Commitee



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# SASCOC

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SOUTH AFRICAN  
SPORTS  
CONFEDERATION  
AND OLYMPIC  
COMMITTEE



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## SASCOC BOARD OF DIRECTORS

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Gideon Sam



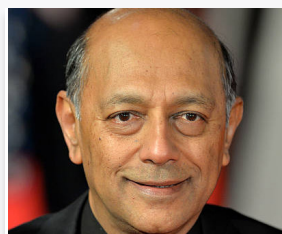
Hajera Kajee



Barry Hendricks



Sam Ramsamy



Anant Singh



Debbie Alexander



Mark Alexander



Natalie du Toit



Merrill King



Kobus Marais



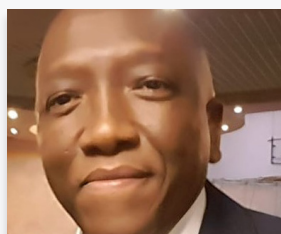
Lwandile Simelane



Jerry Segwaba



Aleck Skhosana

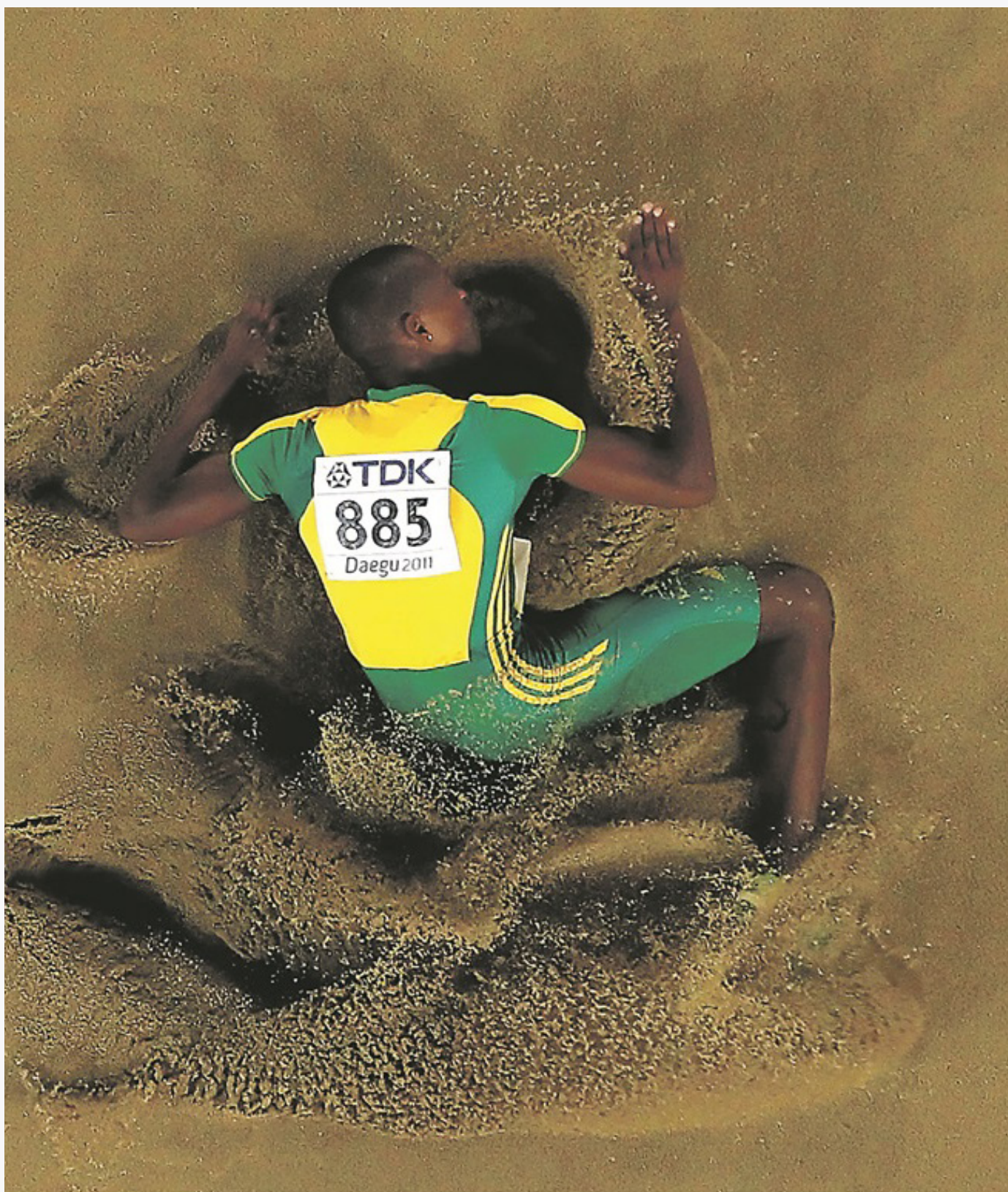


Kaya Majeke



Les Williams





## PRESIDENT'S REPORT

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All organisations, wittingly or not, go through changes of various forms, triggered by various factors, in their development cycle. The organisational life cycle can take one two forms; as a process of gradual change or drastic overhaul. In the case of SASCOC we must note that the key triggers have been critical factors of any organisation's existence, namely; lack of corporate governance and coherent administration as well as erosion of reputation and brand equity. In the period under review we had many challenges, similar to other big organisations, but we managed to try as best as we could to confront those challenges and develop the appropriate response and solutions.

SASCOC owns the premier sports brand (by reputation), in Team South Africa and is bestowed with vast sports governing powers as a controlling body for sport in South Africa. By extension, it has to make sure that sport is administered properly and is equitably accessed by all. It is also SASCOC duty to ensure that sport contribute appropriately to the socio-economic development of the country.

Our ability to discharge the roles outlined above was somewhat eroded in the latter half of the year under review. The governance of the organisation and by consequence its governance oversight over sport matters in the republic has been severely compromised. Its operational efficiency has been eroded by decreasing revenue, and the dismissal of the CEO, the CFO and Manager in the Executive Office. It is now a matter of record that the Board accepted the recommendations of the independent disciplinary process on the three, that they must be dismissed from the organisation on or about the 8th January 2018. Note must be taken that the case has taken to arbitration at the CCMA, and we await the outcome of that process.

Members will be aware of the Ministerial Inquiry into the affairs of SASCOC instituted by erstwhile Minister of Sport and Recreation Hnr. Thulas Nxesi. We are on record as having welcomed the Inquiry even though we had question marks on how it came about. Board Members were called to testify to commission, some went voluntarily, so did some of our members and the other interested individuals. None can deny that the existence such an Inquiry rightly or wrongly had a huge negative impact on our reputation, as our corporate governance and public trust was called into question. All of this has had a negative impact on the organisation's ability to raise the necessary capital to perform its functions and deliver on its promise.

Funding and cash flow therefore became a huge challenge and we had to come up with ways to tighten our procurement processes and introduce serious austerity measures in order to remain afloat. At our board meeting of 22 April 2017, we decided to start the implementation of the austerity measures in the interest of the organisation.







# PRESIDENT'S REPORT



All key board sub-committees such REMCO, Audit Committee, FINCOM, HP Commission, Marketing Committee, Athletes Commission, WOMEN managed to hold their various meetings this year. Some of the meetings were done over skype and emails, due to the austerity measures implemented.

Globally poor governance in sport is a challenge that needs to be addressed and likewise our National Federations have to adhere to good governance standards in order to attract sponsorship in sport.

The main tasks at SASCOC in the period under review were the interactions taking place with the various Federations in preparation for the 2020 Olympic Games in Tokyo. Our High performance Team led by Dr Debbie Alexander and ably assisted by Ezera Tshabangu and Leon Fleiser, have developed the strategy for the period leading up to 2020, and have been working with National Federation to ensure that we are aligned in terms of our plans.

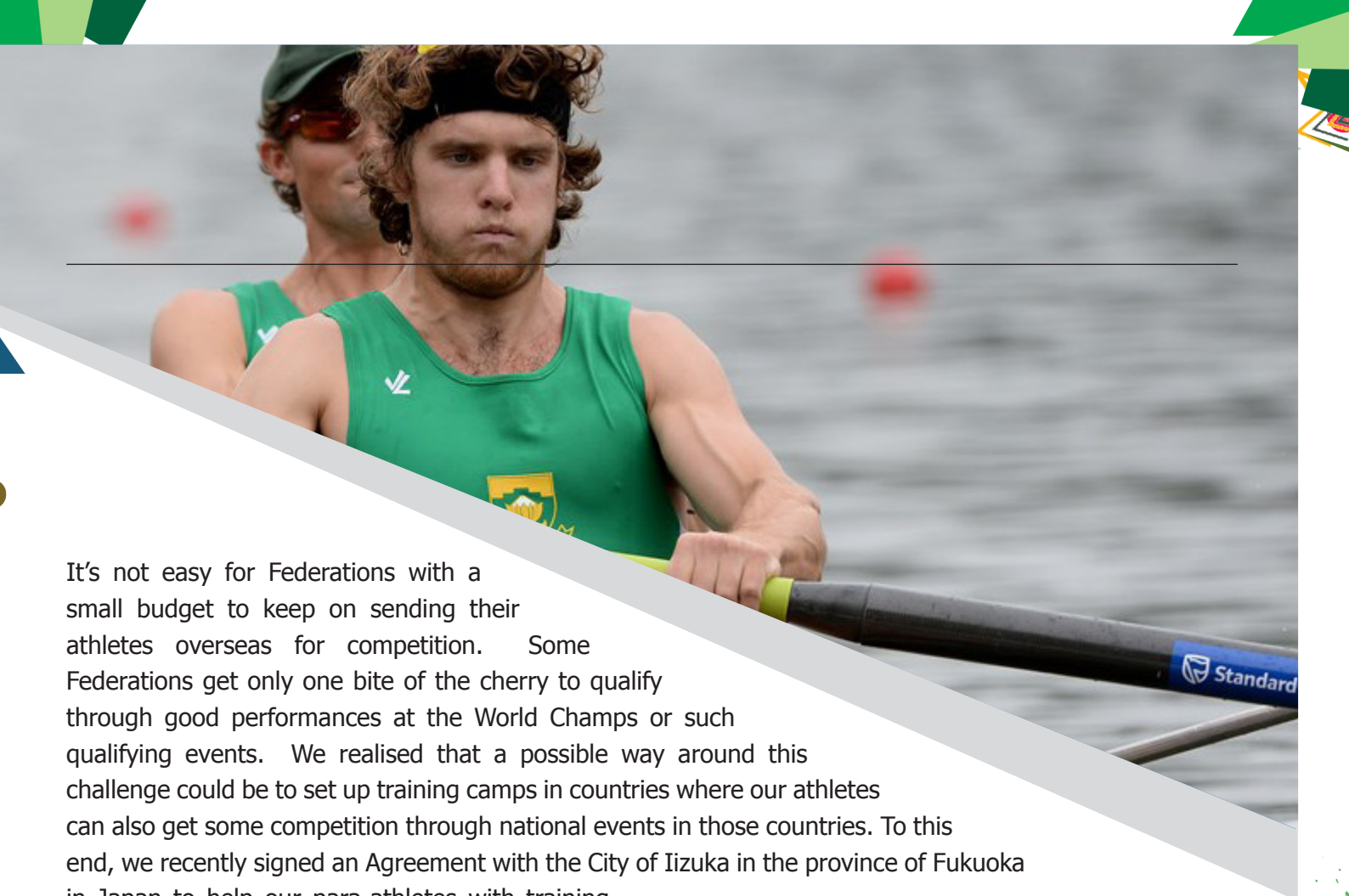
At a coaching level, the regulations that will formalise the coaches association of South Africa has been finalised. Programmes to raise the level of coaching in South Africa remain a serious focus of the organisation. With the little funds available, this department within SASCOC continues to run workshops and seminars, working with the National Federations. The relationship with Da Vinci University to upgrade our coaches at a higher level remains intact.

On bidding and hosting of events, in the period under review, it was a big disappointment of missing out on hosting the 2023 Rugby World Cup. However, there are lessons to be learnt from this setback, and biggest of them all is that world sport politics can be more vicious than the real politics we see around us, and the decisions we take elsewhere have telling impact across the board even though they might look unrelated. We cannot deny the fact the Durban's withdrawal from hosting the CWG had impact on how the world of sport views South Africa. We are no longer the darling country of the early 90s, and a reality check is now necessary.

On the field of play, we must congratulate our athletes who performed exceptionally throughout the year. Here are a few highlights of our athletes' performances: Our swimmers performed well at the 2017 World Cups, and apart from the usual medal-winners like Chad le Clos and Cameron van der Burgh, it was good to see Ayrton Sweeney win his first international gold medal in Hong Kong.

Staying with water sport, and our canoeists were excellent at the 2017 World Marathon Championships on home 'turf' in Pietermaritzburg, KwaZulu Natal. Well done to Hank McGregor, our 'veteran' canoeist, and to Alex Masina, who is our first black paddler to win an international marathon medal. Our gymnasts did very well at World Championships in Canada, hats off to Claudia Cummins and Naveen Daries for giving SA our best performance at a World Championships to date, ending 34th and 39th respectively.



A photograph of two male rowers in green tank tops on a body of water. The rower in the foreground has curly hair and a black headband, looking intently at the camera. The rower behind him is wearing a green cap and sunglasses. A blue oar with the 'Standard' logo is visible. The image is partially obscured by a white diagonal graphic element.

It's not easy for Federations with a small budget to keep on sending their athletes overseas for competition. Some Federations get only one bite of the cherry to qualify through good performances at the World Champs or such qualifying events. We realised that a possible way around this challenge could be to set up training camps in countries where our athletes can also get some competition through national events in those countries. To this end, we recently signed an Agreement with the City of Iizuka in the province of Fukuoka in Japan to help our para-athletes with training

facilities in preparation for the 2020 Paralympics. We owe it to all our athletes to give them an opportunity to do their best after thoroughly preparing for the Games.

We remain appreciative to Sport and Recreation South Africa (SRSA) and National Lotteries Commission (NLC) for the funding they have given us during this financial year. It would be amiss of me not to highlight the drastic cut of funding from the National Lotteries Commission though from what they used to give us. Their change in the regulations to now classify SASCOC as a National Federation means that we can only get an allocation of R5million per annum with a 12-month cool off period, this is a drop nearly R100m per annum almost overnight. This decision has come short of crippling the organisation. We remain in engagement with the NLC and with the help of SRSA we hope we can get this decision reviewed sooner than later.

We must thank all our various partners and suppliers, each and every hard- working staff member at Olympic House, the various Provincial Governments, to all our friends out there as well as all our sportsmen and women out there who we strive to support throughout the year. All of them have stood by us during these trying times.

Let's get onto the programme leave the negativities behind and focus on preparing our teams for the big spectacle, Olympic and Paralympic Games in Tokyo in 2020.

Gideon Sam  
President



## ACTING CEO'S REPORT

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The year under review was not any easy one due to the difficult financial situation South African Sports Confederation and Olympic Committee (SASCOC) was in but as Management, we tried to keep afloat and deliver our mandate as much as we could under the circumstances.

The last quarter of the 2017-2018 financial year saw three top SASCOC executives (CEO, CFO and Executive Manager) being dismissed due to various allegations related to non-compliance to good governance and conduct. This was a blow to the image and reputation of the organisation. Many negative articles were published in the media and this resulted in losing sponsorship and not acquiring any new ones.

SASCOC awaits the conclusion of the Ministerial inquiry in order to move forward and rebuild the brand. However, strides have already been taken to kick-start the process of revamping the organisation as the Board has put together an Organisational Development Task Team (ODTT) that is working flat out to ensure that we build a new SASCOC brand that is athletes centered.

SASCOC representatives attended meetings with the Portfolio Committee on Sport and Recreation who sought clarity on different issues pertaining to the running and management of the organisation especially on the financial status of the organisation and the huge amounts of money that are used as legal fees for various court cases. At the same meetings, SASCOC was also advised to devise a system that will eliminate being challenged by athletes when not selected to represent the country as part of Team South Africa to multi-coded events that SASCOC delivers.

During the timeframe under review, SASCOC delivered Team South Africa to three multi-coded events, which included World Games in Poland, deleted and Commonwealth Youth Games in Bahamas and Winter Olympic Games in Pyeong Chang. It was disappointing to note that the team returned with only one medal from the World Games and the organisation needs to rethink on how we prepare our athletes for such games because since Team South started participating at these games, our athletes have not been performing. Similarly, no medals were retained at the Winter Olympic Games.

Team SA ended the Commonwealth Youth Games with a medal tally of 18 medals (eight gold, three silver and seven bronze) and placed fifth on the overall medal table, a good performance considering the team was very small.

Tennis athletes, Kevin Anderson, Raven Klaasen and Wheelchair Tennis SA Star Kgothatso also excelled at the Wimbledon Tournament. Kirsten McCann won gold





Overall, during the year under review, our athletes continued to work hard and excel in various national, regional and international competitions and we congratulate them for all their efforts to fly the national flag high. To highlight just a few achievements our athletics team won a total of six medals at the 2017 IAAF World Champs whilst Banyana Banyana were crowned the 2017 CAF Women's National Team of the Year. On the Cricket side, Kagiso Rabada was ranked number one bowler in the ICC Test rankings.

medal at Rowing World Championships in Women's Lightweight single scull becoming the first African women to achieve these results in able-bodied rowing. Chad le Clos won Final World cup Prize and also receiving the best male athlete award from the Association of Olympic Committees (ANOC) at their General Assembly in November 2017. Caster Semenya continued to showcase what a great champion she is by winning a gold medal in the 800m and a bronze medal in the 1500m at the IAAF World Championships held in London in August 2017.

I would like to extend my sincere gratitude to our members for your support and cooperation during the period under review. Though it was a tough time for the organisation, your support during the difficult times is immensely appreciated. However, there were once again some disputes within a few Federations and in cases where appropriate, these federations' complainants were advised to follow internal due process and to exhaust all channels before approaching SASCOC.

During the period under review, the Operation Excellence (OPEX) programme continued despite cash flow challenges and all this was due to the optimal support and intervention of the good office of the Director General in Sport and Recreation SA which we are grateful of and sincerely appreciate. Our sincere appreciation also goes to the National Lotteries Commission for providing funding for preparation and delivery of Gold Coast Commonwealth Games which happened immediately at the new financial year but most of the logistics were done in the current review period.

Preparations for the delivery of Team South Africa to the Commonwealth Games in Gold Coast went very well. The team was registered with the GOLDOC for participation at the Games at the beginning of January 2018 after the Board approved all recommendations received from the National Federations. The kit launch was successfully held on 28 February 2018 at the Mall of Africa. We wish to register our appreciation to SuperSport who funded the launch and helped make it a reality. The chair of the athletes' commission and commission members did a sterling job in getting the athletes to be part of the kit design, participate in the launch and rehearsals. Thank you to the team that assisted in making this a reality as there was mainly positive media feedback.

In the coaching arena, we continued advancing in the plans of launching the SA Professional Coaching Body. One of the core functions of the professional body is conducting Recognition of Prior Learning to redress the past imbalances and to that effect 115 sports coaches were conferred designations through the RPL assessment process.



In support of girls and women development, the organisation continues to support the Provincial Sports Confederations in hosting girls and women in sports camps and seminars. SASCOC together with the North West PSC hosted a Woman in Sport leadership seminar in Mafikeng which brought in women leaders and elite athletes such as Amanda Dlamini former Captain of Banyana Banyana, Ms Sylvia Mokaila, female boxing referee and judge etc. The seminar was to inspire more women to use sport as a vehicle for their won being and liberation. We must carry on addressing

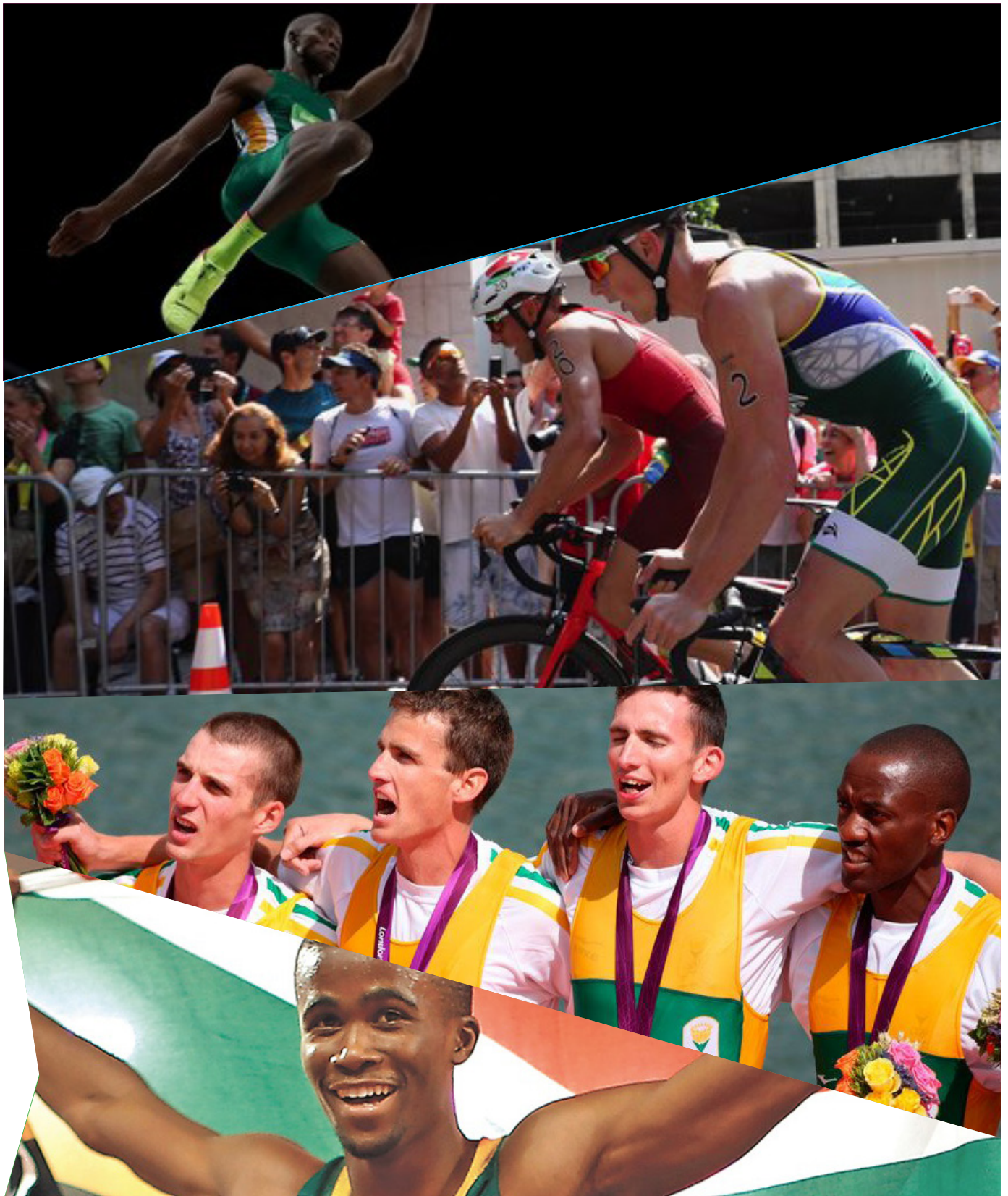
the plight of lack of women in sport and mainly in leadership positions to contribute in women development and transformation.

SASCOC continued to give back to society through Social Corporate Investment initiatives. For the year 2017 SASCOC awarded only one athlete (Themba Khumalo from Motorsport) a bursary as the other two that were recommended could not take up the bursaries as they were awarded bursaries by other institutions. Themba progressed well in 2017 and he is currently doing his final year of study.

The count down to the Tokyo 2020 Olympic and Paralympic Games has begun and we have already commenced with preparations. We hope that Corporate South Africa will come on board and assist us with funding so that we deliver Team SA successfully to these Games.

SASCOC Acting CEO  
Patience Shikwambana







# OPERATIONS AND NATIONAL FEDERATION SUPPORT

## ACT AS CONTROLLING BODY OF SPORT

### Corporate Governance

In the year 2017/18 we started with good intentions of putting in place the draft norms and standards on good governance and held consultative meetings with the members of SASCOC. We began reviewing our policies to institute austerity measures. The process was disrupted by the suspension and subsequent dismissal of the senior executives in the organisation. This resulted in a very active role for the board in the operational matters of the organisation, the leadership gap that opened consequent to the above was enormous. Interim measures have been instituted by the board including the appointment of an Acting CEO, until the pending legal challenges on the dismissals are resolved.

### SASCOC General Meeting: 10 February 2018

SASCOC hosted an Annual General Meeting on Saturday, 10 February 2018 at Olympic House. Honourable Minister of Sport and Recreation, Minister Nxesi, Deputy Minister, Gert Oosthuizen, 10 Board SASCOC members, 73 Members, 6 Observers and 3 invited guests from Provincial Departments of Sports and Recreations were in attendance.

The meeting of the 10 February was convened as an Annual General Meeting but due to the fact the Audited Annual Financial Statements were not ready for tabling, because the board needed investigations to be done by the Audit Firm regarding allegations of non-compliance to good governance. Following, a challenge by SAFA that the meeting is not constitutional and can't be an Annual General Meeting without audited financial statements. Robust debates were held until the membership voted and the meeting be modified from that of an Annual General Meeting due to lack of signed financials to a General Meeting.

The Board further requested and the membership agreed to waiver the constitutional clause stipulating that the AGM should be held no later than nine months after the financial year end. It was agreed that this meeting should continue as a General Meeting rather than AGM.

The Opening Sessions was addressed by both the Honourable Minister and President Gideon Sam. In his address Mr Sam highlighted the following:

- SASCOC had an excellent Rio Olympics and Paralympics where our athletes across all spheres continued to do the rainbow nation proud.
- The withdrawal of Durban as the crowned host the 2022 Commonwealth Games. The 2022 Games was an event which we so confidently believed would have been a wonderful opportunity for our athletes to showcase their talents in front of their home crowd as well as the failed bid to host 2023 Rugby World Cup, despite all the great efforts by SARU.



- Schools' sport that continues to elude us. The majority of our schools in this country are not regular participants in sport. National Federations who are serious about survival, must take a serious look at school sport.
- He further informed the meeting about the decision taken in January 2018 to dismiss three long-serving SASCOC employees was no knee-jerk reaction. It came after months and months of thorough investigation and deliberation, from all angles. He said, this was not a decision taken lightly. It was made after extensive legal investigation, research and long hard and honest hours of discussion at board level.
- On the pending Ministerial Committee of Inquiry into SASCOC he said "I have the utmost faith in the Honorable Minister of Sport, Mr. Thulas Nxesi and believe we will be able to move on in positive fashion once this is concluded."

Sam concluded his address by highlighting that SASCOC was able to come out of the last sporting year with their heads held high because of the many people and structures that supported us. He expressed his sincere gratitude to National Federations who as usual toiled all year round to produce the athletes to deliver to all our major competitions. He also thanked all partners such as the IOC, CGF, IPC, ANOCA, COSANOC and our loyal sponsors National Lotteries Commission and SRSA, without which the already challenging task would be even more enormous.

Honorable Minister Nxesi in his address highlighted the challenges sport bodies face and the need to get to the bottom of this – to test whether underlying systemic issues are at play. Amongst other things he noted the following:

- We need to discuss the proposition that we may well be delivering sport in an ill-defined environment characterised by inaccessibility, inequality and low participation rates.
- SASCOC performs crucial functions for sport in the country bestowed and delegated to it in terms of the National Sport and Recreation Amendment Act no. 18 of 2007. SRSA and SASCOC have a joint interest in the well-being of sport.
- Paid tribute to the leadership of SASCOC in demonstrating maturity in their response to the Committee of Inquiry. "I met with the Board near OR Tambo airport on 22 January. We were able to clarify and address our respective concerns and find each other. The meeting agreed that the Zulman Ministerial Committee of Inquiry was the best platform to address any governance challenges being experienced by SASCOC – in the collective belief that good governance is critical to delivering excellence in sport," said the Minister.
- The Committee of Inquiry is going ahead and urged everyone present to get involved in it and use it as an opportunity to review the operations of SASCOC as it may provide a platform for a wider discussion about reviewing and renewing the wider sports system.



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*Expressed concern on Sport Transformation in relation to the teams that represent South Africa at international sporting events. For the 2014 Commonwealth Games, Team South Africa was more than 70% white. At Rio the representation was 60% white. I hope we will see further improvement in the 2018 Commonwealth Games. Transformation is about the national image of the country and the credibility of Team South Africa.*

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## WOMEN IN SPORT

### Advancing Women in Leadership Forum for Africa-Asia

The International Olympic Committee (IOC) under the Women in Sport Commission hosted the 2017 edition of the Advancing Women in Leadership Forum for Africa and Asia in partnership with the Rwanda Olympic Committee from 9 to 11 August in Kigali, Rwanda. SASCOC'S delegation was Ms Hajera Kajee together with Ms Nomsa Mahlangu. The aim of the forum was to bring together women in leadership across sports in Africa and Asia to engage and learn from each other on best practices to enhance the experience of women in sport. The Prime Minister of Rwanda, Hon. A. Murekezi, officially opened the Forum. Two hundred and fifty one (251) participants across 71 countries were in attendance. **Key lessons from the forum were:**

**It's time for women to run office:** Countries need to provide women opportunities, where equally women should prove that they are capable and not expect to be handed leadership positions based on their gender.

**Championing gender equality-everyone should get involved:** NOCs need to encourage men to take part in championing of women to be in leadership positions. Men needed to be more open and partake in encouraging women to take up leadership positions. An example was made of the Trinidad and Tobago Olympic Committee (TTNOC) where they have deliberately developed programmes to educate and mentor women who want to take up leadership positions. In addition, they make deliberate efforts to hire women at the TTNOC.

**Temporarily Special Measures to speed things up:** Special temporary measures such as quotas and affirmative action policies and/or legal frameworks to make it easier for women to be equally represented in top leadership positions. It was concluded that although these measures were good to open doors for women, a "one size fits all" approach would not be the best solution, ultimately, women should be given opportunities and capacitated to take up leadership positions so that they can get into leadership positions based on merit.

**Sustainable progress towards gender equality needs in the media:** The Forum discussed three key issues; being the media portrayal of women in sport, women in leadership and women in sport media. It was highlighted that although the media coverage of women's sports has significantly improved, key

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issues that existed are the portrayal of women in sport, where focus was still on imaging women's sport in a sexual nature, as well as women in leadership being portrayed in a hostile nature. This was often fueled by lack of women in sport media leadership, such as editors, where perhaps if that were the case, then the portrayal of women's sport and women in sport leadership would be different. Therefore, women in sport media need to be encouraged to take up leadership positions within their space so that they have influence when it comes to stories of women's sports and women in sport.

**Educating young people and athletes to ensure succession:** The focus here was on education and mentorship for upcoming and emerging female sports leaders, where delegates were encouraged to put deliberate measures in place targeting emerging female sport leaders, current elite female athletes and even youth athletes that have shown leadership potential. Action steps also need to be taken to close the gap in the succession planning of women in sport leadership. Emerging female leaders in sport need to be encouraged to seek opportunities and be open to learning and find mentors.

**Promoting Women's Leadership in Communities through partnerships:** The theme focused to promote leadership in communities. Women need to network and work together by leveraging on partnerships that are available globally with various organisations dedicated to empowering women. We need to stop working in silos and network with those that have already achieved success and learn from them.

**Conclusion:** At the conclusion of the forum, the "Kigali Keys to Success" were unveiled to the delegates, and a working committee was put in place to develop the key points.

### **Women in Sport Leadership Seminar**

The North West Provincial Sports Confederation's Women in Sport Commission hosted its first Women in Sports Leadership Seminar in conjunction with SASCOC at Mocoseng Sundown Resort in Mafikeng. Held under the theme, Be Bold for Change, the seminar took place from 25 to 27 August 2017. Looking at the imbalances of representation of women in all spheres of sports, the Seminar couldn't have taken place at a better time. The aim of this Seminar was to encourage and equip women to step forward and claim their positions in the sporting fraternity.

The objectives of the seminar were aimed at achieving the following:

- To inspire more women to use sport as a vehicle for their own being and liberation
- To assist and support women to achieve their dreams
- To create opportunities through partnership

- To educate and train women on life skills, and leadership
- To be exposed to positive environment and understanding the impact sport has
- To encourage exchange programmes or networks amongst each other
- To better understand needs and obstacles on girls and women in participating in sport.

Out of 60 women nominated from their respected Federations and Sports Councils, 47 of them attended the seminar for the scheduled three days. A number of prominent speakers also honoured this auspicious event from National, Provincial and local sports bodies and these included: Ms. Nomsa Mahlangu from SAFA, Ms. Sylvia Mokaila from Boxing, Ms. Sandra Wushe from Sports Science (North West University), Ms Zakhithi Mlaba from Lauya Sutha, Ms. Amanda Dlamini former Captain of Banyana Banyana, representatives from CATHSETA, Ms. Francina Tsoku from the Department of Education and Sports development.

All the presentations were very informative and practical and mainly highlighted the importance of the role of women in key and leadership positions and the importance of mentoring girls. Ms Shikwambana also requested the Commission to search for the girls that attended the Provincial Youth Camp the previous year (2016) and offer them relevant support to implement what they learned at the camp. The seminar was indeed a great success and achieved its objectives of making the women aware of the power, potential they possess and the role they are supposed to play on and off the field of play. At the end of the seminar volunteers were asked to come forward and share their experiences and objectives that they believed were a game changer for them from the Seminar. SASCOC awarded each of the volunteers with a branded T-Shirt from previous games for their active participation.

## **INTERNATIONAL CONFERENCE AND SEMINARS**

### **34th Seminar for Secretaries General of ANOCA**

Ms Patience Shikwambana, Acting CEO attended the 34th Seminar for Secretaries General of ANOCA in Cape Verde from 12-14 October 2017.

The President of Cape Verde, Mrs Filomena Fortes officially welcomed all delegates to the Seminar. Highlights of her address were:

- The need to address gender equality
- Promote action based Olympic values and messages disseminated to all key stakeholders
- NOCs must lead and change current state of affairs in sport also noting that as organisations there is a huge responsibility to be transparent and respect principles of good governance
- Cape Verde is looking forward to hosting 2019 Beach Games and the ANOCA General Assembly.





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General Palenfo, President of ANOCA addressed the delegates and thanked the Minister of Cape Verde for giving the NOCs an honour to be in Cape Verde and promote development of young people. He applauded the IOC for allowing African Youth Games to be made qualifying Games for Youth Olympic Games. He was followed by Minister Fernando who officially opened the Seminar. He welcomed delegates in the land of light. He further explained that this event is held in Cape Verde to build its success in sport.

Ahmed Hashim, the Secretary General of ANOCA, outlined objectives of the Seminar as:

- Determine real needs of NOCs, and exchange experiences
- Directly address day to day issues of NOCs
- Discuss general overview of ANOCA Vision/ Plan 2020 - Perspective of the ANOCA Secretariat
- How we can plan, assess and address governance aspects,
  - o Change approach on how the organisations is run
  - o Need for more transparent
- The need for a shared vision to drive all NOCs and how ANOCA will manage African Games without resources.

Sierra Leona presented the roles and responsibilities of Secretaries General and highlighted the following:

- SG is the engine and manages operations of the organisation.
- Manages on day-to-day issues, technical functions, project management, and financial functions.
- Works with the Chef de Mission in preparation and delivery of Games
- Communication, documentation and publication
- Holds the Bible of the organisation, flexible, problem solver
- SG can't be Chef de Mission as it's a governance issue and conflict of interest arises when challenges experienced and the SG should provide possible solutions.

Other presentations done were on:

- Effective leadership role in accomplishing set goals in the organisation, Olympafrica and WADA.
- Good Governance and effective management within NOCs and ANOCA, interpretation of our legal framework.
- The resource mobilisation for NOCs, looking at challenges and potential solutions.
- Financial Transparency and Structure: How can NOCs abide by the financial guidelines?

### **ANOCA Technical Plan 2020**

- ANOCA to support Zonal competition
- Joint High Performance setting e.g. a centre where all elite Athletes can go for training
- Host African Games in a professional and world class manner

## **RADO UNESCO Workshop**

Ms Patience Shikwambana attended the RADO UNESCO workshop on 29-30 November 2017 in Windhoek, Namibia. Countries in attendance were Angola, Botswana, Ghana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe. RADO Board, WADA Director for Africa and international, COSANOC and AUSC Region were also in attendance.

Mr Fahmy Galant, Acting Chairperson of RADO officially welcomed all delegates and opened the workshop.

- Objectives of RADO in the region
- Understand UNESCO declaration of sport
- Raise awareness about compliance on anti-doping
- Implementation of code of WADA
- Implications for your country about anti-doping

A presentation on World Anti-Doping Code was done and key to note was that implementation of the code and the international standards was mandatory. Delegates were reminded of the international standards i.e. Testing and Investigation, Prohibited list, Therapeutic use

Exemptions - TUEs, Laboratories, Protection of Privacy and Personal information, Code compliance by signatories; Education and information.

Challenges highlighted

- Who should take ownership between Government and the NOC
- Establishments of NADOs
- Testing
- Financing for implementation of the programme
- Membership fee to WADA
- Monitoring and evaluation

## **Recommendation for SASCOC**

- Ensure that policies and system on the implementation of anti-doping are aligned and guided by the UNESCO declarations, African Union Forum in Seychelles and the understanding of RADO objectives.
- Educate and create more awareness on anti-doping
- Include submission of strategic plan from NFs about implementation of the programme in the norms and standards on membership and governance
- Add this as part of a requirement for bidding and hosting of international events.



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## **PARTNERSHIP AND STAKEHOLDER RELATIONS**

### **International Paralympic Committee:**

International Paralympic Committee announced its global sponsorship with Toyota International in September 2017 and SASCOC as a (National Paralympic Committee) member of IPC stands to benefit from this relationship to support its athletes with physical disabilities. This is so because the agreement between International Paralympic Committee and Toyota International allows for a select number (20) of National Paralympic Committees to benefit from their international sponsorship agreement. Our recognition as a leading National Paralympic Committee internationally enabled us to become a beneficiary of the partnership. We have thus signed an agreement signed with IPC/Toyota as a partner for our Paralympic Programme until 2024.

### **Commonwealth Games Federation (CGF)**

SASCOC is involved in an EQUIP programme of CGF. This University Internship Programme is a CGF project that looks to give students the opportunity to gain experience in professional field of work as part of CGF's Development Programme to its member Commonwealth Games Associations to increase its human resources and capacity development.

partnership with the University of Johannesburg and involves to its third year or master's students for such opportunities. Two interns have already benefitted on this programme and have worked on developing norms and standards of good governance for SASCOC in relation to membership. The job description of the intern is as follows:

- Familiarise themselves with the proposed norms and standards of good governance practice as identified through the EQUIP 2016 and 2017 interns, in particular how it relates to SASCOC memberships and their unique circumstances.
- The intern will continue with the good governance practice project as handed over to him or her from the 2017 intern.
- Implement the instrument in all Gold Coast 2018 Commonwealth Games Federation's National Federations and other SASCOC members.
- Identify areas for governance capacity building in the selected Commonwealth Games Federation's National Federations.
- Provide recommendations that will assist in identifying specific documents that would serve as evidence in support of the assessment checklist document developed in 2017.
- Assist in educational workshops to train SASCOC membership in order to be compliant with minimum temised norms and standards.

In the current review period the intern managed to develop draft norms and standards categories in three areas i.e. governance structures, governance processes and governance process. SASCOC members were consulted on the draft document to get their inputs and commence because this document will finally be an assessment document on monitoring membership status within SASCOC.

## **SPECIAL EVENTS**

### **South African Sports Awards**

The National Department of SRSA, SASCOC in partnership with the SABC, SuperSport supported by National Lotteries Commission hosted the Annual South African Sports Awards at Emperors Palace on Sunday 12 November 2017. SASCOC main role was the management of nomination process to its members. The list of nominees was announced on SABC's Morning Live after a thorough Adjudication process. The winners of the 2017 South African Sports Awards were:

- |    |  |  |
|----|--|--|
| a. | Sportsman of the Year:                   | Luvo Manyonga                            |
| b. | Sportswoman of the Year:                 | Caster Semenya                           |
| c. | Sports Star of the Year:                 | Luvo Manyonga                            |
| d. | People's Choice Sports Star of the Year: | Caster Semenya                           |
| e. | Sportswoman with a disability:           | Ilse Hayes                               |
| f. | Sportsman with a disability:             | Dyan Buis                                |
| g. | Newcomer of the year:                    | Sokwakhana Zazini                        |
| h. | Team of the Year:                        | Springbok 7's                            |
| i. | Coach of the Year:                       | Jean Verster                             |
| j. | Volunteer of the Year:                   | Samuel Maduwa                            |
| k. | Indigenous Games of the Year:            | North West Kho-kho team                  |
| l. | National Federation of the Year:         | Lifesaving SA                            |
| m. | Recreation Body of the Year:             | In-touch Community Support Group         |
| n. | Photographer of the Year:                | Simphiwe Nkwali                          |
| o. | Journalist of the Year:                  | OG Molefe                                |
| a. | School Team of the Year:                 | St Mary's School Waverley                |
| b. | Developing School Team of the Year:      | Hlangabeza Primary School Under-13 chess |
| c. | Sports Administrator of the year:        | Sanelisiwe Khuzwayo                      |





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## **Arnold Classic**

Since the inception of the Arnold Classic SASCOC has been a supporting partner in the event. SASCOC's gives endorsement to the event and in return is given an exhibition stand to showcase what the organisation does. The event runs over a weekend from Friday to Sunday. The President of SASCOC was present at the press conference at the opening of the event to share views with other stakeholders such as MEC for Sport in the Province Ms Faith Mazibuko and the founder and host of the event Mr Wayne Price. SASCOC was honoured when Mr Arnold Schwarzenegger visited our stand and was welcomed by the Vice President Mr Barry Hendricks.

The event turned out to be a great success with over 50 sporting codes exhibiting their individual sport throughout the weekend. The event is fast growing to one of the major events on the South African Sporting calendar.

## **Jack Cheetham Awards**

SASCOC in association with Murray and Roberts hosted the 36th Jack Cheetham and Letsema Sports Development Awards on the 2 November 2017 in Johannesburg. These awards have two categories name Jack Cheetham (abled bodies) and Letsema (Project for sports people with disabilities) SASCOC was represented by its board member Ms Lwandile Simelane.

Prize monies range from R 150 000.00 – R 50 000.00 over five year period.

The winners of the awards were:

### **Jack Cheetham**

Winner:	Olympian Wrestling Club
1st Runner Up:	Golden Lions Gymnastics Club
2nd Runner Up:	Grootbos Foundation

### **Letsema Awards Winners**

Winner:	Judo Institute with special needs
1st Runner up:	Mustang Wheelchair Rugby
2nd Runner up:	SA Transplant Sports Association

SASCOC would like to take the opportunity to congratulate the winners and wish them well in the success of their various projects. It would be encouraging to see more Federations making use of this opportunity to apply for funding when the nomination open annually and benefit from this wonderful opportunity.

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## **Commonwealth Games Queen's Baton Relay**

The Queen's Baton Relay is a much loved tradition of the Commonwealth Games and symbolises the coming together of all Commonwealth nations and territories in preparation for the four-yearly festival of sport and culture. Over a period of 288 days the baton will visit 70 nations and territories, cover 190,000 kilometers and involve a third of the world's population, making it the world's most engaging relay. SASCOC hosted the Queen's Baton from 12 – 13 May 2017 and took to The Land of the Rising Sun, Mpumalanga, travelling through some of the most scenic sites of the province. Overall it was a successful tour stopping in schools and communities in the Waterfall Boven.

### **TEAM DELIVERY**

#### **World Games**

Team SA participated in the World Games held in Wroclaw, Poland from 20 July 2017 to 30 July 2017. The opening ceremony took place on 20 July 2017 in a spectacular event which was held at the main stadium. Approximately 25,000 people attended the event. The Team composed of a total of 23 Athletes and 16 officials, took part in a total of seven sports namely; Aero sport, Archery, Cue Sport, Gymnastics, Powerlifting, Sport Climbing and Tug of War.

Tug of War-Women's team achieved a bronze medal which was the only medal gain for Team South Africa at the World Games. Team South Africa finished 57th on the medal rankings.

#### **BAHAMAS 2017 Commonwealth Youth Games**

SASCOC delivered Team South Africa to 2017 Bahamas Commonwealth Youth Games that took place from the 18th-23rd July 2017 at the Caribbean island in Bahamas. The country was represented by 24 Athletes from six sporting codes i.e. Athletics, Beach Volleyball, Boxing, Judo, Swimming and Tennis accompanied by six officials, three medical staff and two General Team Managers.

The Opening Ceremony of the Commonwealth Youth Games was on Tuesday, 18 July 2017 with our flag bearer Hanim Abrahams, a gold medalist in both the Senior and Junior African Swimming Championships leading the team.



Team South Africa performed well as they ended the Games with a medal tally of 18 medals (eight gold, three silver and bronze) and placed fifth on the overall medal table. Fifteen of the total medals were won by seven athletes from swimming, whilst the other three, which were all bronze came from Judo, Athletics and Boxing. Best individual medalists were swimmers Rebecca Meder, Mariella Venter, Jarryd Baxter and Michael Houllie who each won three medals. Closing Ceremony was on Sunday, 23 July and the flag bearer was Jarryd Baxter from swimming.

### Summary of Results

Sport	Athlete	Event	Medal
Athletics	Boitumelo Mayo	400m Hurdles	Bronze
Boxing	Siyakholwa Kuse	46-49Kg	Bronze
Judo	Mosa Thetsane	-60Kg	Bronze
Swimming	Hanim Abrahams	100m Breaststroke	Gold
		200m Breaststroke	Bronze
		400m IM	Silver
	Rebecca Meder	200m Freestyle	Bronze
		800m Freestyle	Bronze
		100m Backstroke	Gold
		200m Backstroke	Gold
	Mariella Venter	50m Backstroke	Bronze
		200m Backstroke	Gold
		400m Freestyle	Gold
	Jarryd Baxter	200m Freestyle	Silver
		200m Breaststroke	Gold
		100m Breaststroke	Gold
		50m Breaststroke	Gold
	Luan Grobbelaar	200m Breaststroke	Silver
	Michael Houllie	100m Breaststroke	Gold
		50m Breaststroke	Gold
		200m Breaststroke	Silver



## Medals per Sport

Sport	Gold	Silver	Bronze	Total
Athletics			1	1
Boxing			1	1
Judo			1	1
Swimming	8	3	4	15
Total	8	3	7	18

## Pre- Gold Coast 2018 Commonwealth Games

SASCOC finalised preparations for the delivery of Team South Africa to the Commonwealth Games in Gold Coast. The team was registered with the GOLDOC for participation at the Games at the beginning of January 2018 after the Board approved all recommendations received from the National Federations.

The kit launch was successfully held on 28 February 2018 at the Mall of Africa. SuperSport funded the launch which helped make it a reality. The chair of the athletes' commission and commission members did a sterling job in getting the athletes to be part of the kit design, participate in the launch and rehearsals. Overall, most members were happy with the kit received based on feedback from managers a commendable improvement from our previous games.

The holding camp was held from 25 – 27 March 2018 at the Southern Sun OR Tambo international airport, Kempton Park. The send-off dinner was hosted on 26 March 2018 at the same venue. SASCOC conveys sincere gratitude to the Honourable Minister for delivering keynote address at the send-off dinner and SRSA's support to SASCOC and the Team. The attendance of the Honourable Chairperson of Portfolio Committee on Sport and Recreation together with some members of the Committee was sincerely appreciated.

The HP Commission worked tirelessly to ensure the selection process was fair to all athletes. This included extensive engagements with NFs to gather information in support of their motivations, meetings on 10 January, 17 January and communication between Commission members, the NFs. Despite of these efforts, some athletes felt aggrieved by non-selection and sought legal counsel. This includes one in gymnastics who filed an urgent application in the Pretoria High Court.



case was heard on 15 March where they ruled against us on preliminary issues that is, the other gymnasts should have been joined and that we cannot appeal to the CGF to give more slots. The arguments then continued on 16 March where the merits of the selection process were argued. The judge again, reserved her judgement until 26 March where SASCOC won the case. The full games report will be in next year's as the actual court ruling took place in the 2018/19 financial year.

## **Liaison with National Federations**

### **Bidding and Hosting**

SASCOC has requested its members to continue bidding to host international events after losing an opportunity to host two major global events. International Federations and other sporting organisation's interest grow yearly and this is seen in the number of applications received seeking for approval to bid or to confirm hosting these events supported by both SRSA and SASCOC. The only challenge experienced by the National Federations is when being asked by the IF to rescue a situation when other country have withdrawn from hosting. This tends to put a lot of pressure on NFs to meet the required criteria and bidding requirements with limited timeframes to get approval. Events approved in the period under review were

<b>Federation</b>	<b>Event</b>	<b>Date</b>	<b>Province</b>
Tennis SA	International Wheelchair Tennis Events	07 – 10 /10-14 April 2017	Gauteng
SA Shooting Sport Confederation	Fullbore Rifle Shooting Championships	09 April 2017	FreeState
SA Powerlifting Federation	University Powerlifting World Cup	03 – 09 July 2018	North West
Cycling SA	UCI Para –Cycling Road Word Cup	August 2017	KwaZulu-Natal
Aero Club of SA SA Powerlifting Federation	World Aerobatic Championship 2017 Commonwealth	07-17 September 2017	Mpumalanga
	Powerlifting and Bench Press Championships	10 -19 September 2017	North West
Bowls SA Canoeing SA	African States Tournament 2017 World Canoe Marathon	09 -15 September 2017	Gauteng
	Championships	23 Sept – 01 Oct 2017	KwaZulu-Natal

Motorsport SA	Gymkhana Grid 2017	18 -19 November 2017	Gauteng
Aero Club of SA	2017 SA Pre World Cup Championship	16 December 2017	Western Cape
SA Wrestling Federation	Commonwealth Wrestling Championships	14 – 18 December 2017	Gauteng
Cycling SA	UCI Mountain Biking World Cup	07 -10 March 2018	Western Cape
SA Shooting Sport Confederation	Fullbore Bisley Rifle Championships	16 -24 March 2018	Free State

## Disputes

SASCOC received various correspondences from National Federations, its affiliates including individual athletes lodging disputes due to unresolved issues within the National Federations. Most of these disputes and/or allegations were about lack of good governance, unfair selection criteria of athletes for international participation and non-compliance to their constitutions in relation to process of elections and management of the organisations. In the period under review SASCOC attended to seven (7) disputes.

SASCOC had to adhere to its internal Dispute Resolution Mechanism by referring most of the issues back to the Federation as SASCOC should be satisfied that due internal processes had been exhausted before the intervention. National Federations responded and most of these disputes received due process followed and complainants were urged to respect and follow their legal framework before SASCOC can mediate. Five of disputes out of seven were resolved and the outstanding ones are being attended to with the assistance from SASCOC Board member responsible for those federations. SRSA is kept informed about these disputes in the quarterly reports submitted. It must be noted that when SASCOC fails to mediate and the arbitration outcomes are negative, those disputes are then referred to SRSA as guided by the Sport Act. National Federations should improve on communication and ensure that affiliates are aware of these processes and policies.



## National Colours

In the period under review a number of NF's were awarded with National Colours still using the then SA Sports Commission Regulations. It must be noted that SASCOC is still receiving most applications from National Federations.



National Federation	Junior	Senior	Official	Total
Aero Club of South Africa		5	4	9
South African Anglers and Casting Confederation	11	21	14	46
South African National Archery Association	23	5	4	32
Badminton South Africa	5		1	6
South African Baseball Union	9		3	12
Bowls South Africa		4		4
Canoeing South Africa	10	10	1	21
Chess South Africa	10	6	2	18
South African National Climbing Federation	14	2		16
Cycling South Africa	12	7	4	24
South African Confederation of Cue Sport	3	2	3	8
Darts South Africa	9	3	3	15
South African Deaf Sport Federation		2	1	3
South African Equestrian Federation	23	13	12	48
Fencing Federation of South Africa		5		5
South African Fitness Sport Aerobics Federation	19	45	7	71
South African Golf Association	3	10	1	14
South African Gymnastics Federation		2	1	3
South African Ice Hockey Association	20		5	25

Sport for the Intellectually Impaired	1	11	6	18
Judo South Africa	6		1	7
Jukskei South Africa	5	13	3	21
Karate South Africa	67	46	13	126
Lifesaving South Africa	1	6	2	9
Martial Arts South Africa	7	31	5	43
Motorsport South Africa	5	13		18
Netball South Africa	12		3	15
South African Orienteering Federation			2	2
Powerboat South Africa	3		2	5
South African Powerlifting Federation	25	24	1	49
Rollersport South Africa	2			2
Rowing South Africa	13	5		18
Sailing South Africa	4		2	6
South African Sports Association for Physically Disabled	1	7	2	10
South Africa Shooting Sport Federation	9	58	4	71
Softball South Africa	18	19	4	41
Squash South Africa	4	3	2	9
Surfing South Africa	4	16	4	24
Swimming South Africa	40	30	19	89
South African Table Tennis Board	5	1		6
Tenpin Bowling Association of South Africa		1		1
Triathlon South Africa	9	25	2	36

South African Tug-of – War Federation	19		3	22
South African Underwater Sport Federation	23		9	32
South African Water Ski Federation	2	8		10
South African Weightlifting Federation	4	7	3	14
South African Wrestling Federation	6	4	4	14
South African Wushu Federation	5	9	3	17
<b>Total</b>				<b>1115</b>

## HIGH PERFORMANCE

### Operational Excellence Programme

We reviewed the criteria for Operation Excellence after the 2016 Rio Olympics and implemented a revised Operation Excellence (OPEX) Programme including the Special Support Programme for athletes not meeting OPEX Criteria.

- Sixteen (16) Olympic and 12 Paralympic Athletes were supported through the programme
- At the IAAF 2017 World Championships, three of the OPEX athletes medalled. Wayde van Niekerk (two medals – one Gold and one Silver), Luvo Manyonga (Gold Medal) and Ruswahl Samaai (Bronze Medal)
- Kirsten McCann won a Gold Medal at the FISA World Championships which was historical for an African female to achieve.
- At the ITU Triathlon World Championships, Richard Murray placed 6th
- At the FINA 2017 World Championships Chad le Clos won a Gold Medal and Cameron van der Burgh won a Bronze Medal.



- 
- At the IPC Para Athletics World Championships seven of the OPEX athletes medalled. Dyan Buis (two Gold medals), Charl du Toit (three Medal - two Gold and one Silver), Ndodomzi Ntutu (Silver Medal), Ntando Mahlangu (Silver Medal), Reinhardt Hamman (Silver Medal), Anrune Libenberg (two Silver Medals) and Zanele Situ (Bronze Medal)
  - Lucas Sithole achieved excellent results on the Wheelchair Tennis Tour

## **Paralympic Programme**

**IPC World Championships:** As the National Paralympic Committee in South Africa we delivered Team SA to three IPC World Championships, Athletics, Powerlifting and Swimming, with some brilliant performances in Athletics and Swimming. In Athletics we were 10th on the medal table with five Gold, eight Silver and two Bronze medals, whereas in swimming with a very young and inexperienced team of swimmers, we placed 29th on the medal table with four silver and one bronze medal

**Para-Athletics World Championships:** These were held in London, England from 14 to 23 July 2017,

**Para-Swimming and Powerlifting World Championships:** These were held from 2 – 7 December 2017 in Mexico City.

## **Coaching Programme**

We have registered the following Professional Body members:

- o Athletics SA – two; Bowls SA – one; Chess SA-two; Cricket SA – 12;
- o Cycling SA – one; Fencing Fed SA-one; SA Sailing- one;
- o Netball SA – 44; Softball SA – one; SAFA – 19;
- o SA Gymnastics Fed – 22; SARU-one; SA Wrestling Fed- one; Swimming SA- five; Triathlon SA-one; Volleyball SA- one

We conducted Recognition of Prior Learning in line with the Professional Body policy for RPL and registered designations. One hundred and fifteen (115) coaches and coach developers were conferred designations on successfully completing the RPL process.

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## High Performance System

### Accreditation of HP facilities

- Lady Starke Netball Academy was given recognition as a Private Academy operating in KZN, whilst the Endurocad Academy had its recognition extended.
- The high Performance Commission finally produced and finalised the accreditation criteria for high performance centres, and scientific and medical personnel.
- A network of psychologists in sport as well as medical and physiotherapy service providers was updated, published and circulated to SASCOC membership.

### Stakeholders Engagements

- Ensure that qualified and skilled personnel are appointed for High Performance Commissions in order to properly function.
- o The High Performance Commission chaired by Debbie Alexander [Board Member] is fully functional and contributed to consideration of Team SA for the Winter Olympic Games, Commonwealth Games. Furthermore, the commission developed an Athletes Handbook encompassing medical, psychological, doping control and life-skills for Team SA.
- o The Medical Committee (which is part the HP Commission) is also fully functional and produced updated pre- games screening protocols and contributed to selection of medical teams for Team SA.
- o Athletes Commission has been very active in the advocacy of Athletes welfare. They also led the creation of design and generic apparel for Team SA for Commonwealth Games kit.
- Commissions' Terms of Reference have also been updated in line with organisational strategy.

### Audit and Monitoring

- SASCOC reviewed and updated the athlete performance tracking system and now have an up to date ranking system and athletes performances database through Gracenote
- The Sports Science, Technical and Research Committee has audited National Federation athlete monitoring systems and have produced an Audit report which is now available for NF's to factor in their intervention strategies

## Selection Policies

- SASCOC conducted a consultative process for General Eligibility and Selection Criteria for 2017-2024 which has now been agreed to with National Federations
- Sport Specific Selection policies for Commonwealth Games 2018 were developed and published after a consultative process with NFs



# FINANCE

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## **To provide, develop and operate a centralised accounting System:**

Based on the recommendation of the Finance Committee and in line with the desired accounting system functionality, management set out to explore the outsourcing of SASCOC's Financial Platform. Due to financial constraints and other priorities the initiative was temporarily suspended. We will revisit the outsourcing of the Financial Platform in the new financial year (2018/2019).

## **Revenue:**

Revenue has continued to diminish since the Rio 2016 Olympics. In particular the NLC funding has reduced drastically from R100 million down to R5 million per annum. The reclassification of SASCOC as a national federation (by the Lotteries Commission) means that we are only allocated a maximum of R5 million per annum with a 12 month cool off period. The leadership of SASCOC needs to urgently engage key stakeholders, such as Ministry of Sport and Recreation, Minister of Trade and Industry and the National Lotteries Commission that the Commission revisits this regulation as it has a crippling effect on SA sport going forward. In the meantime we need to overhaul our financial model and cut our cloth to suit our taste and purse.

## **Staff Issues:**

Due to the vacancy of the position of CFO and Financial Manager the training and development of finance department personnel was not pursued. This matter will remain pending until the organisational development process kicks off and completed.





# **SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE**

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South African Sports Confederation and Olympic Committee  
ASSOCIATION NOT FOR GAIN  
Annual Financial Statements  
or the year ended 31 March 2018



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# GENERAL INFORMATION

The South African Sports Confederation and Olympic Committee ("SASCOC"), association not for gain, was established on 13 November 2004 in Johannesburg by the major national sports bodies. SASCOC (Non-Profit Company) resolved on 9th November 2013 to transfer SASCOC (Non-Profit Company) assets and liabilities to SASCOC (Association not for Gain) on 1st April 2014, which was duly constituted with a constitution that was adopted on the 9th November 2013. SASCOC (Association not for Gain) is responsible for High Performance sport in South Africa and the objectives and activities have not changed.

Gride Investments Proprietary Limited is a special purpose entity. Gride Investments (Pty) Ltd holds 3,898,542 (2017: 4,278,000) ordinary shares in Phumelela Gaming and Leisure Limited. SASCOC holds 100% (2017: 100%) of the shares in Gride Investments (Pty) Ltd. The Board of Gride Investments (Pty) Ltd is represented by our President Mr Gideon Sam and 1st Deputy President Ms Hajera Kajee as directors.

## Country of Incorporation and Domicile

South Africa

## Officers

The members of the Board of the organisation during the year and at the date of this report were:

President (Re-elected 26th November 2016)	Mr Gideon Sam
Board Member (Re-elected 26th November 2016)	Mr. Kobus Marais
Vice President (Elected 26th November 2016)	Mr. Barry Hendricks
IOC Member	Dr. Sam Ramsamy
IOC Member (Appointed 8th August 2016)	Mr. Anant Singh
Board Member (Re-elected 26th November 2016)	Mr. Mark Alexander
Board Member (Re-elected 26th November 2016)	Ms. Merrill King
Deputy President (Re-elected 26th of November 2016)	Ms. Hajera Kajee
Board Member (Elected 26th November 2016)	Dr. Debbie Alexander
Board Member (Re-elected 26th November 2016)	Mr. Les Williams
Board Member (Co-opted 5th December 2016)	Ms. Lwandile Simelane
Board Member (Co-opted 5th December 2016)	Mr. Kaya Majeke
Board Member (Co-opted 5th December 2016)	Mr. Jerry Segwaba
Board Member (Co-opted 19th January 2017)	Mr. Aleck Skhosana
Board Member (Appointed 19th January 2017).	Ms. Natalie Du Toit





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**Registered Office**

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Atholl Oaklands Road  
Melrose  
2196

**Postal address**

PO Box 1355  
Houghton, 2041



# BOARD MEMBERS RESPONSIBILITIES AND APPROVAL

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The board is responsible for monitoring the preparation and the integrity of the financial statements.

In order for the board to discharge its responsibilities, management has developed and continues to maintain a system of internal control. The board has ultimate responsibility for the system of internal controls and reviews its operation.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the entity's policies and procedures. These controls are implemented by trained, skilled personnel with an appropriate segregation of duties, are monitored by management and include a comprehensive budgeting and reporting system operating within strict deadlines and an appropriate control framework.

The financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium Entities and incorporate responsible disclosure in line with the accounting philosophy of the entity. The financial statements are based on appropriate policies consistently applied and supported by reasonable and prudent judgments and estimates.

The board believes that the entity will be a going concern for the next twelve months from date of signing the annual financial statements. For this reason, they continue to adopt the going concern basis in preparing the annual financial statements.

The annual financial as set out on pages 13 to 37 were approved by the Board on 7th December 2018 and are signed on its behalf by:

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President

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Board Member



# REPORT OF THE BOARD MEMBERS

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The Board members present their report for the year ended 31 March 2018.

The Board has pleasure in presenting their report on the activities of the organisation.

## Review of Operations

The establishment of SASCOC was guided by the following principles:

- SASCOC has the mandate to deliver High Performance Sport in South Africa;
- SASCOC prepares, assembles and delivers all international multi-coded teams (Team South-Africa);
- SASCOC establishes an Academy System integrated with athletes support systems from Talent identification at junior level to international representation; and
- SASCOC will take the lead in national macro sports policy formulation, such as transformation and the National Sports Plan.

SASCOC adopted its National Sports Plan which focuses on transformation of sport and the measures that need to be carefully considered for South Africa Sport to be truly transformed.

During the year under review, SASCOC successfully delivered the following major activities:

- Preparation and delivery of Team South Africa to the Commonwealth Youth Games in Nassau, Bahamas in July 2017;
- Preparation and delivery of Team South Africa to the Winter Olympic Games in PyeongChang, South Korea in February 2018. Olympic Solidarity assisted with preparation of athletes through the Olympic Scholarships for athletes specific for the Games;
- Delivery of Team South Africa to the World Games in Wroclaw, Poland in July 2017;
- Preparation and part delivery of Team South Africa to the Commonwealth Games in Gold Coast, Australia in March and April 2018;
- Preparation and support of top level athletes through the Operation Excellence (OPEX) Programme to various international events throughout the financial year;
- Preparation and support of athletes through securing Olympic Solidarity Athlete Scholarships for Tokyo 2020;
- Assisted some National Federations who had applied for Olympic Solidarity funding to implement their Technical Courses for Coaches;
- Through Olympic Solidarity, we managed to bring out a Canadian Coaching expert to assist with facilitation of the Coach Developer programme in July 2017;
- A total of 115 Coaches and Coach Developers were conferred designations through the RPL process;
- The organisation commenced with the Master's Degree in Sports Coaching with the Da Vinci institute;
- Development of Coaches through the Olympic Scholarship for Coaches programme by sending coaches to the International Coaching Enrichment Certificate Program (ICECP);
- We have continued to support the national men's rugby 7's team through the Olympic Solidarity Team Support Grant
- Hosted General Assemblies on 22 April 2017 and 10 February 2018.

At a continental and international level, the organization has been involved in various activities of the IOC, IPC, ANOC, ANOCA, COSANOC and AUSA Region 5. The Board held its quarterly meetings and championed the various Commissions and Committees assigned to Board members. These are Athletes Commission, Audit Committee, Finance Committee, High Performance Commission, Membership and Evaluation Committee, Remuneration Committee, Women in Sport Commission.

The above activities were funded through grants and sponsorships from Sport and Recreation South Africa (SRSA), the National Lotteries Commission (NLC), International Olympic Committee (IOC), Commonwealth Games Federation (CGF), Olympic Solidarity (OS) and Association of National Olympic Committees of Africa (ANOCA).

The Board accepted the recommendations of a disciplinary hearing to dismiss the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Executive Manager. Findings of these hearings are available to members. See note 24



SASCOC is engaging with the Minister of Sport and Recreation and the National Lotteries Commission to map out a solution for increased ongoing future funding. For discussion on going concern, refer to note 23

### **Board's Responsibility for Financial Reporting**

The Board is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Entities (IFRS for SME's)

The Board is also responsible for the systems of internal control. These were designed to provide reasonable but not absolute, assurance as to the reliability of the financial statements and to adequate safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and deficit.

The Board is responsible for the adoption of strategic plans, monitoring of operational performance and management, determination of policy and processes to ensure the integrity of SASCOC's risk management and internal controls, communication policy and orientation of new members elected to the Board if any.

To adequately fulfil their responsibilities, the members of the Board have unrestricted access to financial information, all SASCOC information, records, documents, and property.

The Board met on the following dates, 22<sup>nd</sup> April 2017, 22<sup>nd</sup> May 2017, 14<sup>th</sup> July 2017, 19<sup>th</sup> July 2017, 30<sup>th</sup> August 2017, 20<sup>th</sup> October 2017, 23<sup>rd</sup> January 2018, 9<sup>th</sup> February 2018 and 26<sup>th</sup> March 2018. Special Board meetings were held on 19<sup>th</sup> July 2017 and 30<sup>th</sup> August 2017 as the need arises. The Board is responsible to members of the General Assembly.

### **Audit Committee**

The Audit Committee met on 21<sup>st</sup> August 2017, 14<sup>th</sup> May 2018, 17<sup>th</sup> of November 2018 and the 5<sup>th</sup> of December 2018 amongst dealing with other matters, recommended to the Board the approval of the Annual Financial Statements for the year ending 31<sup>st</sup> March 2018.

### **Risk Management**

The focus of risk management is on identifying, assessing, managing, and monitoring all known forms of risks across SASCOC. The management of the entity is engaged in a continuous process of developing and enhancing its comprehensive systems for risk identification and management.

The risk to the entity's business encompasses such areas as the exchange rates, political and economic factors, legislation, national regulations, interest rates, people skills and general operational and financial risks.

The major risks are the subject of ongoing attention of the Board and are given particular consideration in the annual strategic plan and the comprehensive set of policies and procedures which are approved by the Board.





## **Management Reporting**

Management reporting disciplines include the preparation of annual operating budgets. Monthly results are compared to approved budgets. Surplus projections and cash flow forecasts are reviewed regularly, while borrowing levels are monitored on an ongoing basis.

## **Financial and Internal Controls**

Employees are required to maintain the highest ethical standards in ensuring that business practices are conducted in a manner, which in all reasonable circumstances is above reproach.

## **Code of Ethics**

The entity subscribes to a code of ethics and endeavors to act with honesty, responsibility and integrity towards all its stakeholders.

## **Employment Equity**

The organization has employment practices, which it believes are appropriate. They are designed to attract, motivate, and retain quality staff at all levels. Equal employment opportunities are offered to all employees without discrimination.

## **Related Parties**

SASCOC (Association not for Gain) has performed an assessment for Related Parties under Section 33 of IFRS for SME's and came to the conclusion that no federation meet the definition of a Related Party Disclosure.

## **Going Concern**

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and the settlement of liabilities will occur in the ordinary course of business.

During the year under review SASCOC has extended its own resources to fund projects based on its mandate which projects were expected to be funded by the National Lotteries Commission (NLC). A grant was received from the National Lotteries Commission for an amount of R17.9 million for the delivery of Team SA to the Commonwealth Games in Gold Coast. In addition, SASCOC received R9.4 million from Sports and Recreation South Africa. A further R12.5 million was received from the International Olympic Committee (IOC) as well as a Paralympic Sponsorship of R2.3 million.

Subsequent to year end, to enable continuation of operations and delivery on mandates, the following funds were received or have been committed:-

- R20 million from the Department of Sports and Recreation;
- R10.1 million from the IOC
- R1.1 million from Citi Bank International
- R15 million from the NLC

The report of the Ministerial Committee of Enquiry to investigate alleged board related governance issues and non-adherence to SASCOC's constitution that impact negatively on SASCOC and sport in general was received and has been responded to. We await the official release of the report by the Minister. In the interim SASCOC had commenced addressing some of the issues raised in the report even prior to receipt thereof. Many of the issues raised in the report have been considered when assessing SASCOC's ability to continue as a going concern. It is to be noted that the board has implemented an Organisational Development Task Team to drive a turnaround strategy that will reaffirm the continued financial viability of SASCOC.



# STATEMENT OF COMPREHENSIVE INCOME

Figures in R	Notes	2018	2017
<b>Revenue</b>	1 2	51 531 105	177 985 295
Other income		1 943 485	545 866
Operating costs	3	(77 317 813)	(161 846 994)
<b>Operating profit/(loss)</b>		<b>(23 843 223)</b>	16 684 167
Finance income	4	303 829	2 641 752
Finance costs	5	(101 532)	(207 239)
<b>Profit/(loss) for the year</b>		<b>(23 640 926)</b>	19 118 680
<b>Total comprehensive income</b>		<b>(23 640 926)</b>	19 118 680





# STATEMENT OF FINANCIAL POSITION

Figures in R	Notes	2018	2017
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	6	4 538 919	5 892 381
Investment in subsidiary	7	3	4
		<b>4 538 922</b>	<b>5 892 385</b>
<b>Current Assets</b>			
National Lottery Commission (NLC)		-	5 003 250
Trade and other receivables	8	6 547 472	2 875 739
Cash and cash equivalents	9	9 423 405	20 456 272
		<b>15 970 877</b>	<b>28 335 261</b>
<b>Total Assets</b>		<b>20 509 799</b>	<b>34 227 646</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated loss		(26 167 284)	(2 526 356)
<b>Non-Current Liabilities</b>			
Finance lease liabilities	10	68 459	368 330
Long-term liabilities	11	767 010	828 721
		<b>835 469</b>	<b>1 197 051</b>
<b>Current Liabilities</b>			
Loan from subsidiary	12	11 600 000	-
Accruals	13	1 022 283	1 174 089
Trade and other payables	14	15 780 275	9 268 246
Deferred Revenue	15	17 248 212	24 873 011
Finance lease liabilities	10	190 844	241 605
		<b>45 841 614</b>	<b>35 556 951</b>
<b>Total Equity and Liabilities</b>		<b>20 509 799</b>	<b>34 227 646</b>



# STATEMENT OF CASH FLOWS

Figures in R	Notes	2018	2017
<b>Cash flows from operating activities</b>			
Cash receipts from sponsorships and grants		52 862 622	199 546 260
Cash paid to federations, suppliers, and employees		(75 169 595)	(201 895 975)
<b>Net cash flows (utilised in)/ from operations</b>	16	(22 306 973)	(2 349 715)
Interest received	4	303 829	2 641 752
Finance cost paid	5	(61 449)	(207 239)
<b>Net cash flows from operating activities</b>		<b>(22 064 593)</b>	<b>84 798</b>
<b>INVESTING ACTIVITIES</b>			
Proceeds on the sale of property and equipment	6	109 287	-
Additions to property and equipment	6	(225 137)	(298 209)
<b>Net cash utilised in investing activities</b>		<b>(115 850)</b>	<b>(298 209)</b>
<b>FINANCING ACTIVITIES</b>			
Increase in loans from related parties	12	11 600 000	-
Decrease in lease liability		(390 713)	(215 476)
Decrease in long term liability		(61 711)	(42 918)
<b>Net cash from financing activities</b>		<b>11 147 576</b>	<b>(258 394)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(11 032 867)</b>	<b>(471 805)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>20 456 272</b>	<b>20 928 077</b>
<b>Cash and Cash Equivalents at end of the year</b>	9	<b>9 423 405</b>	<b>20 456 272</b>

# STATEMENT OF CHANGES IN EQUITY

Figures in R	Accumulated loss	Total
<b>Balance at 1 April 2016</b>	(21 645 036)	(21 645 036)
Surplus for the year	19 118 680	19 118 680
<b>Total comprehensive income for the year</b>	19 118 680	19 118 680
<b>Balance at 31 March 2017</b>	(2 526 356)	(2 526 356)
<b>Balance at 1 April 2017</b>	(2 526 356)	(2 526 356)
Deficit for the year	(23 640 927)	(23 640 927)
<b>Total comprehensive income for the year</b>	(23 640 927)	(23 640 927)
<b>Balance at 31 March 2018</b>	(26 167 284)	(26 167 284)

	31 March 2017	Net Movement	31 March 2018
<b>Dedicated funds</b>	<b>9 989 221</b>	-	<b>9 989 221</b>
<b>Development</b>	<b>2 291 381</b>	-	<b>2 291 381</b>
<b>NLDTF</b>	<b>3 511 587</b>	-	<b>3 511 587</b>
<b>High Performance</b>	<b>998 610</b>	-	<b>998 610</b>
<b>National Training Centre</b>	<b>1 513 355</b>	-	<b>1 513 355</b>
<b>Bursary fund</b>	<b>1 674 288</b>	-	<b>1 674 288</b>
<b>Accumulated funds</b>	<b>(12 515 577)</b>	<b>(23 640 927)</b>	<b>(36 156 504)</b>
Olympics accumulated funds	(29 872 411)	(23 640 927)	(53 513 338)
Paralympics accumulated funds	19 099 576		19 099 576
Bidding and Hosting-CGF Games	( 1 742 599)		(1 742 742)
<b>TOTAL</b>	<b>(2 526 356)</b>	<b>(23 640 927)</b>	<b>(26 167 284)</b>

# ACCOUNTING POLICIES

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## **Basis of preparation**

The financial statements of South African Sports Confederation And Olympic Committee have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements have been prepared under the historical cost convention.

## **Revenue recognition**

Product sponsorships are recognized at a deemed market value and are only accounted for when consumed. Government grants and National Lottery Grants are only recognized when the agreement is signed. All contractual receipts for specific projects which, if not spent are reflected as deferred revenue.

Where sponsorship contracts relate to specific projects which are carried out several years, sponsorship revenue is recognized to the extent of contact costs incurred, when it is probable that the cost will be recoverable by the sponsorship received. The balance of revenue is recognized once the project is completed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

## **Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As a lessee

Assets held under finance leases are recognized as assets of the entity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or deficit.

Rentals payable under operating leases are charged to profit or deficit on a straight-line basis over the term of the relevant lease.

## **Borrowing costs**

All borrowing costs are recognized as an expense in the period in which they are incurred.

## **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairments.

Depreciation is charged so as arising to write off the cost of assets to its residual value over their estimated useful lives, using the straight-line method.

Residual values and estimated useful lives are assessed only when there is any indication that there has been a significant change from previous estimate.

The gain or deficit arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or deficit.

### **Impairment of assets**

At each reporting date, the organization reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment deficit. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment deficit (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimated the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment deficit is recognized immediately in profit or deficit.

When an impairment deficit subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment deficit been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment deficit is recognized immediately in profit or deficit.

### **Financial assets**

In accordance with IFRS for SME's Section 11, SASCOC (Association not for Gain) chose the option to apply the recognition and measurements principles of IAS 39 Financial Instruments and the disclosure requirements of Section 11 and 12 of IFRS for SME's.

Financial assets are classified into the following specified categories: 'loan and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognized on an effective interest basis debt instruments.



## **Loan and receivables**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

## **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

## **Derecognition of financial assets**

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

## **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

## **Financial liabilities**

Financial liabilities are classified other financial liabilities at amortised cost.

## **Investment in subsidiaries**

Investments in subsidiaries are measured at cost less any accumulated impairment losses.

### **Other financial liabilities**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

### **Derecognition of financial liabilities**

The entity derecognizes financial liabilities when, and only when, the entity's obligations are discharged, cancelled or they expire.

### **Provisions**

Provisions are recognised when the organization has a present or constructive obligation as a result of a past event, and it is probable that the organization will be required to settle that obligation. Provisions are measured at the board's best estimate of the expenditure required to settle the obligation at the balance sheet and are discounted to present value where the effect is material.

### **Critical accounting judgements and key sources of estimation uncertainty**

Critical judgements in applying the organization's accounting policies:

In the process of applying the organization's accounting policies, which are described above, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

### **Revenue recognition**

In making its judgement, management considered the detailed criteria for the recognition of revenue from sponsorship and services rendered as set out in the accounting policy.

### **Residual values**

For the current year residual values were taken into consideration when calculating depreciation and these values will be assessed when there are any indicators that there has been a significant change from previous estimates.

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Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

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### **Residual values**

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# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R	2018	2017
<b>1 Revenue</b>		
Revenue comprises the following categories		
<b>PRODUCT SPONSORSHIP</b>	-	15 465 206
<b>SPONSORSHIP: Olympics</b>	-	5 600 000
<b>SPONSORSHIP: Paralympics</b>	2 385 888	7 430 000
<b>COMMONWEALTH GAMES FEDERATION</b>	884 356	38 015
<b>GOVERNMENT GRANTS-SPORTS AND RECREATION SOUTH AFRICA</b>		
Administration	-	4 134 600
Athletes Preparation Olympic Games	-	2 605 700
SRSA Olympic	9 406 000	7 605 700
SRSA Region V	-	3 000 000
	<b>12 676 244</b>	<b>17 346 000</b>
<b>NATIONAL LOTTERIES DISTRIBUTION TRUST FUNDS</b>		
Olympic Games	-	29 000 000
Marketing Olympic Games	-	24 980 000
Paralympic Games	-	16 000 000
Athlete Support- Preparation	7 564 881	22 030 324
Commonwealth Games	11 893 633	-
Region V Games	-	10 000 000
	<b>19 458 514</b>	<b>102 010 324</b>





Figures in R

2018

2017

# **IOC DEVELOPMENT FUND AND MARKETING**

Olympic Programme Subsidy (TOP)	10 205 910	9 752 558
IOC Admin Grants	-	104 650
IOC Olympic Scholarships	406 059	827 286
IOC Technical Courses	-	88 498
IOC ANOCA-Zone 6 Forum	44 300	-
ANOCA- Athlete Support	-	677 050
IOC Continental and Regional Games Programme	-	2 622 253
IOC Team Support	1 923 243	359 533
IOC-Technology	59 230	85 980
Grant For President and Secretary general	-	566 224
IOC Admin Grant	399 864	1 977 664
IOC NOC Participation Fee	-	8 666 610
IOC Winter Olympic Scholarship	-	222 234
	<b>13 038 606</b>	<b>25 950 540</b>

# **OTHER**

SuperSport	6 297 822	4 022 930
Skills Development Levy	-	9 278
PCD Training for Provinces	-	6 579
RPL Fees for Coaches	-	85 614
Donations and Bequests	59 919	20 811
	<b>6 357 741</b>	<b>4 145 212</b>

# **TOTAL REVENUE**

**51 531 105**

**177 985 295**



Figures in R

2018

2017

## 2 Other income

Other income	579 986	545 866
Profit on disposal of fixed asset	63 499	-
Legal case	1 300 000	-
<b>Total other income</b>	<b>1 943 485</b>	<b>545 866</b>

## 3 Expenses

### 3a Allowances

#### Board Members (Allowances)

Mr H Kajee	268 727	268 727
Mr M Alexander	224 237	224 237
Mr L Williams	224 237	253 897
Mr SJF Marais	224 237	224 237
Mr SG Sam	331 014	331 014
Mr MM Mohamed	-	149 491
Mr J Naidoo	-	149 491
Mr SJJ Segwaba	224 237	224 237
Mr TS Hlasho	-	149 491
Mr EE Smith	-	149 491
Mr MSI King	224 237	224 237
Mrs MR Keikabile	-	149 491
Mr TA Skhosana	79 640	47 878
Mrs DG Alexander	224 237	74 597
Miss LZ Simelane	224 237	74 597
Mr BE Hendricks	268 727	89 427
Miss N Du Toit	268 933	47 257
Mr K Majeke	224 237	74 597
<b>TOTAL ALLOWANCES</b>	<b>3 010 936</b>	<b>2 906 394</b>

#### Other Employee Benefit Expenses

Chief Executive Officer	2 017 210	2 575 321
General Manager High Performance	1 367 762	1 391 360
Chief Operating Officer	1 555 873	1 588 760
Chief Financial Officer	1 275 192	1 661 862
	<b>6 216 040</b>	<b>7 217 303</b>

#### Other employees' salaries

10 450 971      10 955 590

#### Total employee benefits expenses

**16 667 011**      **18 172 893**



Figures in R

2018

2017

### 3b Depreciation

Leasehold Property	752 522	752 823
Furniture and fittings	36 024	69 215
Computer equipment	274 570	244 756
Motor vehicles	210 730	297 106
Office equipment	44 642	37 665
Souvenirs	12 118	12 118
Car Port	5 934	5 934
Air conditioning Equipment	22 845	22 842
Security Equipment	43 311	8 319
Generator	42 091	42 090
Fitness Laboratory	24 524	24 524
	<b>1 469 311</b>	<b>1 517 392</b>

### 3c Surplus from operations

Surplus from operations is stated after taking the following into account:

Auditor's remuneration	583 454	617 752
External audit	540 000	617 752
Accounting	43 454	-
Depreciation (Note 3b)	1 469 311	1 517 392
Operating lease expenses: Property	113 691	113 691
Commonwealth Bid expenses	-	143
	<b>2 166 456</b>	<b>2 248 978</b>

### 3d Other operating expenses

	54 004 098	137 001 338
<b>TOTAL EXPENSES</b>	<b>77 317 813</b>	<b>161 846 994</b>

Figures in R

2018

2017

**4 Finance income**

Interest received from banks

303 829

2 641 752

**303 829**

**2 641 752**

**5 Finance costs**

Finance lease and overdraft

101 532

207 239

**101 532**

**207 239**





Figures in R

2018

2017

**4 Finance income**

Interest received from banks

303 829

2 641 752

**303 829**

**2 641 752**

**5 Finance costs**

Finance lease and overdraft

101 532

207 239

**101 532**

**207 239**



Figures in R

2018

2017

## 6 Property, plant and equipment

2018	Opening balance	Additions	Disposals	Closing Balance
Cost	R	R	R	R
Leasehold Property	7 026 349	-	-	7 026 349
Furniture and fittings	251 779	-	-	251 780
Computer equipment	803 223	99 157	-	902 381
Motor vehicles	1 183 126	-	(340 205)	842 922
Office equipment	178 568	-	-	178 568
Souvenirs	48 475	-	-	48 475
Car Port	29 671	-	-	29 671
Air-conditioning Equipment	114 223	-	-	114 223
Security Equipment	24 962	125 980	-	150 942
Fitness Laboratory	210 454	-	-	210 453
Generator	245 243	-	-	245 242
<b>Total cost</b>	<b>10 116 073</b>	<b>225 137</b>	<b>(340 205)</b>	<b>10 001 004</b>

2018	Opening balance	Current year	Disposals	Closing balance
Accumulated depreciation	R	Depreciation	R	R
Leasehold Property	2 258 469	752 522	-	3 010 991
Furniture and fittings	149 489	36 024	-	185 512
Computer equipment	578 204	274 570	-	852 774
Motor vehicles	813 033	210 730	(230 919)	792 844
Office equipment	79 434	44 642	-	124 076
Souvenirs	36 355	12 119	-	48 474
Car Port	17 803	5 934	-	23 737
Air-conditioning Equipment	66 107	22 845	-	88 952
Security Equipment	24 960	43 311	-	68 271
Fitness Laboratory	126 272	42 091	-	168 361
Generator	73 572	24 524	-	98 097
<b>Total accumulated depreciation</b>	<b>4 223 698</b>	<b>1 469 311</b>	<b>(230 919)</b>	<b>5 462 085</b>



Figures in R

2018

2017

## 6 Property, plant and equipment

### Net book value

Leasehold Property	4 015 358	4 767 880
Furniture and fittings	66 267	102 290
Computer equipment	49 606	225 019
Motor vehicles	50 077	370 093
Office equipment	54 492	99 134
Souvenirs	1	12 120
Car Port	5 934	11 868
Air-conditioning Equipment	25 271	48 116
Security Equipment	82 671	2
Fitness Laboratory	42 091	84 182
Generator	147 145	171 671
<b>Total net book value</b>	<b>4 538 919</b>	<b>5 892 381</b>

There is a notarial deed of lease over the following Leasehold Property erected thereon: A lease over Portion 315 (James and Ethel Gray Park) of the Farm Syferfontein No. 51 IR (Note 11)

Figures in R

2018

2017

## 7 Investment in subsidiaries

Investment in Subsidiaries

3

4

Detail of the Entity's subsidiaries at 31 March 2017 are as follows:

	Ownership	Voting Power	Principle activity
Gride Investments (Proprietary) Limited	100 %	100 %	Investment Holdings
National Paralympic Committee of South Africa (Pty) Ltd	100 %	100 %	Paralympic activities
South Africa Sports Confederation and Olympic Committee NPC	100 %	100 %	Olympic activities

Gride Investments (Pty) Ltd is a special purpose entity and holds 3 898 542 (2017: 4 278 000) ordinary shares in Phumelela Gaming and Leisure Limited.

The main business of the National Paralympic Committee of South Africa is to promote, manage, administer and co-ordinate the competitive sports activities which the International Paralympic Committee provide, by persons with disabilities in the Republic of South Africa.

The South African Sports Confederation and Olympic Committee NPC to promote, manage, administer and co-ordinate the competitive and recreational participation in non-professional sports activities. In 2014 the South African Sport Confederation and Olympic Committee NPC was transferred to the South African Sport Confederation and Olympic Committee (Association not for Gain)

Directors' valuation on shares was disclosed at cost.





Figures in R	2018	2017
<b>8 Trade and other receivables</b>		
Trade receivables	1 445 996	6 492 990
Less: NLC	-	(5 003 250)
Prepayment and deposit	3 629 813	52 400
SARS Value Added Tax	2 687 616	1 340 490
	<u>7 763 425</u>	<u>2 882 630</u>
Less: Provision for Doubtful debts	(1 215 954)	(6 891)
Trade receivables	<u>6 547 472</u>	<u>2 875 739</u>

The average credit period on sponsorship and grants is 120 days. No interest is charged on the trade receivables. Trade receivables are mainly contractual sponsorship and grant agreements which are generally settled without recovery procedure being implemented. Sponsorship agreements are based on procurement by the marketing agents.

**Movement in allowance for doubtful debt**

Balance at beginning of year	(6 891)	-
Raised during the year	(1 215 954)	(6 891)
Utilised during the year	6 891	-
Balance at end of the year	<u>(1 215 954)</u>	<u>(6 891)</u>



Figures in R

2018

2017

## 8 Trade and other receivables

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Less: NLC	-	(5 003 250)
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Balance at end of the year	<u><b>(1 215 954)</b></u>	<u><b>(6 891)</b></u>



Figures in R

2018

2017

## 9 Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flow comprise of the following balance sheet amounts:

Petty Cash	10 300	11 300
Bank balances	9 413 105	20 444 972
	<b>9 423 405</b>	<b>20 456 272</b>

## 10 Finance lease liabilities for Motor Vehicles

SASCOC holds motor vehicles under a five-year lease. The future minimum lease payments are as follows:

Payable within one year	210 148	299 318
Payable within 2 to 5 years	70 050	399 090
	<b>280 198</b>	<b>698 408</b>
Less: Future finance charges	(20 895)	(88 473)
<b>Present Value of Minimum lease payments</b>	<b>259 303</b>	<b>609 935</b>
<b>Current Liability</b>	<b>190 844</b>	<b>241 605</b>
<b>Non-Current Liability</b>	<b>68 459</b>	<b>368 330</b>
	<b>259 303</b>	<b>609 935</b>

## 11 Long-term liabilities

The amount included in long term liability represents the operating lease liability payable on portion 315 (James and Ethel Gray Park) of the farm Syferfontien no 51 IR over the period of 25 years

Lease liability (lease smoothing adjustment)	767 010	828 721
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At the balance sheet date the entity has outstanding commitments under non-cancellable operating leases with a term of more than one year, which falls due as follows:

Payable within one year	196 451	175 402
Payable within 2 to 5 years	1 051 569	938 901
Payable after 5 years	134 818	443 937
	<b>1 382 838</b>	<b>1 558 240</b>

The operating lease liability payable on portion 315 ( James and Ethel Gray Park) of the farm Syferfontien no 51 over the period of 25 years. The Lease commenced on 1st September 1998 and escalates at the rate of 12 per cent per annum.

## 12 Loan from subsidiary

Gride Investments (Pty) Ltd	11 600 000	-
This loan is unsecured, interest free and no fixed term of repayment was agreed upon		



Figures in R

2018

2017

### 13 Accruals

Leave pay		
Opening balance	1 174 089	917 243
Movement during the year	(151 806)	256 846
Closing balance	<b>1 022 283</b>	<b>1 174 089</b>

The leave pay accrual relates to possible vesting leave pay which employees may become entitled upon leaving the employment of the entity. The accrual arises as employees render a service that increases their entitlement to future compensated leave. The accrual is utilised when the employees become entitled to and are paid for the accumulated leave or utilise compensated leave due to them.

### 14 Trade and other payables

Trade payables	15 233 464	9 268 246
Payroll accruals	96 811	-
Accrued expenses	450 000	-
<b>Total Payables</b>	<b>15 780 275</b>	<b>9 268 246</b>

The average credit period on purchases of goods and services from suppliers is 3 months (90 days). Policy and procedures are in place to ensure that all payables are paid within the prescribed credit terms.

### 15 Deferred Revenue

Deferred revenue	<b>17 248 212</b>	<b>24 873 011</b>
National Training centre phase	3 000 000	3 000 000
National Training centre upgrade facilities	12 000 000	12 000 000
Recreation South Africa-National training centre	2 248 212	2 248 212
National Lotteries Coaches	-	6 503 215
National Lotteries Basketball	-	1 061 666
R Fitzpatrick donation-Sun International	-	11 750
Queens Baton Relay	-	48 169
	<b>17 248 212</b>	<b>24 873 011</b>





Figures in R

2018

2017

## 19 Taxation

In Terms of Income Tax Act of 1962 as amended, section 10 (1)(cn), SASCOC as a Public Benefit Organization is exempt for tax.

## 20 Related Party Transactions

During the year the entity and its subsidiary, in the ordinary course of business, entered into the following transaction:

### Investment in subsidiaries

Details of investments in the subsidiaries are disclosed in note 3. No goods and services were sold by the entity to its subsidiary

### Dividend in subsidiaries

Details of dividend from the subsidiaries are disclosed as follows:

Gride Investments (Pty) Ltd: R0 (2017: R0)

### Loan from subsidiaries

Loan from Gride Investment R11 600 000

## 21 Contingent Liability

A third party put in a claim for damages, which SASCOC is defending. Details as follows:

Unfair dismissal matter R 2 500 000

The SASCOC Board do not believe this amount is due to the claimant and was not part of any formal agreement signed by the board of management.

Rio Selection matter (fencing)

Claim is denominated in USD (\$280 000 USD/ZAR 11.85 at 31/3/2018) R 3 318 000

Rio Selection matter (fencing) R 1 809 600

## 22 Subsequent Events

There are no subsequent events that would materially impact on the annual financial statements for the period under review.

## 23 Going Concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and the settlement of liabilities will occur in the ordinary course of business

The total fair value of the Gride Investment at 31 March 2018 was R 61.6 million.

Subsequent to year end, to enable continuation of operations and delivery on mandates, the following funds were received or have been committed:

- R20 million from the Department of Sports and Recreation;
- R10.1 million from the IOC
- R1.1 million from Citi Bank International
- R15 million from the NLC



Figures in R

2018

2017

## 23 Going Concern

Under the period of review to the year end the Minister of Sport instituted a Committee of Enquiry to investigate alleged board related governance issues and non-adherence to SASCOC's constitution that impact negatively on SASCOC and sport in general. The board welcomed this investigation and co-operated with the committee of inquiry to fulfil its requirements. At the time of signing these financial statements the committee had completed its investigation, however the findings of the committee are unknown. While unlikely, the findings of the committee could have an implication for SASCOC's future funding from the Department of Sport and Recreation. This has been considered when assessing SASCOC's ability to continue as a going concern.

## 24 Board actions

Although these financial statements are for the period ended 31 March 2018 there has been a series of events involving members of management which have caused the board to withhold the financial statements until the outcome of all proceedings became known.

In 2017/18 the then CEO, CFO and another senior member of management were suspended pending an investigation into allegations levelled at these members of management which then led to a disciplinary process. The disciplinary process was conducted by Adv Myburgh and was concluded on 8 January 2018. These individuals were dismissed with immediate effect following the release of the disciplinary commissions report. The report cites that these key members of management have been found guilty by the disciplinary committee of matters relating to corruption, acting dishonestly and/or in material breach of their fiduciary duties (collectively referred to as 'contraventions'). The disciplinary process found that these members of management had contravened certain policies and procedures, which included those relating to financial controls.

These occurrences of contraventions may have led to instances where expenditure incurred for certain supplies and services do not compare to the actual value of the goods or services received. Although the Board has reported the matter to the police and will continue to support any criminal investigation, any potential recovery of losses given the associated significant uncertainty of recovery success has not been accounted for.

The board has considered the benefit of further investigation into these contraventions to determine the quantum of the difference between market value of the goods and or services received and those paid for by SASCOC. The Board is aware transactions with M&M Marques, Fly-Afrika, 361 Clothing and Duo Sport may not have been executed in line with the approved financial policies and procedures of SASCOC. Specific transactions were considered as part of the disciplinary process. In order to determine the full extent of the quantum of difference to market value, the Board would have to investigate all transactions with suppliers of goods and services to SASCOC entered into by those members of management who have been dismissed through this period to determine an accurate adjustment. The determination of the fair value received versus paid is a subjective one and is of little value to the readers of the financial statements. Any successful recoveries collected as part of the on-going investigations will be recognised as other income.

The Board does however acknowledge that the net position shown in the Statement of Comprehensive Income could have been improved had the necessary policies and procedures been adhered to.

The Board is satisfied that the Statement of Financial Position (Balance Sheet) fairly reflects the financial position of the Association at 31 March 2018 and its comparatives and that no material misstatement exists.

The matters disclosed above led to the reporting of a Reportable Irregularity (section 45 - Duty to report on irregularities) in terms of the Auditing Profession Act No. 26 of 2005 ("the Act") by SASCOC's previous external auditors. The Board have timeously responded to this letter to explain the action taken against these members of management i.e. dismissal.





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Figures in R

2018

2017

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## 24 Board actions

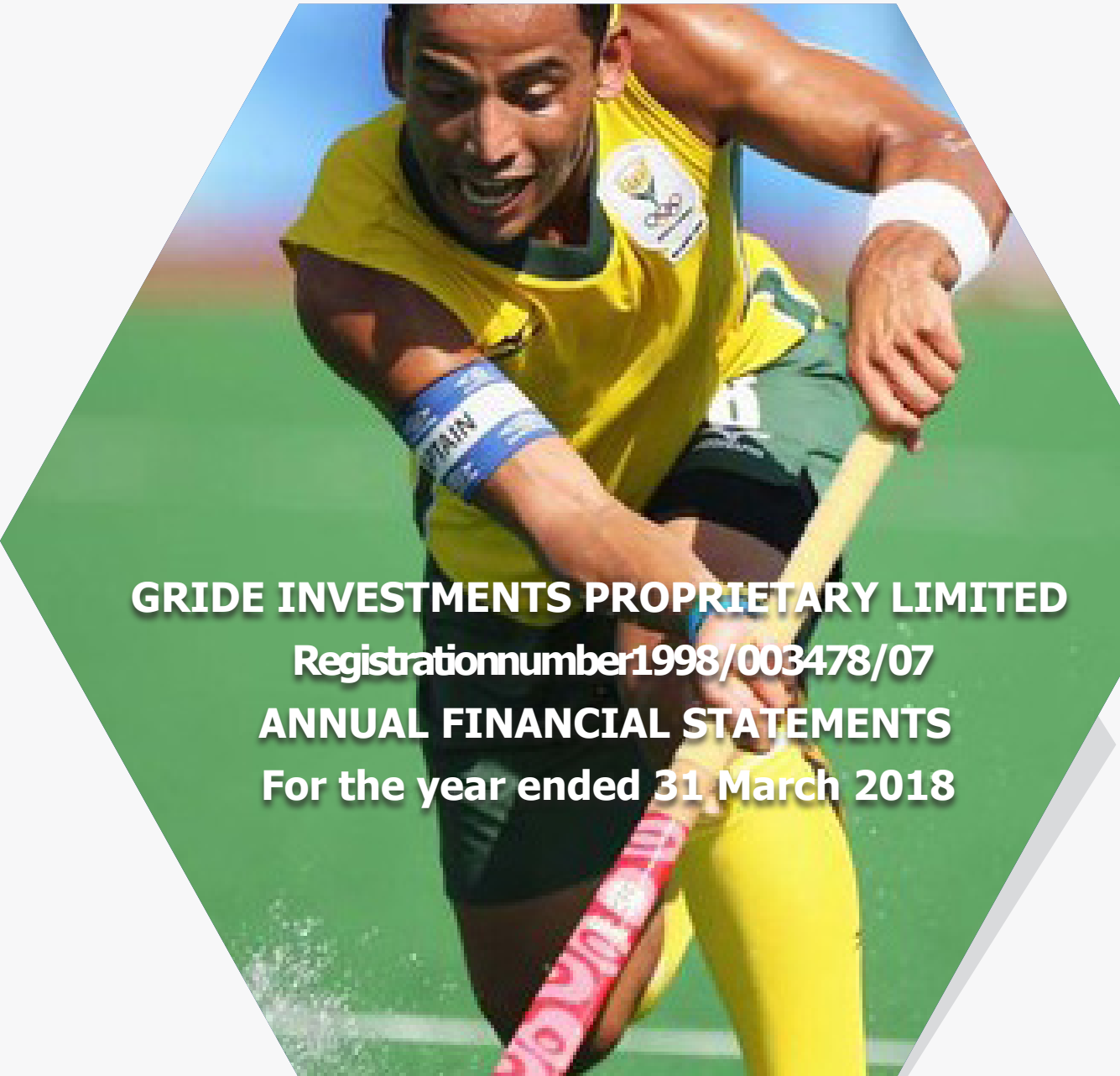
The Board has considered the requirements of The Prevention and Combatting of Corrupt Activities Act, Act 12 of 2004 ("PRECCA"). The Board of SASCOC have reported this matter to the South African Police Service in accordance with Section 34 of The Prevention and Combatting of Corrupt Activities Act, Act 12 of 2004 ("PRECCA"). The matter has been reported to the Norwood branch of the South African Police Service with the following case number having been allocated CAS 107/2/2018. The board will not be instituting any private investigations and will continue to work with police with the aim of possible recovery which is dependent on the outcome of the police investigations.

The board continues to evaluate its procurement policies and procedures to identify and consider the weaknesses identified through the investigations which led to the dismissal of the staff members concerned. While the specific incidents which led to the dismissal of the staff members are considered to be 'management override' of policies and procedures, the board continues to impress on management and those charged with governance to adhere to and report on incidents of non-compliance with SASCOC's internal policies and procedures.



# **GRIDE INVESTMENTS PROPRIETARY LIMITED**

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**GRIDE INVESTMENTS PROPRIETARY LIMITED**  
**Registration number 1998/003478/07**  
**ANNUAL FINANCIAL STATEMENTS**  
**For the year ended 31 March 2018**



# COMPANY INFORMATION

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Date of incorporation	26 February 1998
Registration number	1998/003478/07
Registered address	22 Aronsohn Road Lyme Park Ext 4 Sandton
Postal address	PO Box 1558 Ferndale 2160

Incorporated in the Republic of South Africa

## Directors

The directors in office during the year:

Mr G N Sam

Mrs H Kajee

Mr Les Williams

Mr P O Goldhawk Deceased 2<sup>nd</sup> September 2018



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# DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

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The directors are responsible for monitoring the preparation of and the integrity of the financial statements.

In order for the board of directors to discharge its responsibilities, management has developed and continues to maintain a system of internal control. The directors have ultimate responsibility for the system of internal control and review its operation, through various risk monitoring procedures.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the entity's policies and procedures. These controls are implemented by trained, skilled personnel with an appropriate segregation of duties, are monitored by management and include a comprehensive budgeting and reporting system operating within strict deadlines and an appropriate control framework.

The financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium Entities (IFRS for SMEs) and the Companies Act of South Africa and incorporate disclosures in line with the accounting philosophy of the entity. They are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors believe that the entity will be a going concern in the year ahead. For this reason they continue to adopt the going concern basis in preparing the entity annual financial statements.

The annual financial statements for the year ended 31 March 2018 set out on pages 8 to 22 were approved by the board of directors on 7<sup>th</sup> of December 2018 and are signed on its behalf by:

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Director

# DIRECTORS' REPORT

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The directors present their annual report, which forms part of the audited financial statements of the company for the year ended 31 March 2018.

## **Nature of business**

There were no changes in the nature of the company's business during the year under review. The company holds assets or property for investment purposes.

## **Financial results**

The financial results of the company are set out in the attached financial statements.

## **Dividends**

Dividends declared during the year R nil: (2017: Nil).

## **Holding Company**

Gride Investments Proprietary Limited is an investment company. Full share capital is held by the South African Sports Confederation and Olympic Committee.

## **Events after balance sheet date**

No matter that is material to the financial affairs of the company has occurred between the balance sheet date and the date of approval of the financial statements.

## **Directors' interest in contracts**

No material contracts in which the directors have an interest were entered into in the current year.



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	March 2018 R	March 2017 R
<b>Revenue</b>			
Investment revenue		4 476 829	5 994 635
Administrative expenses		(152 671)	(140 677)
<b>Profit for the year before tax</b>	1	4 324 158	5 853 958
Taxation	6	(43 387)	(370 780)
<b>Profit for the year</b>		4 280 771	5 483 178
<b>Other comprehensive income</b>			
Fair value (loss)/gain on available for sale assets	4	(27 238 357)	13 788 778
Taxation impact of components of other comprehensive income	6	6 101 392	(3 038 363)
<b>Total comprehensive income/(loss) for the year</b>		(16 856 194)	16 233 593





# STATEMENT OF FINANCIAL POSITION

	Notes	March 2018 R	March 2017 R
<b>Assets</b>			
<b>Current Assets</b>			
Loan to holding company	8	11 600 000	-
Cash and cash equivalents	3	71 635	662 680
Other financial assets	4	61 607 870	95 612 344
Tax Receivable		578 053	621 439
<b>Total Assets</b>		<b>73 857 558</b>	<b>96 896 463</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	5	1	1
Retained earnings		19 728 057	15 447 286
Other reserves		42 126 576	63 263 540
		<b>61 854 634</b>	<b>78 710 827</b>
<b>Long term liabilities</b>			
Deferred taxation	6	11 852 924	17 954 316
<b>Current liabilities</b>			
Trade and other payables	9	150 000	231 320
<b>Total Equity &amp; Liabilities</b>		<b>73 857 558</b>	<b>96 896 463</b>

## STATEMENT OF CHANGES IN EQUITY

	Share capital R	Retained income R	Other Reserves R	Total R
Balance at 31 March 2016	1	9 964 108	52 513 125	62 477 234
Profit for the year	-	5 483 178	-	5 483 178
Fair value gain net of tax:				
- Fair value movement of financial asset	-	-	10 750 415	10 750 415
<b>Balance at 31 March 2017</b>	<b>1</b>	<b>15 447 286</b>	<b>63 263 540</b>	<b>78 710 827</b>
Profit for the year		4 280 771	-	4 280 771
Fair value gain net of tax:				
- Fair value movement of financial asset		-	(21 136 965)	(21 136 965)
<b>Balance at 31 March 2018</b>	<b>1</b>	<b>19 728 057</b>	<b>42 126 576</b>	<b>61 854 634</b>



# STATEMENT OF CASH FLOWS

	Note	March 2018 R	March 2017 R
<b>Operating activities</b>			
Cash paid to suppliers and employees		(190 604)	(3 357)
<b>Cash utilised in operations</b>	7	(190 604)	(3 357)
Interest received	1	27 709	359 613
Tax paid		(43 387)	(43 556)
<b>Net cash flows from operating activities</b>		(206 282)	312 700
<b>Investing activities</b>			
Dividends received	1	4 449 120	4 053 400
Increase investment in other financial assets		-	(7 041 543)
Sale of rights		-	1 581 622
Sale of shares		6 766 117	-
<b>Net inflow from investment activities</b>		11 215 237	(1 406 521)
<b>Finance activities</b>			
(Increase) Decrease in Group Company loans		(11 600 000)	(1 000 000)
<b>Net outflow from finance activities</b>		(11 600 000)	(1 000 000)
<b>Net increase/(decrease) in cash equivalents</b>		591 045	(2 093 821)
Balance per prior year		662 680	2 756 501
<b>Cash and cash equivalents at the end of the year</b>		71 635	662 680

# ACCOUNTING POLICIES

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## **Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Entities and the Companies Act of South Africa.

## **Basis of preparation**

The financial statements have been prepared on the historical cost basis except for the revaluation of certain current assets and financial instruments. The principal accounting policies are set out below, and are presented in South African Rand. The principal accounting policies adopted are set out below.

## **Financial Assets**

In accordance with IFRS for SME's Section 11, Gride Investment (Pty) Ltd, chose the option to apply the recognition and measurements principles of IAS 39 Financial Instruments and the disclosure requirements of Section 11 and 12 of IFRS for SME's.

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

### *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

### *Financial assets at FVTPL*

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or

- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of an entity of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the entity's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments:
- Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 4

#### *AFS financial assets*

Unlisted shares and listed redeemable notes held by the Entity that are traded in an active market are classified as being AFS and are stated at fair value. Fair value is determined in the manner described in note 4. Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

Dividends on AFS equity instruments are recognised in profit or loss when the Entity's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

#### *Loans and receivables*

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised

by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.





### *Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the entity's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

### *Derecognition of financial assets*

The Entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and

rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

### **Taxation**

Income tax expense represents deferred tax.

#### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period and any adjustment to tax payable in respect of previous years

#### *Deferred tax*

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Entity is able to control the

## **Taxation (continued)**

reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Entity intends to settle its current tax assets and liabilities on a net basis.

### *Deferred tax for the period*

Deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

## **Tax expense**

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

## **Borrowings**

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

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement if the liability for at least 12 months after the balance sheet dates.

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## Share Capital

Ordinary shares are classified as equity.

## Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

## Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on management's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### *Discount rate on market value of financial asset*

A key assumption was applied when determining the value of the financial asset. Gride entered into a gentlemen's agreement with regards to the shares held in Phumelela Gaming (refer note 4). In terms of this agreement the sale of these shares are restricted to a Black Economic Empowerment (BEE) entity. In determining the fair value management applied a discount rate of 5% to the market value of the shares. The percentage was determined as the average discount rate applied by financial institutions in South Africa over the last few years when valuing shares held in BEE entities. The restriction no longer applies and therefore no discount has been applied in determining the value in the current year.

### *Fair value measurement*

Some of the company's assets are measured at fair value for financial reporting purposes. In the determination of the fair value, marker-observable data is used to the extent available. Where Level 1 inputs are not available the fair value is determined with reference to the price quoted by the fund managers (third party).



# NOTES TO THE FINANCIAL STATEMENTS

	2018 R	2017 R
<b>1. OPERATING PROFIT</b>		
Included in operating profit before tax:		
Investment income: Dividends received	4 449 120	4 053 400
Interest income	27 709	359 613
Sale of rights	-	1 581 622
Administrative expenses	(152 671)	(140 677)
	<b>4 324 158</b>	<b>5 853 958</b>
<b>2. DIRECTOR ALLOWANCES</b>		
(i) G Sam*	331 014	331 014
(i) H Kajee*	268 727	268 727
(i) L Williams*	224 237	253 897
* The Director allowances are obtained from the SASCOC (Association not for Gain) board allowances. The Board allowances do not specify between the duties of SASCOC and the duties of Gride Investment (Pty) Ltd.		
<b>3. CASH AND CASH EQUIVALENTS</b>		
Bank and cash	71 635	662 680
	<b>71 635</b>	<b>662 680</b>

	2018 R	2017 R
<b>4. OTHER FINANCIAL ASSETS</b>		
<b>Listed</b>		
Opening carrying amount	91 551 200	70 787 379
Shares acquired	-	6 905 795
Disposal of shares	(6 766 117)	-
Unrealised gain/(loss) on revaluation	(27 281 589)	13 858 026
Closing carrying amount	57 503 495	91 551 200

Fair value investments, comprising principally marketable equity securities, are fair valued annually at the close of business on 31 March. For investments traded in active markets, fair value is determined by reference to stock exchange quoted bid prices.

#### Details of listed investments

3 898 542 (2017: 4 278 000) ordinary shares in Phumelela Gaming and Leisure Limited which consist of 3.6% (2017: 4%) of the total Phumelela Gaming and Leisure Limited shares.

#### Details of unlisted investment

Old Mutual Wealth Linked Investment  
(formerly Nedgroup Investments Stable Fund B Class)

Opening carrying amount	4 061 144	3 994 644
Income for the year re-invested	-	135 748
Unrealised (loss)/gain on revaluation	43 232	(69 248)
Closing carrying amount	4 104 376	4 061 144

Fair value is established by reference to the unit price quoted by the fund manager at the period end.

#### Total Available for Sale Investments

Opening carrying amount	95 612 344	74 782 023
Disposal of Shares	(6 766 117)	-
Unrealised gain/(loss) on revaluation	(27 238 357)	20 830 321
Closing carrying amount	61 607 870	95 612 344



	2018 R	2017 R
<b>5. SHARE CAPITAL</b>		
<b>Authorised</b>		
1 000 ordinary shares of R1 each	1 000	1 000
<b>Issued</b>		
1 ordinary share of R1	1	1

The unissued shares are under the control of the directors of the entity until the forthcoming annual general meeting.

## 6. TAXATION

### Income tax

-Current tax	43 387	370 780
	<b>43 387</b>	<b>370 780</b>

### Deferred tax charged directly to equity – Available for sale financial assets

Opening balance	17 954 316	14 915 953
Deferred tax charged / (reversed) directly in equity	(6 101 392)	3 038 363
- Deferred tax as a result of fair value adjustment of available for sale assets	(6 101 392)	3 038 363
Closing balance	<b>11 852 924</b>	<b>17 954 316</b>

	2018 R	2017 R
<b>6. TAXATION (continued)</b>		
<b>The income tax expense can be reconciled to the accounting profit as follows:</b>		
Tax at rate	28.0%	28.0%
Effect of expenses that are not deductible in determining taxable profit		
Effect of income that is exempt from taxation		
- Dividend income	(27.0%)	(18.79%)
Effect of unused tax losses	0%	(2.88%)
<b>Effective tax rate</b>	<b>1.0%</b>	<b>6.33%</b>

## 7. CASH UTILISED IN OPERATIONS

Profit before tax for the year	4 324 158	5 588 788
Adjustments for:		
Investment income	(4 476 829)	(5 994 635)
Interest paid	-	-
Operating loss before working capital changes	(152 671)	(140 677)
Increase/(Decrease) in current liabilities	(37 933)	137 320
Cash utilised in operating activities	(190 604)	(3 357)

	2018 R	2017 R
<b>8. RELATED PARTY TRANSACTIONS</b>		
<b>Related parties</b>		
South African Sports Confederation and Olympic Committee ("SASCOC") Holding company		
Loan to Shareholder	11 600 000	-
Net inter-company balance	11 600 000	-

The loan is unsecured, interest free and has no repayment terms.

#### **9. TRADE PAYABLES**

Trade payables	150 000	231 320
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The average credit period on purchases of goods and services from suppliers is 3 months (90 days). Suppliers do not charge interest on outstanding balance.

#### **10. SUBSEQUENT EVENTS**

No subsequent events exist that required disclosure or adjustment.

#### **11. GOING CONCERN**

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and the settlement of liabilities will occur in the ordinary course of business.







**South African Sports Confederation  
and Olympic Committee  
and its Subsidiary  
ASSOCIATION NOT FOR GAIN  
Consolidated Financial Statements  
for the year ended 31 March 2018**

# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

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Annual Financial Statements for the year ended 31 March 2018

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# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements for the year ended 31 March 2018

## General Information

The South African Sports Confederation and Olympic Committee ("SASCOC"), association not for gain, was established on 13 November 2004 in Johannesburg by the major national sports bodies. SASCOC (Non-Profit Company) resolved on 9th November 2013 to transfer SASCOC (Non-Profit Company) assets and liabilities to SASCOC (Association not for Gain) on 1st April 2014, which was duly constituted with a constitution that was adopted on the 9th November 2013. SASCOC (Association not for Gain) is responsible for High Performance sport in South Africa and the objectives and activities have not changed.

Gride Investments Proprietary Limited is a special purpose entity. Gride Investments (Pty) Ltd holds 3,898,542 (2017: 4,278,000) ordinary shares in Phumelela Gaming and Leisure Limited. SASCOC holds 100% (2017: 100%) of the shares in Gride Investments (Pty) Ltd. The Board of Gride Investments (Pty) Ltd is represented by our President Mr Gideon Sam and 1st Deputy President Ms Hajera Kajee as directors.

### Country of Incorporation and Domicile

South Africa

### Officers

The members of the Board of the organisation during the year and at the date of this report were:

President (Re-elected 26th November 2016)	Mr Gideon Sam
Board Member (Re-elected 26th November 2016)	Mr. Kobus Marais
Vice President (Elected 26th November 2016)	Mr. Barry Hendricks
IOC Member	Dr. Sam Ramsamy
IOC Member (Appointed 8th August 2016)	Mr. Anant Singh
Board Member (Re-elected 26th November 2016)	Mr. Mark Alexander
Board Member (Re-elected 26th November 2016)	Ms. Merrill King
Deputy President (Re-elected 26th of November 2016)	Ms. Hajera Kajee
Board Member (Elected 26th November 2016)	Dr. Debbie Alexander
Board Member (Re-elected 26th November 2016)	Mr. Les Williams
Board Member (Co-opted 5th December 2016)	Ms. Lwandile Simelane
Board Member (Co-opted 5th December 2016)	Mr. Kaya Majeke
Board Member (Co-opted 5th December 2016)	Mr. Jerry Segwaba
Board Member (Co-opted 19th January 2017)	Mr. Aleck Skhosana
Board Member (Appointed 19th January 2017).	Ms. Natalie Du Toit



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

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Annual Financial Statements for the year ended 31 March 2018

## General Information

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### Registered Office

Olympic House  
James and Ethel Gray Park  
Atholl Oaklands Road  
Melrose  
2196

### Postal address

PO Box 1355  
Houghton, 2041



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

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Annual Financial Statements for the year ended 31 March 2018

## Board Members Responsibilities and Approval

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The board is responsible for monitoring the preparation and the integrity of the financial statements.

In order for the board to discharge its responsibilities, management has developed and continues to maintain a system of internal control. The board has ultimate responsibility for the system of internal controls and reviews its operation.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the entity's policies and procedures. These controls are implemented by trained, skilled personnel with an appropriate segregation of duties, are monitored by management and include a comprehensive budgeting and reporting system operating within strict deadlines and an appropriate control framework.

The financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium Entities and incorporate responsible disclosure in line with the accounting philosophy of the entity. The financial statements are based on appropriate policies consistently applied and supported by reasonable and prudent judgments and estimates.

The board believes that the entity will be a going concern for the next twelve months from date of signing the annual financial statements. For this reason, they continue to adopt the going concern basis in preparing the annual financial statements.

The annual financial as set out on pages 13 to 40 were approved by the Board on 7th December 2018 and are signed on its behalf by:

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President

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Board Member





# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements for the year ended 31 March 2018

## Report of the Board Members

The Board members present their report for the year ended 31 March 2018.

The Board has pleasure in presenting their report on the activities of the organisation.

### Review of Operations

The establishment of SASCOC was guided by the following principles:

- SASCOC has the mandate to deliver High Performance Sport in South Africa;
- SASCOC prepares, assembles and delivers all international multi-coded teams (Team South-Africa);
- SASCOC establishes an Academy System integrated with athletes support systems from Talent identification at junior level to international representation; and
- SASCOC will take the lead in national macro sports policy formulation, such as transformation and the National Sports Plan.

SASCOC adopted its National Sports Plan which focuses on transformation of sport and the measures that need to be carefully considered for South Africa Sport to be truly transformed.

During the year under review, SASCOC successfully delivered the following major activities:

- Preparation and delivery of Team South Africa to the Commonwealth Youth Games in Nassau, Bahamas in July 2017;
- Preparation and delivery of Team South Africa to the Winter Olympic Games in PyeongChang, South Korea in February 2018. Olympic Solidarity assisted with preparation of athletes through the Olympic Scholarships for athletes specific for the Games;
- Delivery of Team South Africa to the World Games in Wroclaw, Poland in July 2017;
- Preparation and part delivery of Team South Africa to the Commonwealth Games in Gold Coast, Australia in March and April 2018;
- Preparation and support of top level athletes through the Operation Excellence (OPEX) Programme to various international events throughout the financial year;
- Preparation and support of athletes through securing Olympic Solidarity Athlete Scholarships for Tokyo 2020;
- Assisted some National Federations who had applied for Olympic Solidarity funding to implement their Technical Courses for Coaches;
- Through Olympic Solidarity, we managed to bring out a Canadian Coaching expert to assist with facilitation of the Coach Developer programme in July 2017;
- A total of 115 Coaches and Coach Developers were conferred designations through the RPL process;
- The organisation commenced with the Master's Degree in Sports Coaching with the Da Vinci institute;
- Development of Coaches through the Olympic Scholarship for Coaches programme by sending coaches to the International Coaching Enrichment Certificate Program (ICECP);
- We have continued to support the national men's rugby 7's team through the Olympic Solidarity Team Support Grant
- Hosted General Assemblies on 22 April 2017 and 10 February 2018.

At a continental and international level, the organization has been involved in various activities of the IOC, IPC, ANOC, ANOCA, COSANOC and AUSA Region 5. The Board held its quarterly meetings and championed the various Commissions and Committees assigned to Board members. These are Athletes Commission, Audit Committee, Finance Committee, High Performance Commission, Membership and Evaluation Committee, Remuneration Committee, Women in Sport Commission.

The above activities were funded through grants and sponsorships from Sport and Recreation South Africa (SRSA), the National Lotteries Commission (NLC), International Olympic Committee (IOC), Commonwealth Games Federation (CGF), Olympic Solidarity (OS) and Association of National Olympic Committees of Africa (ANOCA).

The Board accepted the recommendations of a disciplinary hearing to dismiss the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Executive Manager. Findings of these hearings are available to members. See note 25



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

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Annual Financial Statements for the year ended 31 March 2018

## Report of the Board Members

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SASCOC is engaging with the Minister of Sport and Recreation and the National Lotteries Commission to map out a solution for increased ongoing future funding. For discussion on going concern, refer to note 24.

### Board's Responsibility for Financial Reporting

The Board is responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium Entities (IFRS for SME's)

The Board is also responsible for the systems of internal control. These were designed to provide reasonable but not absolute, assurance as to the reliability of the financial statements and to adequate safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and deficit.

The Board is responsible for the adoption of strategic plans, monitoring of operational performance and management, determination of policy and processes to ensure the integrity of SASCOC's risk management and internal controls, communication policy and orientation of new members elected to the Board if any.

To adequately fulfil their responsibilities, the members of the Board have unrestricted access to financial information, all SASCOC information, records, documents, and property.

The Board met on the following dates, 22<sup>nd</sup> April 2017, 22<sup>nd</sup> May 2017, 14<sup>th</sup> July 2017, 19<sup>th</sup> July 2017, 30<sup>th</sup> August 2017, 20<sup>th</sup> October 2017, 23<sup>rd</sup> January 2018, 9<sup>th</sup> February 2018 and 26 March 2018. Special Board meetings were held on 19<sup>th</sup> July 2017 and 30<sup>th</sup> August 2017 as the need arises. The Board is responsible to members of the General Assembly.

### Audit Committee

The Audit Committee met on 21<sup>st</sup> August 2017, 14<sup>th</sup> May 2018, 17<sup>th</sup> of November 2018 and the 5<sup>th</sup> December 2018 amongst dealing with other matters, recommended to the Board the approval of the Annual Financial Statements for the year ending 31<sup>st</sup> March 2018.

### Risk Management

The focus of risk management is on identifying, assessing, managing, and monitoring all known forms of risks across SASCOC. The management of the entity is engaged in a continuous process of developing and enhancing its comprehensive systems for risk identification and management.

The risk to the entity's business encompasses such areas as the exchange rates, political and economic factors, legislation, national regulations, interest rates, people skills and general operational and financial risks.

The major risks are the subject of ongoing attention of the Board and are given particular consideration in the annual strategic plan and the comprehensive set of policies and procedures which are approved by the Board.



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

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Annual Financial Statements for the year ended 31 March 2018

## Report of the Board Members

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### Management Reporting

Management reporting disciplines include the preparation of annual operating budgets. Monthly results are compared to approved budgets. Surplus projections and cash flow forecasts are reviewed regularly, while borrowing levels are monitored on an ongoing basis.

### Financial and Internal Controls

Employees are required to maintain the highest ethical standards in ensuring that business practices are conducted in a manner, which in all reasonable circumstances is above reproach.

### Code of Ethics

The entity subscribes to a code of ethics and endeavors to act with honesty, responsibility and integrity towards all its stakeholders.

### Employment Equity

The organization has employment practices, which it believes are appropriate. They are designed to attract, motivate, and retain quality staff at all levels. Equal employment opportunities are offered to all employees without discrimination.

### Related Parties

SASCOC (Association not for Gain) has performed an assessment for Related Parties under Section 33 of IFRS for SME's and came to the conclusion that no federation meet the definition of a Related Party Disclosure.

### Going Concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and the settlement of liabilities will occur in the ordinary course of business.

During the year under review SASCOC has extended its own resources to fund projects based on its mandate which projects were expected to be funded by the National Lotteries Commission (NLC). A grant was received from the National Lotteries Commission for an amount of R17.9 million for the delivery of Team SA to the Commonwealth Games in Gold Coast. In addition, SASCOC received R9.4 million from Sports and Recreation South Africa. A further R12.5 million was received from the International Olympic Committee (IOC) as well as a Paralympic Sponsorship of R2.3 million.

Subsequent to year end, to enable continuation of operations and delivery on mandates, the following funds were received or have been committed:

- R20 million from the Department of Sports and Recreation;
- R10.1 million from the IOC
- R1.1 million from Citi Bank International
- R15 million from the NLC



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

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Annual Financial Statements for the year ended 31 March 2018

## Report of the Board Members

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The report of the Ministerial Committee of Enquiry to investigate alleged board related governance issues and non-adherence to SASCOC's constitution that impact negatively on SASCOC and sport in general was received and has been responded to. We await the official release of the report by the Minister. In the interim SASCOC had commenced addressing some of the issues raised in the report even prior to receipt thereof. Many of the issues raised in the report have been considered when assessing SASCOC's ability to continue as a going concern. It is to be noted that the board has implemented an Organisational Development Task Team to drive a turnaround strategy that will reaffirm the continued financial viability of SASCOC.



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements for the year ended 31 March 2018

## Statement of Comprehensive Income

Figures in R	Notes	2018	2017
<b>Revenue</b>	1	51 531 105	177 985 295
Other income	2	1 943 485	2 127 488
Operating costs	3	(77 470 484)	(161 987 672)
<b>Operating profit/(loss)</b>		<b>(23 995 894)</b>	<b>18 125 111</b>
Finance income	4	331 538	3 001 365
Investment income	5	4 449 120	4 053 401
Finance costs	6	(101 532)	(207 239)
<b>Profit before tax</b>		<b>(19 316 768)</b>	<b>24 972 638</b>
<b>Income Tax</b>	14	<b>(43 387)</b>	<b>(370 780)</b>
<b>Profit/(loss) for the year</b>		<b>(19 360 155)</b>	<b>24 601 858</b>
<b>Other Comprehensive Income</b>			
Available for sale investment	9	(27 238 357)	13 788 778
Taxation impact of components of other comprehensive income	14	6 101 392	(3 038 363)
<b>Total comprehensive Deficit/surplus for the year</b>		<b>(40 497 120)</b>	<b>35 352 273</b>





# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements as at 31 March 2018

## Statement of Financial Position

Figures in R	Notes	2018	2017
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	7	4 538 919	5 892 381
Investment in subsidiary	8	2	3
Other investment	9	61 607 870	95 612 344
		<b>66 146 791</b>	<b>101 504 728</b>
<b>Current Assets</b>			
National Lottery Commission (NLC)		-	5 003 250
Trade and other receivables	10	6 547 472	2 875 739
Cash and cash equivalents	11	9 495 040	21 118 952
Tax receivable		578 053	621 440
		<b>16 620 565</b>	<b>29 619 381</b>
<b>Total Assets</b>		<b>82 767 356</b>	<b>131 124 109</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Reserves		42 126 576	63 263 539
Retained earnings/ (accumulated loss)		(6 439 227)	12 920 930
		<b>35 687 349</b>	<b>76 184 469</b>
<b>Non-Current Liabilities</b>			
Finance lease liabilities	12	68 459	368 330
Long-term liabilities	13	767 010	828 721
Deferred tax	14	11 852 924	17 954 316
		<b>12 688 393</b>	<b>19 151 367</b>
<b>Current Liabilities</b>			
Accruals	15	1 022 283	1 174 089
Trade and other payables	16	15 930 275	9 499 568
Deferred Revenue	17	17 248 212	24 873 011
Finance lease liabilities	12	190 844	241 605
		<b>34 391 614</b>	<b>35 788 273</b>
<b>Total Equity and Liabilities</b>		<b>82 767 356</b>	<b>131 124 109</b>



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements for the year ended 31 March 2018

## Statement of Cash Flows

Figures in R	Notes	2018	2017
<b>Cash flows from operating activities</b>			
Cash receipts from sponsorships and grants		52 862 622	198 546 260
Cash paid to federations, suppliers, and employees		(75 360 199)	(201 899 334)
<b>Net cash flows (utilised in)/ from operations</b>	<b>18</b>	<b>(22 497 577)</b>	<b>(3 353 071)</b>
Investment income	4	331 538	3 001 365
Dividend received	5	4 449 120	4 053 401
Finance costs	6	(61 449)	(207 239)
Tax paid		(43 387)	(43 557)
<b>Net cash flows from operating activities</b>		<b>(17 821 755)</b>	<b>3 450 899</b>
<b>INVESTING ACTIVITIES</b>			
Proceeds on the sale of property and equipment	7	109 287	-
Additions to property and equipment	7	(225 137)	(298 209)
Proceed on sale right		-	1 581 622
Sale of shares	9	6 766 117	(7 041 543)
<b>Net cash utilised in investing activities</b>		<b>6 650 267</b>	<b>(5 758 130)</b>
<b>FINANCING ACTIVITIES</b>			
Decrease in lease liability		(390 713)	(215 476)
Decrease in long term liability		(61 711)	(42 918)
<b>Net cash from financing activities</b>		<b>(452 424)</b>	<b>(258 394)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(11 623 912)</b>	<b>(2 565 626)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>21 118 952</b>	<b>23 684 578</b>
<b>Cash and Cash Equivalents at end of the year</b>	<b>11</b>	<b>9 495 040</b>	<b>21 118 952</b>



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements for the year ended 31 March 2018

## Statement of Changes in Equity

Figures in R	Reserves	Retained earnings	Total
Balance at 1 April 2016	52 513 126	(11 680 928)	40 832 198
<b>Total comprehensive income for the year</b>			
Fair value movement of Financial Asset	13 788 778	-	13 788 778
Profit for the year	-	24 601 858	24 601 858
Change in tax rate	(3 038 363)	-	(3 038 363)
<b>Balance at 31 March 2017</b>	<b>63 263 541</b>	<b>12 920 930</b>	<b>76 184 469</b>
<b>Total comprehensive income for the year</b>			
Fair value movement of Financial Asset	(27 238 357)	-	(27 238 357)
Profit for the year	-	(19 360 155)	(19 360 155)
Change in tax rate	6 101 392	-	6 101 392
<b>Balance at 31 March 2018</b>	<b>42 126 576</b>	<b>(6 439 227)</b>	<b>35 687 349</b>

	31 March 2017	Net Movement	31 March 2018
<b>Dedicated funds</b>	<b>9 989 221</b>	-	<b>9 989 221</b>
Development	2 291 381	-	2 291 381
NLDTF	3 511 587	-	3 511 587
High Performance	998 610	-	998 610
National Training Centre	1 513 355	-	1 513 355
Bursary fund	1 674 288	-	1 674 288
<b>Accumulated funds</b>	<b>(12 515 434)</b>		<b>(36 156 361)</b>
Olympics accumulated funds	(29 872 411)	(23 640 927)	(53 513 338)
Paralympics accumulated funds	19 099 576	-	19 099 576
Bidding and Hosting-CGF Games	( 1 742 599)		(1 742 599)
Retained earnings from consolidation	15 447 143	4 280 771	19 727 914
<b>TOTAL</b>	<b>12 920 930</b>	<b>(19 360 155)</b>	<b>(6 439 227)</b>



# **SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY**

Financial Statements for the year ended 31 March 2018

## **Accounting Policies**

Figures in R

### **Basis of preparation**

The financial statements of South African Sports Confederation And Olympic Committee have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements have been prepared under the historical cost convention except for the revaluation of certain financial instruments.

### **Revenue recognition**

Product sponsorships are recognized at a deemed market value and are only accounted for when consumed. Government grants and National Lottery Grants are only recognized when the agreement is signed. All contractual receipts for specific projects which, if not spent are reflected as deferred revenue.

Where sponsorship contracts relate to specific projects which are carried out several years, sponsorship revenue is recognized to the extent of contact costs incurred, when it is probable that the cost will be recoverable by the sponsorship received. The balance of revenue is recognized once the project is completed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

### **Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As a lessee

Assets held under finance leases are recognized as assets of the entity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or deficit.

Rentals payable under operating leases are charged to profit or deficit on a straight-line basis over the term of the relevant lease.

### **Borrowing costs**

All borrowing costs are recognized as an expense in the period in which they are incurred.

### **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairments.

Depreciation is charged so as arising to write off the cost of assets to its residual value over their estimated useful lives, using the straight-line method.



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Financial Statements for the year ended 31 March 2018

## Accounting Policies

### Figures in R

Residual values and estimated useful lives are assessed only when there is any indication that there has been a significant change from previous estimate.

The gain or deficit arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or deficit.

### Impairment of assets

At each reporting date, the organization reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment deficit. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment deficit (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimated the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment deficit is recognized immediately in profit or deficit.

When an impairment deficit subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment deficit been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment deficit is recognized immediately in profit or deficit.

### Financial assets

In accordance with IFRS for SME's Section 11, SASCOC (Association not for Gain) chose the option to apply the recognition and measurements principles of IAS 39 Financial Instruments and the disclosure requirements of Section 11 and 12 of IFRS for SME's.

Financial assets are classified into the following specified categories: 'loan and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognized on an effective interest basis debt instruments.

#### Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Entity manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.





# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Financial Statements for the year ended 31 March 2018

## Accounting Policies

### Figures in R

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of an entity of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the entity's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments:
- Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 9.

### AFS financial assets

Unlisted shares and listed redeemable notes held by the Entity that are traded in an active market are classified as being AFS and are stated at fair value. Fair value is determined in the manner described in note 4. Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

Dividends on AFS equity instruments are recognised in profit or loss when the Entity's right to receive the dividends is established. The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

### Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

### Derecognition of financial liabilities

The entity derecognizes financial liabilities when, and only when, the entity's obligations are discharged, cancelled or they expire



# **SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY**

Financial Statements for the year ended 31 March 2018

## **Accounting Policies**

Figures in R

### **Loan and receivables**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

### **Derecognition of financial assets**

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

### **Financial liabilities**

Financial liabilities are classified as other financial liabilities at amortised cost.

### **Investment in subsidiaries**

Investments in subsidiaries are measured at cost less any accumulated impairment losses.



# **SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY**

Financial Statements for the year ended 31 March 2018

## **Accounting Policies**

Figures in R

### **Provisions**

Provisions are recognised when the organization has a present or constructive obligation as a result of a past event, and it is probable that the organization will be required to settle that obligation. Provisions are measured at the board's best estimate of the expenditure required to settle the obligation at the balance sheet, and are discounted to present value where the effect is material.

### **Critical accounting judgements and key sources of estimation uncertainty**

Critical judgements in applying the organization's accounting policies:

In the process of applying the organization's accounting policies, which are described above, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

### **Revenue recognition**

In making its judgement, management considered the detailed criteria for the recognition of revenue from sponsorship and services rendered as set out in the accounting policy.

### **Residual values**

For the current year residual values were taken into consideration when calculating depreciation and these values will be assessed when there are any indicators that there has been a significant change from previous estimates.



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Financial Statements for the year ended 31 March 2018

## Accounting Policies

Figures in R

### Useful lives

The following rates are used for depreciation of property and equipment:	%
Leasehold property (over the period if lease)	
Furniture and fittings	6.25
Computer equipment	33.33
Motor vehicles	25.00
Office equipment	25.00
Souvenirs	25.00
Car Port	20.00
Air conditioning	20.00
Security equipment	33.00
Fitness laboratory	20.00
Generator	10.00

### Leave pay accrual

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual, based on total employment cost, is raised for the estimated liabilities as a result of services rendered by employees up to balance sheet date.

### Provision for doubtful debts

Management assesses the receivables on an individual basis and provides for outstanding debts where necessary. In determining whether an impairment loss should be recorded in profit/deficit, judgements are made whether there is observable data indicating a measurable decrease in the estimated future cash flows from the asset.

### Employee cost

#### Short-term employee benefits

The cost of short-term employee benefits, (those wholly due within 12 months after the end of the period in which the employees rendered the related service, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

#### Termination benefits

Termination benefits are recognised as an expense with its resulting liability when the entity is demonstrably committed either:

- to terminate the employment of an employee or group of employees before the normal retirement date; or
- to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date.

#### Dedicated funds

The balance represents cash contractually received/to be received from various sponsors and funders. These are earmarked for specific projects either at the requirement of the funder/sponsor or through an allocation made by SASCOC.

Expenditure relating to the amounts reflected against the NLDTF is governed by the grant contract and requires regular reporting to the NLDTF.





# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Financial Statements for the year ended 31 March 2018

## Accounting Policies

Figures in R

### Fair value measurement

Some of the company's assets are measured at fair value for financial reporting purposes. In the determination of the fair value, marker-observable data is used to the extent available. Where Level 1 inputs are not available the fair value is determined with reference to the price quoted by the fund managers (third party).





# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements for the year ended 31 March 2018

## Notes to the Annual Financial Statements

Figures in R	2018	2017
<b>1 Revenue</b>		
Revenue comprises the following categories		
<b>PRODUCT SPONSORSHIP</b>	-	15 465 206
<b>SPONSORSHIP: Olympics</b>	-	5 600 000
<b>SPONSORSHIP: Paralympics</b>	2 385 888	7 430 000
<b>COMMONWEALTH GAMES FEDERATION</b>	884 356	38 015
<b>GOVERNMENT GRANTS-SPORTS AND RECREATION SOUTH AFRICA</b>		
Administration	-	4 134 600
Athletes Preparation Olympic Games	-	2 605 700
SRSA Olympic	9 406 000	7 605 700
SRSA Region V	-	3 000 000
	<b>12 676 244</b>	<b>17 346 000</b>
<b>NATIONAL LOTTERIES DISTRIBUTION TRUST FUNDS</b>		
Olympic Games	-	29 000 000
Marketing Olympic Games	-	24 980 000
Paralympic Games	-	16 000 000
Athlete Support- Preparation	7 564 881	22 030 324
Commonwealth Games	11 893 633	-
Region V Games	-	10 000 000
	<b>19 458 514</b>	<b>102 010 324</b>



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements for the year ended 31 March 2018

## Notes to the Annual Financial Statements

Figures in R	2018	2017
<b>IOC DEVELOPMENT FUND AND MARKETING</b>		
Olympic Programme Subsidy (TOP)	10 205 910	9 752 558
IOC Admin Grants	-	104 650
IOC Olympic Scholarships	406 059	827 286
IOC Technical Courses	-	88 498
IOC ANOCA-Zone 6 Forum	44 300	-
ANOCA- Athlete Support	-	677 050
IOC Continental and Regional Games Programme	-	2 622 253
IOC Team Support	1 923 243	359 533
IOC-Technology	59 230	85 980
Grant For President and Secretary general	-	566 224
IOC Admin Grant	399 864	1 977 664
IOC NOC Participation Fee	-	8 666 610
IOC Winter Olympic Scholarship	-	222 234
	<b>13 038 606</b>	<b>25 950 540</b>
<b>OTHER</b>		
SuperSport	6 297 822	4 022 930
Skills Development Levy	-	9 278
PCD Training for Provinces	-	6 579
RPL Fees for Coaches	-	85 614
Donations and Bequests	59 919	20 811
	<b>6 357 741</b>	<b>4 145 212</b>
<b>TOTAL REVENUE</b>	<b>51 531 105</b>	<b>177 985 295</b>



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements for the year ended 31 March 2018

## Notes to the Annual Financial Statements

Figures in R	2018	2017
<b>2 Other income</b>		
Other income	579 986	545 866
Profit on disposal of fixed asset	63 499	1 581 622
Legal case	1 300 000	-
<b>Total other income</b>	<b>1 943 485</b>	<b>2 127 488</b>
<b>3 Expenses</b>		
<b>3a Allowances</b>		
<b>Board Members (Allowances)</b>		
Mr H Kajee	268 727	268 727
Mr M Alexander	224 237	224 237
Mr L Williams	224 237	253 897
Mr SJF Marais	224 237	224 237
Mr SG Sam	331 014	331 014
Mr MM Mohamed	-	149 491
Mr J Naidoo	-	149 491
Mr SJJ Segwaba	224 237	224 237
Mr TS Hlasho	-	149 491
Mr EE Smith	-	149 491
Mr MSI King	224 237	224 237
Mrs MR Keikabile	-	149 491
Mr TA Skhosana	79 640	47 878
Mrs DG Alexander	224 237	74 597
Miss LZ Simelane	224 237	74 597
Mr BE Hendricks	268 727	89 427
Miss N Du Toit	268 933	47 257
Mr K Majeke	224 237	74 597
<b>TOTAL ALLOWANCES</b>	<b>3 010 936</b>	<b>2 906 394</b>
<b>Other Employee Benefit Expenses</b>		
Chief Executive Officer	2 017 210	2 575 321
General Manager High Performance	1 367 762	1 391 360
Chief Operating Officer	1 555 873	1 588 760
Chief Financial Officer	1 275 192	1 661 862
	<b>6 216 040</b>	<b>7 217 303</b>
<b>Other employees' salaries</b>	10 450 971	10 955 590
<b>Total employee benefits expenses</b>	<b>16 667 011</b>	<b>18 172 893</b>



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements for the year ended 31 March 2018

## Notes to the Annual Financial Statements

Figures in R

	2018	2017
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### 3b Depreciation

Leasehold Property	752 522	752 823
Furniture and fittings	36 024	69 215
Computer equipment	274 570	244 756
Motor vehicles	210 730	297 106
Office equipment	44 642	37 665
Souvenirs	12 118	12 118
Car Port	5 934	5 934
Air conditioning Equipment	22 845	22 842
Security Equipment	43 311	8 319
Generator	42 091	42 090
Fitness Laboratory	24 524	24 524
	<b>1 469 311</b>	<b>1 517 392</b>

### 3c Surplus from operations

Surplus from operations is stated after taking the following into account:

Auditor's remuneration	583 454	617 752
External audit	540 000	617 752
Accounting	43 454	-
Depreciation (Note 3b)	1 469 311	1 517 392
Operating lease expenses: Property	113 691	113 691
Commonwealth Bid expenses	-	143
	<b>2 166 456</b>	<b>2 248 978</b>

### 3d Other operating expenses

TOTAL EXPENSES	54 156 769	137 142 016
	<b>77 470 484</b>	<b>161 987 672</b>



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements for the year ended 31 March 2018

## Notes to the Annual Financial Statements

Figures in R

2018

2017

### 4 Investment income

Interest received from banks

331 538

3 001 365

**331 538**

**3 001 365**

### 5 Dividend income

Dividends received from listed companies

4 449 120

4 053 401

**4 449 120**

**4 053 401**

### 6 Finance costs

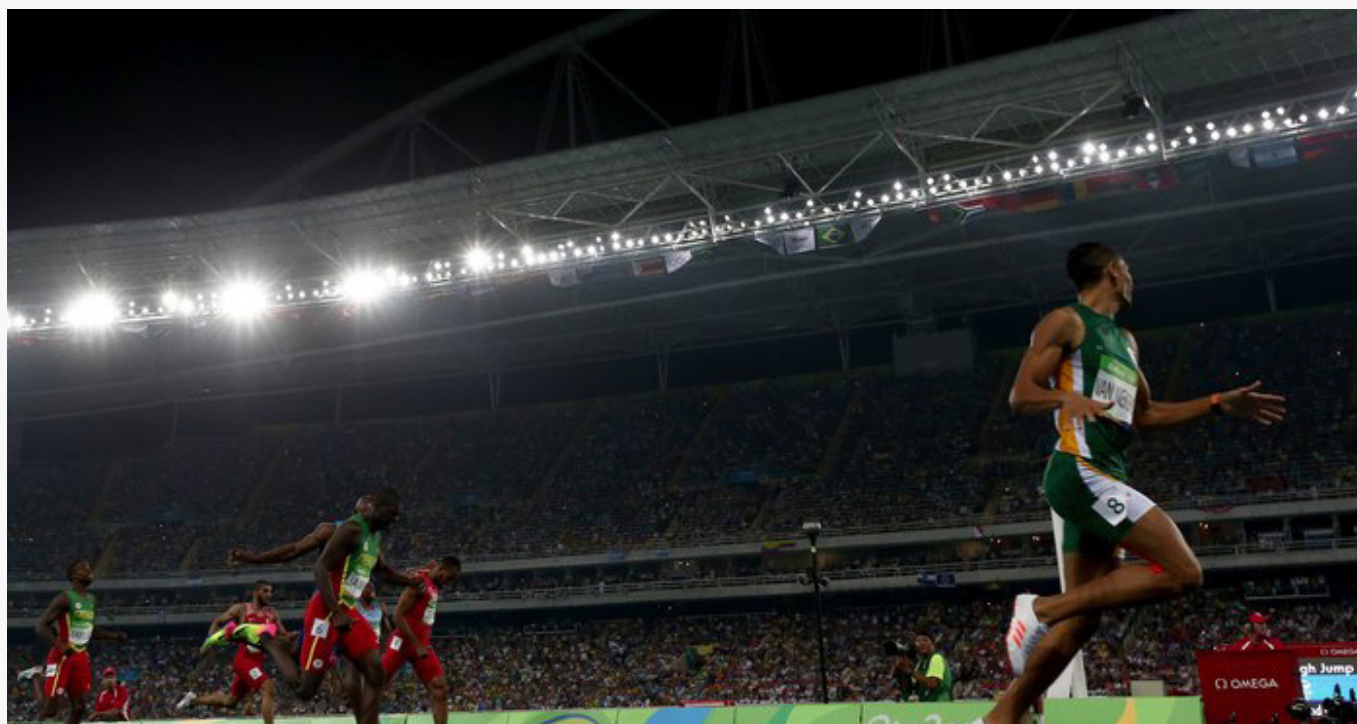
Finance lease and overdraft

101 532

207 239

**101 532**

**207 239**





# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements for the year ended 31 March 2018

## Notes to the Annual Financial Statements

Figures in R 2018 2017

### 7 Property, plant and equipment

2018	Opening balance	Additions	Disposals	Closing Balance
Cost	R	R	R	R
Leasehold Property	7 026 349	-	-	7 026 349
Furniture and fittings	251 779	-	-	251 780
Computer equipment	803 223	99 157	-	902 381
Motor vehicles	1 183 126	-	(340 205)	842 922
Office equipment	178 568	-	-	178 568
Souvenirs	48 475	-	-	48 475
Car Port	29 671	-	-	29 671
Air-conditioning Equipment	114 223	-	-	114 223
Security Equipment	24 962	125 980	-	150 942
Fitness Laboratory	210 454	-	-	210 453
Generator	245 243	-	-	245 242
<b>Total cost</b>	<b>10 116 073</b>	<b>225 137</b>	<b>(340 205)</b>	<b>10 001 004</b>

2018	Opening balance	Current year	Disposals	Closing balance
Accumulated depreciation	R	Depreciation R	R	R
Leasehold Property	2 258 469	752 522	-	3 010 991
Furniture and fittings	149 489	36 024	-	185 512
Computer equipment	578 204	274 570	-	852 774
Motor vehicles	813 033	210 730	(230 919)	792 844
Office equipment	79 434	44 642	-	124 076
Souvenirs	36 355	12 119	-	48 474
Car Port	17 803	5 934	-	23 737
Air-conditioning Equipment	66 107	22 845	-	88 952
Security Equipment	24 960	43 311	-	68 271
Fitness Laboratory	126 272	42 091	-	168 361
Generator	73 572	24 524	-	98 097
<b>Total accumulated depreciation</b>	<b>4 223 698</b>	<b>1 469 311</b>	<b>(230 919)</b>	<b>5 462 085</b>



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements for the year ended 31 March 2018

## Notes to the Annual Financial Statements

Figures in R

### 7 Property, plant and equipment

2017	Opening balance	Additions	Disposals	Closing Balance
Cost	R	R	R	R
Leasehold Property	7 026 349	-	-	7 026 349
Furniture and fittings	251 779	-	-	251 779
Computer equipment	593 565	209 658	-	803 223
Motor vehicles	1 183 126	-	-	1 183 126
Office equipment	90 017	88 551	-	178 568
Souvenirs	48 475	-	-	48 475
Car Port	29 671	-	-	29 671
Air-conditioning Equipment	114 223	-	-	114 223
Security Equipment	24 962	-	-	24 962
Fitness Laboratory	210 454	-	-	210 454
Generator	245 243	-	-	245 243
<b>Total cost</b>	<b>9 817 864</b>	<b>298 209</b>	<b>-</b>	<b>10 116 073</b>

2017	Opening balance	Current year	Disposals	Closing balance
Accumulated depreciation	R	Depreciation R	R	R
Leasehold Property	1 505 646	752 823	-	2 258 469
Furniture and fittings	80 274	69 215	-	149 489
Computer equipment	333 448	244 756	-	578 204
Motor vehicles	515 928	297 106	-	813 033
Office equipment	41 768	37 665	-	79 434
Souvenirs	24 238	12 118	-	36 355
Car Port	11 868	5 934	-	17 803
Air-conditioning Equipment	43 266	22 842	-	66 107
Security Equipment	16 641	8 319	-	24 960
Fitness Laboratory	84 181	42 090	-	126 272
Generator	49 048	24 524	-	73 572
<b>Total accumulated depreciation</b>	<b>2 706 306</b>	<b>1 517 392</b>	<b>-</b>	<b>4 223 698</b>



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements for the year ended 31 March 2018

## Notes to the Annual Financial Statements

Figures in R	2018	2017
<b>7 Property, plant and equipment</b>		
<b>Net book value</b>		
Leasehold Property	4 015 358	4 767 880
Furniture and fittings	66 267	102 290
Computer equipment	49 606	225 019
Motor vehicles	50 077	370 093
Office equipment	54 492	99 134
Souvenirs	1	12 120
Car Port	5 934	11 868
Air-conditioning Equipment	25 271	48 116
Security Equipment	82 671	2
Fitness Laboratory	42 091	84 182
Generator	147 145	171 671
<b>Total net book value</b>	<b>4 538 919</b>	<b>5 892 381</b>

There is a notarial deed of lease over the following Leasehold Property erected thereon: A lease over Portion 315 (James and Ethel Gray Park) of the Farm Syferfontein No. 51 IR (Note 13)



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements for the year ended 31 March 2018

## Notes to the Annual Financial Statements

Figures in R

	2018	2017
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### 8 Investment in subsidiaries

Investment in Subsidiaries	2	3
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Detail of the Entity's subsidiaries at 31 March 2018 are as follows:

	Ownership	Voting Power	Principle activity
National Paralympic Committee of South Africa (Pty) Ltd	100 %	100 %	Paralympic activities
South Africa Sports Confederation and Olympic Committee NPC	100 %	100 %	Olympic activities

The main business of the National Paralympic Committee of South Africa is to promote, manage, administer and co-ordinate the competitive sports activities which the International Paralympic Committee provide, by persons with disabilities in the Republic of South Africa.

The South African Sports Confederation and Olympic Committee NPC to promote, manage, administer and co-ordinate the competitive and recreational participation in non-professional sports activities. In 2014 the South African Sport Confederation and Olympic Committee NPC was transferred to the South African Sport Confederation and Olympic Committee (Association not for Gain)

Directors' valuation on shares was disclosed at cost.

### 9 Other investment

Listed

Opening carrying amount	91 551 200	70 787 379
Shares acquired	-	6 905 795
Disposal of shares	(6 766 117)	
Unrealised (loss)/gain or revaluation	(27 281 589)	13 858 026
Closing carrying amount	<b>57 503 495</b>	<b>91 551 200</b>

Available-for-sale investments, comprising principally marketable equity securities, are fair valued annually at the close of business on 31 March. For investments traded in active markets, fair value is determined by reference to stock exchange quoted bid prices.

Details of listed investments

3 898 542 (2017: 4 278 000) ordinary shares in Phumelela Gaming and Leisure Limited, which consist of 3.6% (2017: 4%) of the total Phumelela Gaming and Leisure Limited Shares.

#### Details of unlisted investment

Old Mutual Wealth Linked Investments (formerly Nedgroup Investments Stable Fund B Class):

Investment at cost	4 061 144	3 994 644
Income for the year reinvested	-	135 748
Unrealised gain/(loss) on revaluation	43 232	(69 248)
Closing carrying amount	<b>4 104 376</b>	<b>4 061 144</b>

Fair value is established by reference to the unit price quoted by the fund manager at the balance sheet date.



# SOUTH AFRICAN SPORTS CONFEDERATION AND OLYMPIC COMMITTEE & ITS SUBSIDIARY

Annual Financial Statements for the year ended 31 March 2018

## Notes to the Annual Financial Statements

Figures in R	2018	2017
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### 9 Other investment (continued)

Total Available for Sale Investments

Opening carrying amount	95 612 344	74 782 023
Disposal of shares	(6 766 117)	-
Unrealised gain/(loss) on revaluation	(27 238 357)	20 830 321
Closing carrying amount	<b>61 607 870</b>	<b>95 612 344</b>

### 10 Trade and other receivables

Trade receivables	1 445 996	6 492 990
Less: NLC	-	(5 003 250)
Prepayment and deposit	3 629 813	52 400
SARS Value Added Tax	2 687 616	1 340 490
	<b>7 763 425</b>	<b>2 882 630</b>
Less: Provision for Doubtful debts	(1 215 954)	(6 891)
Trade receivables	<b>6 547 472</b>	<b>2 875 739</b>

The average credit period on sponsorship and grants is 120 days. No interest is charged on the trade receivables. Trade receivables are mainly contractual sponsorship and grant agreements which are generally settled without recovery procedure being implemented. Sponsorship agreements are based on procurement by the marketing agents.

### Movement in allowance for doubtful debt

Balance at beginning of year	(6 891)	-
Raised during the year	(1 215 954)	(6 891)
Utilised during the year	6 891	-
Balance at end of the year	<b>(1 215 954)</b>	<b>(6 891)</b>





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### 11 Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flow comprise of the following balance sheet amounts:

Petty Cash	10 300	11 300
Bank balances (SASCOC)	9 413 105	20 444 972
Bank balances (Grinde Investment)	71 635	662 680
	<u>9 495 040</u>	<u>21 118 952</u>

### 12 Finance lease liabilities for Motor Vehicles

SASCOC holds motor vehicles under a five-year lease. The future minimum lease payments are as follows:

Payable within one year	210 148	299 318
Payable within 2 to 5 years	70 050	399 090
	<u>280 198</u>	<u>698 408</u>
Less: Future finance charges	(20 895)	(88 473)
	<u>259 303</u>	<u>609 935</u>
<b>Present Value of Minimum lease payments</b>		
	<u>259 303</u>	<u>609 935</u>
<b>Current Liability</b>	190 844	241,605
<b>Non-Current Liability</b>	68 459	368 330
	<u>259 303</u>	<u>609 935</u>

### 13 Long-term liabilities

The amount included in long term liability represents the operating lease liability payable on portion 315 (James and Ethel Gray Park) of the farm Syferfontien no 51 IR over the period of 25 years

Lease liability (lease smoothing adjustment)	<u>767 010</u>	<u>828 721</u>
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At the balance sheet date the entity has outstanding commitments under non-cancellable operating leases with a term of more than one year, which falls due as follows:

Payable within one year	196 451	175 402
Payable within 2 to 5 years	1 051 569	938 901
Payable after 5 years	134 818	443 937
	<u>1 382 838</u>	<u>1 558 240</u>

The operating lease liability payable on portion 315 ( James and Ethel Gray Park) of the farm Syferfontien no 51 over the period of 25 years. The Lease commenced on 1st September 1998 and escalates at the rate of 12 per cent per annum.



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### 14 Income Tax

Current tax	43 387	370 780
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#### Deferred tax charged directly to equity – Available for sale financial assets

Opening balance	17 954 316	14 915 953
Deferred tax charged / (reversed) directly in equity	(6 101 392)	3 038 363
Closing balance	11 852 924	17 954 316

Tax charge for the year relates to the subsidiary Gride Investment Proprietary Limited

In Terms of Income Tax Act of 1962 as amended, section 10 (1)(cn), SASCOC as a Public benefit Organization is exempt for tax. SASCOC (Association not for Gain) has applied and awaiting the tax exemption certificate from the South Africa Revenue Services.

### 15 Accrual

Leave provision

Opening balance	1 174 089	917 243
Movement during the year	(151 806)	256 846
Closing balance	1 022 283	1 174 089

The leave pay accrual relates to possible vesting leave pay which employees may become entitled upon leaving the employment of the entity. The accrual arises as employees render a service that increases their entitlement to future compensated leave. The accrual is utilised when the employees become entitled to and are paid for the accumulated leave or utilise compensated leave due to them.

### 16 Trade and other payables

Trade payables	15 233 464	9 268 248
Payroll accruals	96 811	-
Accrued expenses	600 000	231 320
	15 930 275	9 499 568

The average credit period on purchases of goods and services from suppliers is 3 months (90 days). Policy and procedures are in place to ensure that all payables are paid within the prescribed credit terms.



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### 17 Deferred Revenue

Deferred revenue

	17 248 212	24 873 011
National Training centre phase	3 000 000	3 000 000
National Training centre upgrade facilities	12 000 000	12 000 000
Recreation South Africa-National training centre	2 248 212	2 248 212
National Lotteries Coaches	-	6 503 215
National Lotteries Basketball	-	1 061 666
R Fitzpatrick donation-Sun International	-	11 750
Queens Baton Relay	-	48 169
	<b>17 248 212</b>	<b>24 873 011</b>



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### 18 Cash utilized/ from in operations

Profit for year		(19 316 768)	24 972 638
Adjusted for:			
Interest Income	4	(331 538)	(3 001 365)
Interest Expense	5	101 532	207 239
Profit on non-current assets		-	(1 581 622)
Depreciation	3.b	1 469 311	1 517 392
Income from investment		(4 449 120)	(4 053 401)
Decrease in investment		1	-
<b>Cash flow from operations before working capital changes</b>		<b>(25 526 582)</b>	<b>18 060 881</b>
Working capital changes:			
Decrease in trade and other receivables		1 331 517	20 560 965
Increase/Decrease in trade and other payables		6 322 287	(32 054 400)
Deferred income movement		(7 624 799)	(9 920 518)
<b>Cash (utilised)/from in operations</b>		<b>(22 497 577)</b>	<b>(3 353 071)</b>

### 19 Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

	FVTPL 2018	FVTPL 2017	Loans and receivables	Loan and receivables
Other investment	61 607 870	95 612 344	-	-
Cash and cash equivalents	-	-	9 495 040	21 118 952
Trade and other receivables	-	-	1 445 996	1 489 740
National lottery commission	-	-	-	5 003 250
<b>TOTAL</b>	<b>61 607 870</b>	<b>95 612 344</b>	<b>10 941 036</b>	<b>27 611 942</b>

### 20 Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

	Financial liabilities at amortised cost	Financial liabilities at amortised cost
Finance lease liabilities	259 303	609 935
Trade and other payables	15 233 464	9 268 848
<b>TOTAL</b>	<b>15 492 767</b>	<b>9 878 783</b>



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### 21 Related Party Transactions

During the year the entity and its subsidiary, in the ordinary course of business, entered into the following transaction:

#### Investment in subsidiaries

Details of investments in the subsidiaries are disclosed in note 3. No goods and services were sold by the entity to its subsidiary

#### Dividend in subsidiaries

Details of dividend from the subsidiaries are disclosed as follows:

Gride Investments (Pty) Ltd: R0 (2017: R0)

#### Loan from subsidiaries

The following transaction was eliminated on consolidation:

Loan from Gride Investment R11 600 000

### 22 Contingent Liability

A third party put in a claim for damages, which SASCOC is defending. Details as follows:

Unfair dismissal matter	R 2 500 000
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The SASCOC Board do not believe this amount is due to the claimant and was not part of any formal agreement signed by the board of management

Rio Selection matter (fencing) Claim is denominated in USD (\$280 000 USD/ZAR 11.85 at 31/3/2018)	R 3 318 000
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Rio Selection matter (fencing)	R 1 809 600
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### 23 Subsequent Events

There are no subsequent events that would materially impact on the annual financial statements for the period under review.

### 24 Going Concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and the settlement of liabilities will occur in the ordinary course of business

The total fair value of the Gride Investment at 31 March 2018 was R 61.6 million.

Subsequent to year end, to enable continuation of operations and delivery on mandates, the following funds were received or have been committed:

- R20 million from the Department of Sports and Recreation;
- R10.1 million from the IOC
- R1.1 million from Citi Bank International
- R15 million from the NLC



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### 24 Going Concern

Under the period of review to the year end the Minister of Sport instituted a Committee of Enquiry to investigate alleged board related governance issues and non-adherence to SASCOC's constitution that impact negatively on SASCOC and sport in general. The board welcomed this investigation and co-operated with the committee of inquiry to fulfil its requirements. At the time of signing these financial statements the committee had completed its investigation, however the findings of the committee are unknown. While unlikely, the findings of the committee could have an implication for SASCOC's future funding from the Department of Sport and Recreation. This has been considered when assessing SASCOC's ability to continue as a going concern.

### 25 Board actions

Although these financial statements are for the period ended 31 March 2018 there has been a series of events involving members of management which have caused the board to withhold the financial statements until the outcome of all proceedings became known.

In 2017/18 the then CEO, CFO and another senior member of management were suspended pending an investigation into allegations levelled at these members of management which then led to a disciplinary process. The disciplinary process was conducted by Adv Myburgh and was concluded on 8 January 2018. These individuals were dismissed with immediate effect following the release of the disciplinary commissions report. The report cites that these key members of management have been found guilty by the disciplinary committee of matters relating to corruption, acting dishonestly and/or in material breach of their fiduciary duties (collectively referred to as 'contraventions'). The disciplinary process found that these members of management had contravened certain policies and procedures, which included those relating to financial controls.

These occurrences of contraventions may have led to instances where expenditure incurred for certain supplies and services do not compare to the actual value of the goods or services received. Although the Board has reported the matter to the police and will continue to support any criminal investigation, any potential recovery of losses given the associated significant uncertainty of recovery success has not been accounted for.

The board has considered the benefit of further investigation into these contraventions to determine the quantum of the difference between market value of the goods and or services received and those paid for by SASCOC. The Board is aware transactions with M&M Marques, Fly-Afrika, 361 Clothing and Duo Sport may not have been executed in line with the approved financial policies and procedures of SASCOC. Specific transactions were considered as part of the disciplinary process. In order to determine the full extent of the quantum of difference to market value, the Board would have to investigate all transactions with suppliers of goods and services to SASCOC entered into by those members of management who have been dismissed through this period to determine an accurate adjustment. The determination of the fair value received versus paid is a subjective one and is of little value to the readers of the financial statements. Any successful recoveries collected as part of the on-going investigations will be recognised as other income.

The Board does however acknowledges that the net position shown in the Statement of Comprehensive Income could have been improved had the necessary policies and procedures been adhered to.

The Board is satisfied that the Statement of Financial Position (Balance Sheet) fairly reflects the financial position of the Association at 31 March 2018 and its comparatives and that no material misstatement exists.

The matters disclosed above led to the reporting of a Reportable Irregularity (section 45 - Duty to report on irregularities) in terms of the Auditing Profession Act No. 26 of 2005 ("the Act") by SASCOC's previous external auditors. The Board have timeously responded to this letter to explain the action taken against these members of management i.e. dismissal.

The Board has considered the requirements of The Prevention and Combatting of Corrupt Activities Act, Act12 of 2004 ("PRECCA"). The Board of SASCOC have reported this matter to the South African Police Service in accordance with Section 34 of The Prevention and Combatting of Corrupt Activities Act, Act12 of 2004 ("PRECCA"). The matter has been reported to the Norwood branch of the South African Police Service with the following case number having been allocated CAS 107/2/2018.





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### 25 Board actions

The board will not be instituting any private investigations and will continue to work with police with the aim of possible recovery which is dependent on the outcome of the police investigations.

The board continues to evaluate its procurement policies and procedures to identify and consider the weaknesses identified through the investigations which led to the dismissal of the staff members concerned. While the specific incidents which led to the dismissal of the staff members are considered to be 'management override' of policies and procedures, the board continues to impress on management and those charged with governance to adhere to and report on incidents of non-compliance with SASCOC's internal policies and procedures.



## ACKNOWLEDGEMENTS

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**sport & recreation**

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



## NOTES



SASCOC

**South African Sports Confederation  
and Olympic Committee**



**South African Sports  
Confederation and Olympic Committee**

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