



Press Release - For immediate release

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ARMSCOR ACHIEVES YET ANOTHER CLEAN AUDIT

Arm Scor has yet again achieved a clean audit report with no qualifications from the Auditor-General. This achievement solidifies the entities prudent approach and adherence to good corporate governance. Arm Scor presented its annual report for the 2016/17 financial year to the Portfolio Committee on Defence and Military Veterans on Wednesday, 11 October 2017.

The CEO of Arm Scor, Mr. Kevin Wakeford, expressed appreciation to the Board which has steered the entity in the right direction to fulfil its mandate. "We are pleased that we have once again achieved an unqualified audit report which has been sustained from the previous years. We are committed to uphold this standard and ensure that we improve our financial and operational efficiencies despite challenges" he said.

Arm Scor has proudly delivered on all its goals set in the Service Level Agreement (SLA) with the Department of Defence (DOD) for the 2016/17 financial year. These include but not limited to the following; efficiency in its complex acquisition mandate, execution of defence technology, research and evaluation. This has been achieved despite the reduction in operating expenditure.

As part of the implementation phase of the Turnaround Strategy, Arm Scor has moved swiftly to leverage on existing assets in order to generate revenue. The Sustainability Unit has brokered the sale of military equipment to other countries in the continent; there is also a steady progress on the property leveraging projects such as the Defence Intelligence Headquarters as well as engaging with the Safety and Security Cluster in offering complex acquisition services.

Armcor achieved a net surplus of R47.5m (2016/17) before allocation cut. Armcor recorded a healthy liquidity and solvency position for the 2016/17 financial year. Overall the core business projects and corporate goals set for the year under review have been achieved.

Armcor is also levelling the playing field by supporting the entrance of small, medium and micro-sized enterprises (SMMEs) into the defence market and participating in the Defence Sector Code. This intervention ensures that SMMEs are incubated and empowered to be formidable players in the future, and whose expertise are promoted not only in South Africa but also to the global market.

Armcor is committed to advancing the strategic initiatives of a developmental state as defined in the National Development Plan (NDP); thus, assist in eradicating poverty, inequality and unemployment. It is against this backdrop that Armcor embarked on a nationwide partnership with schools and institutions of higher learning to explore sustainable ways of assisting teachers and learners, mainly in science, technology, engineering and mathematics (STEM) subjects.

Mr. Wakeford maintains that the role of the Defence Industry should be a beachhead for the economy and its support ensures the sovereignty of the country. He also believes that Armcor is geared towards supporting this role towards its future and sustainability.



Armcor CEO, Mr. Kevin Wakeford

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The copy of the latest Annual Report 2016/17 can be obtained from our website:

www.armscor.co.za

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