



PRESS RELEASE - FOR IMMEDIATE RELEASE

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Arm Scor Retains its Unqualified Audit

Armaments Corporation of South Africa Limited (Arm Scor) received its second consecutive unqualified audit opinion from the Auditor-General of South Africa for the financial year ended 31 March 2019. This was announced today, 16 October 2019 in Parliament when the organisation presented its 2018/19 annual report to the Portfolio Committee on Defence and Military Veterans.

Advocate Solomzi Mbada, Acting CEO of Arm Scor attributes these results to sound financial management and adherence to the principle of good governance. "We would like to thank management and staff for the commitment and diligence in delivering the mandate of the organisation. It is the hard work and dedication of our staff and management; as well as the support of our stakeholders that has enabled Arm Scor to achieve these results."

During the year under review, Arm Scor changed its accounting reporting framework from Generally Accepted Accounting Practice to Generally Recognised Accounting Practice to ensure that financial activities are reported accurately, consistently and reliably. The organisation retained healthy liquidity and solvency.

The renewal project executed at the Dockyard managed to reduce a R30 million deficit. Voluntary severance packages implemented and various cost saving initiatives, saw Arm Scor reducing some of its operational costs. Overall, the organisation has performed well to achieve some of its strategic goals in accordance with the corporate plan. Where objectives were not achieved, measures are put in place to ensure delivery.

"Arm Scor will continue to strengthen its partnerships with key strategic stakeholders such as the Security Cluster in order to generate additional revenue, whilst also improving its financial and operational efficiencies," concluded Mbada.

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