science
& technology
Department:
Science and Technology
REPUBLIC OF SOUTH AFRICA

sansa
SOUTH AFRICAN NATIONAL
SPACE AGENCY

contents

PART A: GENERAL INFORMATION

A

1. Public Entity's General Information

REGISTERED NAME

South African National Space Agency

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EXTERNAL AUDITORS

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BANKERS

ABSA Bank

BOARD SECRETARY

Ms Rose Nkoane (Acting)

2. List of Abbreviations/Acronyms

ALC	African Leadership Conference
AMESD	Africa Monitoring of the Environment for Sustainable Development
APP	Annual Performance Plan
ATNS	Air Traffic and Navigation Services
BRICS	Brazil, Russia, India, China and South Africa
CAPEX	Capital Expenditure
CBERS	China-Brazil Earth Resource Satellite
CEOS	Committee on Earth Observation Satellites
CME	Coronal Mass Ejection
CNES	French Space Agency
COSPAR	Committee on Space Research
CPUT	Cape Peninsula University of Technology
CSA	Canadian Space Agency
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEM	Digital Elevation Model
DGI	Directorate for Geospatial Information
DLR	German Space Agency
DoC	Department of Communications
DoT	Department of Transport
DRS	Direct Receiving System
DST	Department of Science and Technology
Dti	Department of Trade and Industry
DMM	Differential Magnetometer Method
DWA	Department of Water Affairs

EC	European Commission
EEP	Employment Equity Plan
EGNOS	European Geostationary Navigation Overlay Services
EO	Earth Observation
EODC	Earth Observation Data Centre
ERP	Enterprise Resource Planning
ESA	European Space Agency
FDP	Fundisa Disk Programme
FY	Financial Year
GEO	Group on Earth Observation
GEONetCab	Geostationary Earth Orbiting Network for Capacity Building
GEOSS	Global Earth Observation System of Systems
GHSL	Global Human Settlement Layer
GIC	Geomagnetically Induced Current
GIS	Geographic Information System
GMES	Global Monitoring for Environment and Security
HARTRAO	Hartebeesthoek Radio Astronomy Observatory
HAND	Height Above Nearest Drainage
HCD	Human Capital Development
HF	High Frequency
HR-BPPI	Human Resources - Business Processes and Policies Improvement
INTERMAGNET	International Real-time Magnetic Observatory Network
IOT	In-Orbit Testing
IRI	International Reference Ionosphere
ISES	International Space Environment Service

ISET	Inspired toward Science, Engineering and Technology
ISRO	Indian Space Research Organisation
ITU	International Telecommunications Union
JRC	Joint Research Centre
JICA	Japan International Cooperation Agency
KPI	Key Performance Indicator
KSAT	Konsberg Satellite Services (Norway)
LEO	Low Earth Orbit
MISR	Multi-angle Imaging Spectroradiometer
MODIS	Moderate Resolution Imaging Spectroradiometer
MoU	Memorandum of Understanding
MTEF	Medium-term Expenditure Framework
NASA	National Aeronautics and Space Administration
NDMC	National Disaster Management Centre
NASRDA	National Space Research and Development Agency of Nigeria
NASSP	National Astrophysics and Space Science Programme
NRF	National Research Foundation
NSI	National System of Innovation
NSP	National Space Programme
NSS	National Space Strategy
NWISUP	North West Informal Settlement Upgrading Programme
PFMA	Public Finance Management Act
R&D	Research and Development
R&D	Research and Development

RWC	Regional Warning Centre
SAAF	South African Air Force
SAASTA	South African Agency for Science and Technology Advancement
SAEOS	South African Earth Observation Strategy
SANAP	South African National Antarctic Programme
SANDF	South African National Defence Force
SANSA	South African National Space Agency
SAWIA	South African Woman in Aviation and Aerospace
SBAS	Satellite-based Augmentation System
SCM	Supply Chain Management
SET	Science, Engineering and Technology
SHEQ	Safety, Health, Environment and Quality
SO	Space Operations
SPOT	System for Earth Observation (Systeme Pourl'Observation de la Terre)
SQUID	Superconducting Quantum Interference Device
STEM	Science, Technology, Engineering and Mathematics
TT&C	Telemetry, Tracking and Command
TUT	Tshwane University of Technology
TYIP	Ten-Year Innovation Plan (South Africa)
UCT	University of Cape Town
USGS	United States Geological Survey
WRC	Water Research Commission
WRO	World Robotics Olympiad

3. Minister's Statement

Mrs Naledi Pandor
Minister of Science and Technology

South Africa strives to ensure that the needs of society are being met and often these feel far removed from the high-tech reality of space. As Minister for Science and Technology, I have been exposed to the valuable contribution space activities make to our lives on planet Earth.

Investments in space play a crucial role in providing operational applications that contribute to addressing national challenges like unemployment, inequality and poverty.

Through the South African National Space Agency we are ensuring the integration of space based products and services into service delivery. SANSA was established in 2010 and has passed the four year period of foundational growth with valuable contributions made to achieving against the Agency's mandate, the National Space Strategy and South Africa's Vision 2030.

As I have stated in my 2015 Budget vote speech, there is overwhelming evidence of the catalytic role of science and innovation in generating future growth and new jobs. Investments in the human capital development of our citizens as set out in the National Development Plan (NDP) has facilitated positive progress towards the establishment of a knowledge–intensive society.

I am pleased that SANSA is playing a key role in addressing some of the central challenges identified in the NDP. The contributions of SANSA include the creation of high technology jobs along with the development of skills through training initiatives; the improvement of geospatial patterns to foster the development of marginalised communities; the planning and monitoring of backbone national infrastructure through space systems; health surveillance and intelligence through satellites; space–based service delivery and performance monitoring to assist in the delivery of essential services to all communities; and the provision of geospatial decision-making tools for decision makers.

Something close to my heart is the increase in uptake of science and mathematics by our learners and I am

glad to witness the commitment from SANSA in using space to excite and encourage our youngsters to explore science in and outside of their classrooms.

Through the National Geospatial Decision-Support Data Products, SANSA provides approximately 40 government entities at national and provincial levels with data resources as well as contributing data to the SA private sector and SADC countries. These high quality Earth observation products are intrinsically supportive of service delivery such as improved housing and infrastructure planning, agricultural production practice enhancement and even in the management of local disasters affecting our people.

The Agency continues to cement South Africa's role as a global space participant through the impressive track record of successful support of international space missions. SANSA is mandated to capture a reasonable share of the international space market. In the past year we have made strides in executing partnerships and collaborations in the country and globally. This positions us as a scientific destination of choice for many other countries of the world.

As South Africa invests more in improving international scientific research and innovation, SANSA contributes to global space research through high-impact collaborative R&D.

I am also encouraged by the progress made toward the construction of our next Earth observation satellite. Through this programme, we intend to revitalise our space industry; develop new technologies that will find application in areas beyond space; develop new markets for our industry and hence narrow our high-tech trade deficit; and train and inspire our young people.

I offer my gratitude to the inaugural Board and the current Board of SANSA and staff for the commitment and dedication to contributing to the delivery expectations of the Department of Science and Technology.

Mrs Naledi Pandor
Minister of Science and Technology

4. Foreword By The Chairman

Joy-Marie Lawrence
Chairperson of the SANSA Board
Accounting Authority

As we end the era of the inaugural Board and usher a new era of the current Board, it is with delight to have been part of both and to witness the quantum leaps SANSA has made and continue to make. I have seen many changes, growing pains and successes these past four years of SANSA's existence and I have been inspired to witness the strides made by management and staff to aim for the highest level of delivery against the mandate.

The global space industry is a growing industry but also a highly competitive one. As a developing country, South Africa has the arduous task of balancing the desire to compete on an equal footing as the NASA's or ROSCOSMOS of the space world and ensuring the benefits we deliver have a significant impact for our local communities.

Our priority as an Agency has always been to ensure Government is supported in delivering the needs of all South African's. SANSA remains steadfast in its commitment to this primary goal and this has happened against a backdrop of challenging financial circumstances. This has put the Agency in a difficult position in its effort to drive an effective national space programme where SANSA truly coordinates national space activities for the benefit of the country. SANSA is beginning to directly see the adverse impacts of its funding challenges in its performance results, degrading infrastructure, and challenging work environment.

Notwithstanding these financial challenges, the Agency has endeavoured to deliver against its targets of driving scientific enquiry and knowledge creation, technology development and innovation. We strongly believe in the noble objectives that were set in our strategy and approved by the Minister. With this belief, our various programmes of Space Science, Space Operations, Earth Observations and Space Engineering have elevated the country to be a part of a community of space faring nations through delivery of useful and impactful products, services, applications and knowledge to stakeholders.

On reflection of the Annual Performance Plan 2014/15 under the challenging fiscal climate, I am satisfied with what the Agency has achieved. During the year under

review, SANSA had achieved 22 of its 34 key performance indicators, which is success rate of 65%.

The Space Programme division experienced funding challenges across all its key performance areas, specifically in the satellite development programme (EO-Sat1) which impacted negatively on the achievement of the divisions annual targets.

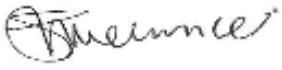
The Earth Observation Programme achieved nine out of the 11 set targets for the year or an 82% success rate. The Space Operations Programme performed exceptionally well in achieving seven out of eight annual targets and delivering an 88% success rate. The Space Science Programme performed well with a 75% success rate, having missed only two targets of its annual targets.

The space programmes delivered by SANSA have contributed to meeting the aspirations of the National Space Strategy for South Africa. This was done through increasing our contribution to global knowledge, by playing a significant role in international deep space missions and through continuing to deliver the best satellite data, products and applications for service delivery to our Government departments. Much work is still to be done in developing the local space science and technology industry sector and through the support of all stakeholders; this should be possible in the near future.

With the aim of remaining pertinent to society and the continent, SANSA underwent a strategy review considering the objectives to align with the NDP, the priorities of government and the National Space Strategy. A new and innovative strategic plan was developed. Through this strategy, SANSA is further emphasising its commitment to contributing to government's efforts of addressing the triple challenges of unemployment, poverty and inequality. While space is not a labour-intensive sector it creates high-tech jobs that are supported by ancillary jobs with a multiplier factor that is sometimes estimated at one to four. Poverty is due to a number of factors that straddle all areas of human endeavour including education, food security, energy security, safety, health, and human settlements to mention a few. Space plays a role in these and many other areas that improve the quality of life of South Africans. In promoting equality, the Agency reaches out to young people in underprivileged communities, drives human capital development initiatives with a transformation agenda, and has forward-looking equity polices for its personnel.

I am confident that the implementation of the new forward looking strategy for SANSA will continue at the same high standard as the past four years of operation.

I wish to thank the Minister of Science and Technology, DST officials, the inaugural and current Board members, management, staff and stakeholders of the Agency for their commitment and support of the Board and the Agency's mandate.



Joy-Marie Lawrence
Chairperson of the SANSA Board
Accounting Authority

5. Chief Executive Officer's Overview

Dr Sandile Malinga
SANSA Chief Executive Officer

SANSA has been in operation for the last four years. In its first three years the Agency made great strides including acquiring about 112 000 satellite images and 6.6 Tb of scientific data, increasing the national data stock for current and future generations as well as distributing about 340 000 satellite images and 4 Tb of scientific data for geo-spatial decision support tools and research and development. During this period the Agency supported the training of over 220 students and internship candidates, contributing to the national knowledge workforce and promoting transformation. Our scientists published about 110 scientific journal papers creating new knowledge for the knowledge economy; and we directly engaged about 30 000 young people stimulating interest in science, mathematics and engineering.

These are proud achievements, and the Agency has continued along the same vein in its fourth year of operation. In the midst of financial challenges, SANSA has continued to achieve new milestones, set new boundaries and new benchmarks of success. Our performance has always been underpinned by the SANSA strategy as approved by the Minister of Science and Technology. Our strategic goals are summarised into five key themes, namely, products and services; research and development; human capital development; industry development; and global partnerships.

SANSA has seen a significant uptake for its products and services on the back of an increasing awareness and appreciation of the efficiency and productivity gains that can be derived from applying satellite imagery to support Government's service delivery. Satellite imagery is used increasingly to address challenges in agriculture, water resource monitoring, disaster management; rural development and urban planning. During the past year, SANSA added 55 000 satellite images to its extensive satellite data archive to ensure that our country has the necessary information and decision tools for sustainable development. To ensure maximum utilisation of this invaluable resource, the Agency distributed approximately 72000 satellite images to various key stakeholders for operational use and more than 20 000 satellite data images for research purposes through the Fundisa Disk Programme.

Recent NACI statistics indicate that South Africa contributes 0.75% of the world's scientific publications, while the citation level of the country's scientific publications is at 1.02% compared to other countries globally. During the past financial year SANSA contributed 29 ISI publications, which is a 45% increase above the annual target of 20 ISI publications. This demonstrates the Agency's continuous endeavour to contribute to the country's aspiration to transform from a resource-based economy to a knowledge-based economy. New knowledge drives new innovations, new solutions and improved quality of life.

For South Africa to be globally competitive, we need to increase our talent pool and knowledge workforce. As SANSA, we continue to motivate and inspire young people to love, enjoy and understand science, mathematics, engineering and technology. Our future, as a country, lies in these young and ambitious minds who, like us, believe that "space is cool!" During the reporting period SANSA reached nearly 11 500 learners, which is 40% above our combined annual target of 8 200. Through these engagements we continue to plant the seeds of success, ambition, reaching for the stars and a can-do spirit. We are giving South African children a reason to dream.

SANSA believes in training and creating capacity. This is to increase the employability of South Africans, to break the circle of poverty, to transform our society and increase our competitiveness as a country. Apart from the number of university students and interns supported by SANSA this year, the Agency conducted a number of short training courses largely for government officials. The challenge in achieving more in this area has been the lack of funds which has forced SANSA to restrict its student intake for the year.

Satellite communications and navigation represent a substantial market of the space industry and are driving the satellite launch market. SANSA currently supports 20-25% of the satellite launch market. In the year under review, SANSA recorded 21 mission launch services ensuring that South Africa plays a crucial role in the communication and navigation infrastructure that drive the global economy, mitigates global disasters, and sustains humanity.

The global space economy was estimated at US$314 billion in 2013 with a 27% increase since 2008. This indicates the potential that space has for South Africa. SANSA is committed to ensuring that South Africa's share in this market continues to grow. During the reporting period, SANSA provided nine space science end-user services and products to industry clients and partners and 2% R&D investment to Earth observation industry partners. Thirty six (36) jobs were directly supported through the satellite development programme.

SANSA has achieved all the above through strong national and global partnerships. The challenges facing humanity today transcend scientific and social disciplines; they transcend regional, national and continental boundaries; they transcend times in history and times in the future. Such challenges are not and cannot be solved in solitude. They require collaboration between all areas of human endeavour—natural science and social sciences. They require collaboration between all scales of geographic interface—regional, national and continental. They require an understanding and cognisance of the full horizon of time—learning from the past, addressing the present, and planning for the future. This is what SANSA does through its partnerships.

I end by thanking the Minister, the Director General and other DST officials, the SANSA Board and management. Special thanks go to the employees of SANSA who have shown dedication and tenacity to the SANSA cause and ambition. They have given off their rare expertise, experience, and commitment to delivering SANSA's goals in service of humanity. A word of thanks also go to our partners who have travelled with us on this road to success.

Dr Sandile Malinga
SANSA Chief Executive Officer

6. Statement of Responsibility for and Confirmation of Accuracy of the Annual Report

We confirm that to the best of our knowledge:

All information and amounts disclosed in this Annual Report is consistent with the Annual Financial Statements audited by the Auditor-General.

The Annual Report is complete, accurate and free from any omissions and has been prepared in accordance with the Annual Report Guidelines issued by National Treasury.

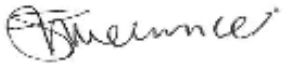
The Annual Financial Statements (Part F) have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) that apply to a public entity.

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and judgements made in this information. The Accounting Authority is also responsible for establishing and implementing a system of internal control designed to provide reasonable assurance about the integrity and reliability of the performance and human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion about the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, performance and human resources information and the financial affairs of SANSA for the financial year ended 31 March 2015.

Dr Sandile Malinga
Chief Executive Officer



Ms Joy-Marie Lawrence
Chairperson of the Board

7. Strategic Overview

Legislative Mandate

SANSA derives its legislative mandate from the South African National Space Agency Act (SANSA Act, No 36 of 2008). SANSA's objectives are to:

1. Promote the peaceful use of space
2. Support the creation of an environment conducive to industrial development in space technology
3. Foster research in space science, communications, navigation and space physics
4. Advance scientific, engineering and technological competencies and capabilities through human capital development (HCD), outreach programmes and infrastructure development
5. Foster international cooperation in space-related activities

Strategic Mandate

SANSA primarily derives its strategic mandate from the:

1. Ten-year Innovation Plan
2. National Space Strategy
3. South African Earth Observation Strategy

Vision

To be the leader in ensuring that space science and technology benefits society, the environment, the economy and the global community through products and services, research and development and human capital development

Mission

To use space science and technology to:

1. Deliver space-related services and products to the citizens of South Africa and the region
2. Support, guide and conduct research and development in space science and engineering and the practical application of the resulting innovations
3. Stimulate interest in science and develop human capacity in space science and technologies in South Africa
4. Create an environment that promotes industrial development
5. Nurture space-related partnerships to enhance South Africa's standing in the community of space-faring nations

SANSA's motto succinctly captures its mission:

In service of humanity

SANSA's Values

SANSA's Strategic Goals

1. Societal Capital
World-class and efficient services and societal benefits

2. Intellectual & Technology Capital
Cutting-edge research, development, innovation, technology and applications

3. Human Capital
Effective development of human capital, transformation, science advancement and engagement of the citizenry

4. Economic Capital
Globally competitive national space industry

5. Global Capital
Position South Africa as a recognised global space citizen

SANSA's Value Proposition

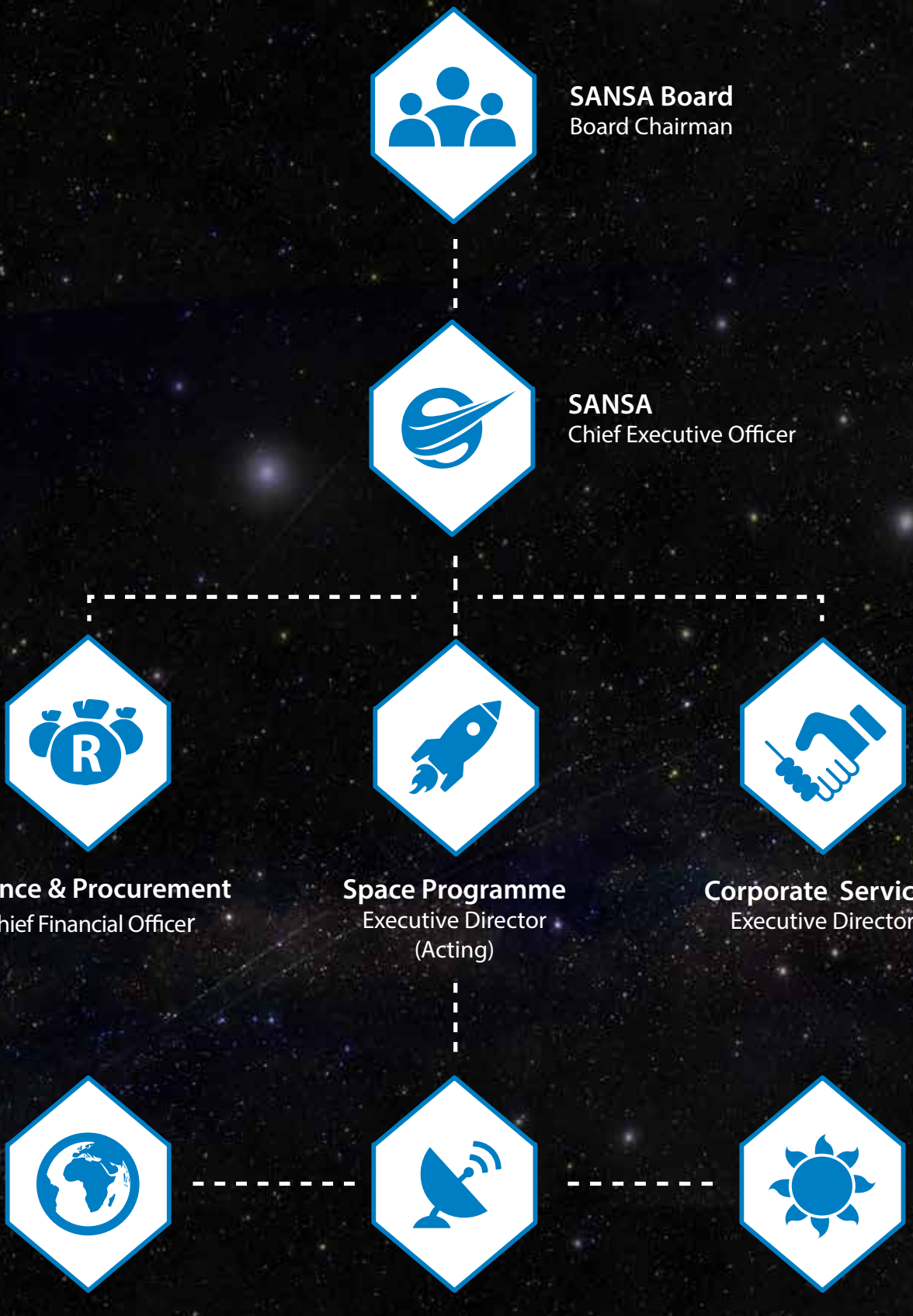
Societal Capital
- Food Security
- Resource Management
- Disaster Management
- Environmental Management
- Health, Safety & Security
- Planning & Land Management

Intellectual & Technological Capital
- Basic Research
- Applied Research
- Satellite Technology
- Space Operations Services
- Research & Technology Platform Provision
- Knowledge Creation & Dissemination

Economic Capital
- Space Applications
- Space Technology Interchange Platform
- Know-how Interchange Platform
- Public-Private Partnership
- Space Services & Infrastructure Backbone
- Local Market Facilitation
- Global Market Facilitation

Human Capital
- Internship
- Post-graduate Training
- Post-doc Training
- In-service Training
- Professional Training
- Science Advancement
- School/Learner Programmes
- Educator Programmes

8. Organisational Structure



PART B: IMPACT REPORT

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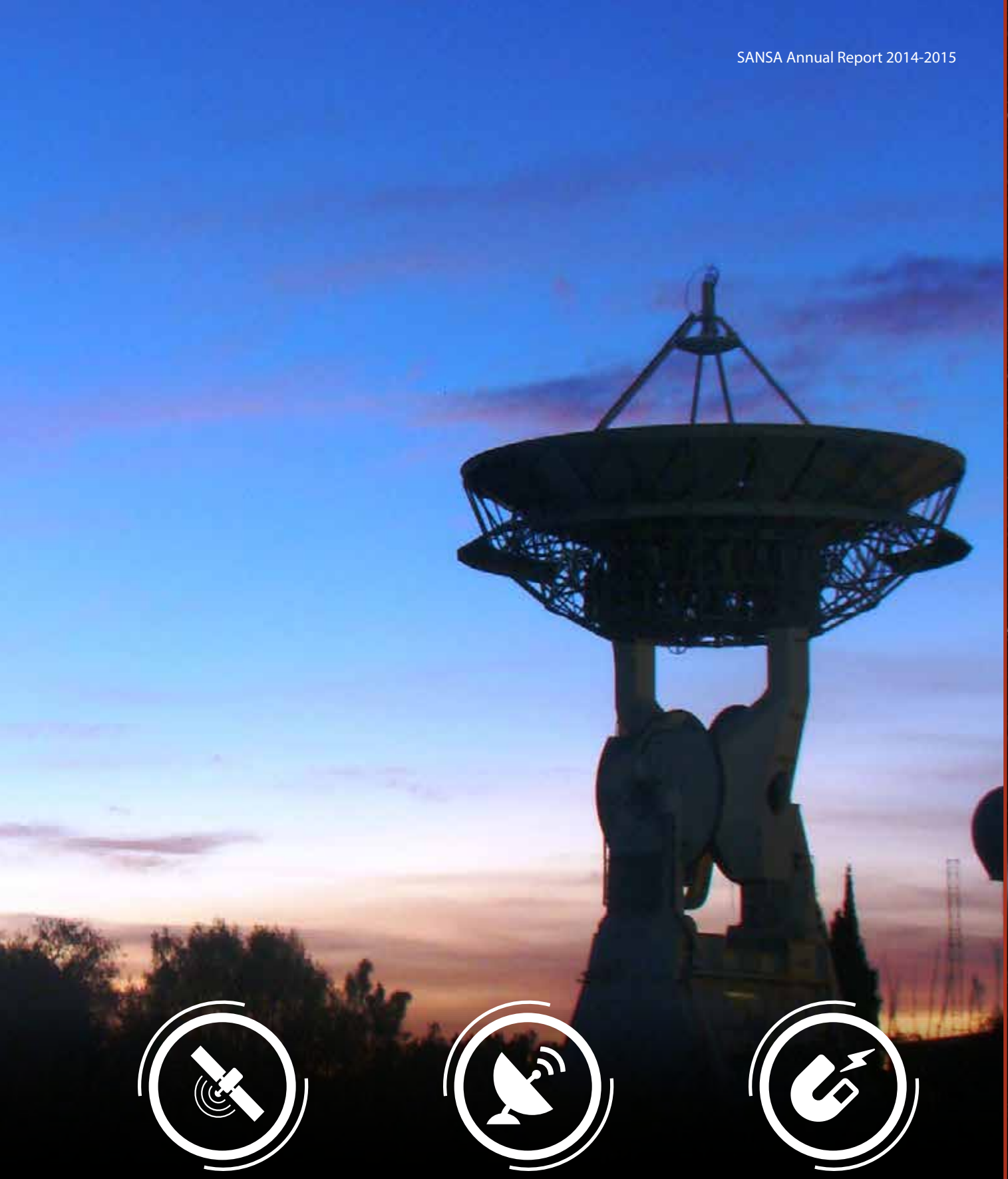


Satellite imagery was used to identify flooded areas in Matatiele in the Eastern Cape, where 12 out of 87 houses built within 100m of the Matatiele River were at risk of being flooded. Satellite data helped prevent damage and loss of life.

The antenna upgrade enables SANSA to increase its launch and in-orbit testing business, add the entire Ka-band frequency range to its client offering and explore new international business and partnership opportunities.

SANSA is recognised as a national expert in various magnetic technology applications and space weather monitoring services.

1. Space and Humanity

By far, the most important of all humanity's basic neccessities are food, water, shelter, energy, health and safety. SANSA has made an invaluable contribution to all of these.

Food Security

"Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life."

(Food and Agriculture Organisation of the United Nations)

Challenge

Statistics South Africa reported in the 2009 General Household Survey that an estimated 20% of South African households have inadequate or severely inadequate access to food. While at a national level South Africa may be broadly food secure, the story is very different for millions of individual households. Many South Africans go to bed or school hungry and others are malnourished. How can we ensure that all citizens have food on the table?

Our work and Key Outputs

According to the World Bank, arable land in South Africa had been reduced to 9.92% (2011) and its availability was still declining annually. Should this trend continue, South Africa will become food insecure. SANSA provides the Department of Agriculture, Forestry and Fisheries, Agricultural Research Council and farmers with satellite data to improve agricultural productivity through crop-type mapping and field delineation. Satellite data also improves land-use planning and monitoring to mitigate the increasing encroachment of human settlements, industries and mining onto good agricultural land.

We also modelled the grazing and browser carrying capacity in KwaZulu-Natal by integrating remote sensing and field observation data to estimate woody leaf mass and tree density, while the Masters students in the SANSA studentship programme used this work to develop learning algorithms for mapping Parthenium and Bankrupt bush invasive shrubs in KwaZulu-Natal and the Free State province.

Water

"783 million people do not have access to clean and safe water. 37% of those people live in Sub-Saharan Africa.

443 million school days are lost each year due to water-related diseases.

Half of the world's hospital beds are filled with people suffering from a water-related disease.

Nearly 1 out of every 5 deaths under the age of 5 worldwide is due to a water-related disease."

(The Water Project)

Challenge

South Africa is a semi-arid and water stressed country, with an average rainfall of about 450mm, well below the world average of about 860mm per annum. The water challenges emanate from three major causes. Firstly, the uneven spatial distribution and seasonality of rainfall with 43% of rain falling on 13% of the land. Secondly, the relatively low stream-flow in rivers limits the proportion of flowing water and inhibits consistent water use. Lastly, the distance between major urban and industrial areas and the country's larger watercourses necessitates the large-scale transfer of water across catchments.

Our work and Outputs

SANSA developed a country-wide mosaic of water bodies in South Africa by using an automated processing chain for detection. The automated chain, which combines various edge-detection filters and zonal statistics in the classification algorithm, adds to the already existing Landsat-8 processing chains. The software and source code were fully developed by SANSA with no third party dependencies. In addition to water body processing

chains, the normalised difference vegetation index (NDVI) and normalised difference water index (NDWI) processing chains were used to assess the presence of live green vegetation and plant water stress, respectively.

The national water body mosaic is issued monthly and widely used by, for instance, the Department of Water and Sanitation for water licencing and validation, as well as integrated catchment management, Department of Environment Affairs for wetlands protection, Municipalities and water authorities for the provision of water services and Department of Agriculture, Forestry and Fisheries for irrigation. The water layers added to the National NDWI and NDVI indices are used by many stakeholders as input to many remote sensing models for vegetation and ecological assessment.

Energy

"Less electricity was generated in South Africa in 2014 compared with 2013. Recent data show that national electricity production has been in decline after peaking in 2011, highlighting the country's continued struggle to keep the lights on."

(Statistics SA)

Challenge

While rapid urbanisation in South Africa demands more energy, the generation of electricity is declining, as evidenced by continued load-shedding. As a result, the Minister of Finance, in his 2015 budget speech, revised the projected economic growth for 2015 to 2% only, compared to 2.5% in October 2014.

Our work and Outputs

Eskom transmission line encroachment project

SANSA is assisting Eskom by performing change detection assessment around selected transmission lines in the Tembisa-Esselen, Benoni and Diepsloot areas, which were identified by Eskom as hotspots for line encroachment. The monitoring of settlements around the transmission lines was done through acquisitions of monthly 50 cm spatial resolution imagery over a six-month period and assessing human settlement developments on a monthly basis. A snow risk map is also being developed for ESKOM. In addition, SANSA provides Eskom with satellite imagery to plan and design electrification, forecast electricity loads and manage infrastructure security (theft, encroachment and illegal connections).

Geomagnetically Induced Currents (GICs).

In collaboration with the University of Cape Town (UCT), we hosted an international workshop on Geomagnetically Induced Currents (GICs). Following the workshop, a SANSA researcher spent time at the NASA Goddard Space Flight Centre as a visiting researcher to work with one of the world's leading experts in GICs. This research visit accelerated the development of models to monitor and predict GICs in the South African Power Network and resulted in several collaborative research papers with NASA, which are now in the review stage.

Our researchers also used solar wind plasma to develop a GIC prediction model that increases the ability to shield our electrical power network from damage caused by geomagnetic storms.

SANSA also demonstrated the use of magnetometers to measure GICs in a power line, without the need to access substations. This differential magnetometer method (DMM) yielded reasonably accurate measurements at stations in the Western Cape (Botrivier) and Namibia (Obib). This work demonstrates the use of cost-effective and non-invasive method for monitoring GICs in real-time, which contributes to mitigating the effect of GICs on the electric power network.

Investigations by SANSA researchers also found that rapid magnetic field changes which accompany sudden geomagnetic storms are correlated with GICs observed in the South African electrical power network and potentially, therefore, have an effect on the power grid.

Human Settlements and Smart Geospatial Information

"The country's national development plan (NDP) has estimated that by 2030 the urban population will grow by an additional 7.8 million people. This makes planned urbanisation a priority for the country."

(South African Report to United Nations Habitat III)

Challenge

Rapid industrialisation not only increases the demand for housing but also competes with demands for industrial and agricultural land. There is a need for improved geospatial planning to create smarter cities. Sustainable development requires optimised locations of human settlements and industries to minimise traffic congestion and transportation-related pollution.

Geospatial planning.

Our work and Outputs

Human Settlement Layer

In collaboration with the Joint Research Centre (JRC), SANSA developed a national human settlements layer for South Africa from SPOT-5 satellite imagery using automated classification techniques. Positive results in test areas were recorded in Gauteng and Limpopo and in Kimberly, Cape Town and Rustenburg. SANSA scientists and the JRC are currently investigating algorithms to improve the quality of results and validation procedures. The results of this study will allow the users to access data on a human settlement at any geographic location in South Africa and analyse infrastructure development, the spatial planning of services and environmental management. This human settlement layer will facilitate better service delivery; enable the monitoring and auditing of housing delivery and better forecasting of the demand for basic amenities; and facilitate the optimum location of schools, clinics, hospitals and other essential services.

SANSA concluded an MoU with Stats SA to provide it with a number of products and services such as SPOT-6/7 mosaic, SPOT-6/7 data bundles, National Human Settlements Layer; as well as the National Human Settlements Density Maps. The relationship with Stats SA comes at a time when they are preparing for the 2016 Community Survey. Satellite imagery will play a significant role in the planning and execution of this survey.

Health, Safety and Security

Challenge

Space plays a key role in health, safety and security. Water-borne and vector-borne diseases, like cholera and malaria, respectively can be monitored and/or forecasted through space technologies. The World Health Organisation reported that in 2001 South Africa had over 100 000 reported cases of cholera and between 5 000 and 26 000 cases of malaria per year from 2001 to 2013.

Safety and security are also paramount to all South Africans. SANSA provides satellite imagery and space weather information that are used by the South African Police and the Defence Force.

Our work and Outputs

Disaster Management

SANSA has developed a national flood risk map for South Africa at a spatial resolution of 1km that is being validated for accuracy. The map will be used by disaster management authorities, such as the National Disaster Management Centre (NDMC), to assess flood vulnerability areas. Other beneficiaries include Eskom, local municipalities and the Department of Water and Sanitation. We also developed a Height Above Nearest Drainage (HAND) map at a scale of 1km and 30 meters, for application nationally in hydrological, agricultural, soil and water-related studies.

Height Above Nearest Drainage (HAND) map assists in agricultural planning.

Space Weather Impact and Warning

SANSA's Space Weather Centre provides warnings and impact predictions of space weather events by using ground-based instrumentation. The information is provided through various channels with regular real-time updates for the duration of the event. This is important because space weather events can adversely affect various systems such as communications, satellites, navigation systems, avionics and electric power grids.

Defence Support and National Security

SANSA provided assistance to the South African National Defence Force (SANDF) to improve their use of HF communications channels affected by space weather and trains and assists their users. SANSA also provides our defence force with satellite imagery and other support to help ensure our national security and assists with peacekeeping missions on the African continent.

SANSA also developed a new space weather and magnetic awareness training course for the defence industry. These courses provide much needed awareness and background about space weather and magnetic technology, so that educated users can derive greater national benefit from space.

Communications and navigation technology can be affected by adverse space weather.

2. New Knowledge, New Information, New Innovations and Technologies

South Africa has made a conscious decision to transform from a resource-based economy to a knowledge-based economy

Challenge

South Africa has to create new knowledge, derive new and useful information and be very innovative. To date, South Africa's over-reliance on imports has left the country with a large trade deficit. Developing innovative services and products is critical for reducing this deficit.

SANSA contributes to addressing this challenge by creating new knowledge, having established a national research platform and developing key information and technology.

Our Research

Some of the key research highlights from our extensive research in various areas of space physics, space weather, remote sensing and Earth observation include:

- Research into the effect of electron velocity distributions on nonlinear waves. Since velocity distribution determines the polarity and complexity of nonlinear structure, it is important to increase our understanding of wave propagation in space plasmas.

- The first investigation of the effect of electron temperature on Polar Mesospheric Summer Echoes at long radar wavelengths, which suggest that the radar backscatter increased compared to the decrease with shorter wavelengths. This is important because this is the regime where dust charging dominates plasma diffusion.

- SANSA Researchers investigated the predicted particle precipitation of powerful ground-based VLF radio wave transmissions. They found that VLF waves do induce particle precipitation as observed by night-vision cameras. This is important because it verifies the theory for cyclotron resonance in the magnetosphere.

- Further research was conducted on the long-term thermospheric density variation in the polar cap using the EISCAT Svalbard radar. Results indicated a small decreasing trend in thermospheric density, the first time this has been seen by radar. This confirms that tropospheric heating (i.e. climate change) is outpaced by mesospheric cooling, indicating that the radiative balance of the atmosphere has changed.

SANSA Chief Scientist for Space Science with the EISCAT VHF Radar in Norway.

- A first-in-the region investigation of climatology of travelling ionospheric disturbances (TIDs) over South Africa using GPS radio interferometry. Results indicate that TIDs with velocities between 200 and 400 m/s propagate towards the equator during the day and at night. The results illustrated that TIDs with substantial amplitudes occur consistently almost daily and therefore need to be considered in forecasting space weather conditions.

- Research into the nature of Pc5 pulsations, using SuperDARN HF radar, ground-based magnetometer and satellite data. Results showed that the pulsations could be used to detect very small changes in the Earth's magnetic field. This was the first discovery of another source of magnetic variation information that is available for space weather prediction.

- SANSA investigated the effects of a careful calculation, from first principles, of ionisation times of

neutral interstellar hydrogen on the results acquired from models for the transport of turbulence in the heliosphere. Results showed that current models overestimate these times, with a significant effect on predicted radial proton temperature profiles when compared with similar Voyager observations. This is vital for our knowledge of the space environment due to the inability to obtain actual measurements from inter-stellar space.

- Research into the effects of true time-dependencies on cosmic ray modulation models found that computed cosmic ray intensities calculated in this way are comparable with those calculated in previous steady-state approaches, but differ in several key aspects, including predictions of 27-day cosmic ray intensity variations. This contributes to our ability to model the space environment.

SANSA continuously adapts its research, development and operational platform to position South Africa at the cutting-edge of space science and technology. Some of our key infrastructure development initiatives during the past year are listed below.

Non-magnetic temperature chamber is one-of-a-kind locally

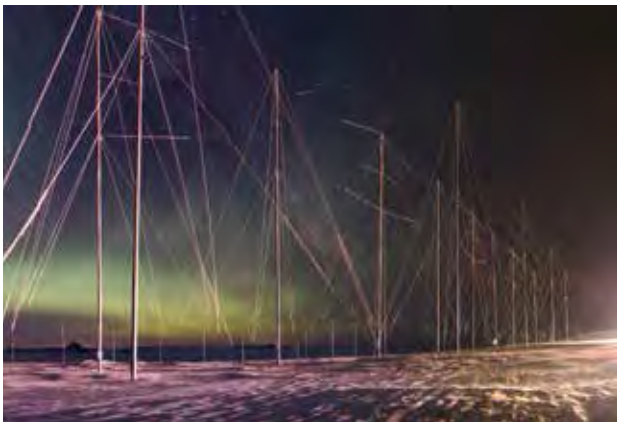
SANSA's non-magnetic temperature chamber, the only one of its kind in Southern Africa, became operational in 2014 and is assisting spacecraft manufacturers to improve the navigation functionality of spacecraft, such as positioning a satellite in its final geo-synchronous orbit around the Earth.

Exploratory and observation satellites carry scientific instruments such as magnetometers, which determine the attitude of a spacecraft. Knowledge about how these instruments behave in extreme temperatures is critical to improving the navigation and orientation functionality of a spacecraft.

SANSA's non-magnetic temperature chamber simulates extreme temperatures which spacecraft may experience in space, in a magnetically quiet environment with no man-made magnetic disturbances. This enables the Agency to provide clients, such as local and international manufacturers of satellites, unmanned aircraft and position-guided munition systems, with information that is invaluable for navigation and orientation purposes.

Digital HF Radar

The new SANSA digital HF radar was installed at SANAE IV in Antarctica during the 2013/2014 summer take-over expedition.The radar forms part of an international network of SuperDARN radars which monitor the near-Earth space environment. After an eight-month commissioning phase, the international SuperDARN community declared the data to be of an international standard and absorbed into the database. As a result, South Africa is now contributing to a deeper understanding of the space environment, which in turn, contributes to global and national space weather applications.



SANSA's digital HF SuperDARN radar located in Antarctica

SPOT Data Acquisition

SANSA is licensed to aquire high resolution data for the country from the commercial French SPOT satellite. The installation of a SPOT Direct Receiving System (DRS) enables the Agency to receive and process imagery from the SPOT-5 and SPOT-6 satellites. An example is the image of OR Tambo Airport below. Completion of the installation of the SPOT DRS ensures timely and improved data acquisition, archiving and processing.

OR Tambo Airport, Johannesburg, South Africa

Satellite Calibration and Validation

SANSA scientists participated in the Calibration and Validation experiments at Paardefontein. Specific events included spectrometer integration (both DPSS and SANSA spectrometers were measured with their integrating sphere) and field measurements taken at the overpasses of Landsat-8, SPOT-6 and Pleiades. Calibration and validation tests are important for the launch of EO-SAT1.

Eutelsat Antennas installed at SANSA

Eutelsat expanded its satellite monitoring facility at SANSA by adding two new, steerable, 4.8m antennas. The striking "batwing" design of the antennas lowers their side-lobe levels to improve the performance of a satellite link in a low signal-to-noise environment. Eutelsat also upgraded some of their aging infrastructure at Hartebeesthoek. The site now contains ten RF monitoring antennas with four steerable and four baseband monitoring antennas, which are critical to their operations. Since Eutelsat cannot access all their transponders from their Rambouillet facility in France, the antennas at Hartebeesthoek are their eyes in Africa.

The new Eutelsat antennas.

New Innovations

Innovative Processing Algorithms

SANSA continues to focus on developing automated processing chains for SPOT 6 and SPOT 7. The processing chains are based on open source libraries as well as in-house developed algorithms. While the current focus is on SPOT 6 and SPOT 7, the software is sensor independent and will be applied to a wide range of sensors. Image enhancement and rectification modules that have been implemented successfully include automatic ground control point and tie point detection, sensor model refinement, ortho-rectification, contrast adjustment, gamma correction, pan-sharpening, tile merging, colour balancing and mosaicking.

Image of pan-sharpened SPOT-6

Improving Avionics

SANSA's ability to execute magnetic tests according to international standards makes it the only organisation in Africa that can execute these tests. The tests determine the magnetic effect of an aircraft's avionics or other equipment on the magnetic navigation sensors on-board the aircraft. This contributes to on-board safety through accurate navigation and aircraft tracking.

EO-Sat1 Satellite Project

In partnership with Denel, SANSA concluded a novel concept design for a multispectral, high-resolution satellite imager with observation requirements that satisfies the local Earth Observation user community for the EO-Sat1 Satellite Project. The intellectual property unique sensor and filter assembly configuration gives a competitive satellite payload. SANSA is also working with other industry partners on this project to lay a strong foundation for a robust national space industry. Key project outcomes include the re-establishment of satellite assembly and testing facilities, setting of programme management and quality structures, and development of new technologies.

3. Enabling Global Communication, Navigation and Science

Communication, navigation and science drive the world, mitigate disasters, and sustaining lives.

Challenge

The world today is so reliant on communication satellites, navigation satellite (GPS) and science and/or operational satellites for instance for weather, natural resource management, planning and monitoring. Today satellites are a key contributor to almost every human endeavour. The challenge is putting these satellites in space and operating them in their harsh environment. SANSA plays a key role in supporting satellite launches globally. Not only does SANSA assist in putting satellites in space but we also assist in bringing them back to earth at the end of their useful lives and so ensure the sustainability of the space environment.

Our work and Outputs

Communication Satellites

In October 2014, SANSA participated in two special operations activities. These Ku-Band Transfer-Orbit supports were for IS-30 (Intelsat) and Himawari-8 for (Telesat).

IS-30

http://www.intelsat.com/

Arianespace used an Ariane 5 ECA rocket to launch the Intelsat DirecTV Latin America 1 and Arsat 1 satellites. Intelsat DLA 1, will broadcast direct-to-home television services to Latin America in a partnership between Intelsat and DirecTV. Arsat 1 is the first communications satellite to be built in Argentina and SANSA provided Ku-Band Transfer-Orbit support for this launch.

Thor 7

Image of the DirecTV and Sky Mexico-1 satellites
www.satnews.com/story.php?number=204244747

Thor 7 is set to provide high-throughput Ka-band broadband services for the offshore sector in various northern seas. SANSA was contracted to provide Transfer-Orbit support services to the THOR-7 Geostationary satellite using the 13.2m Ku-Band antenna system. SANSA was contracted for TOSS for launch plus six days.

Navigation Satellites

GFOC 3 & 4

The Arianespace Soyuz rocket, which was launched from the Guiana Space Centre in South America, carried two Galileo fully-operational capability satellites for Europe's Galileo navigation constellation. Following-up on the previous Galileo launch, CNES contracted SANSA to provide S-Band LEOP services using the 12m antenna for 15 days.

An artist's impression of the satellite system. Source: www.esa.int/var/esa/storage/images/esa_multimedia/images/2012/05/galileo_foc_satellites/9788064-3-eng-GB/Galileo_FOC_satellites.jpg

Science/Operational Satellites

OCO-2

In July, The OCO-2 satellite was successfully launched from the Vandenberg Air Force Base in California. SANSA acquired the rocket signal minutes after launch and provided live video feed to United Launch Alliance (ULA). NASA's Orbiting Carbon Observatory-2, or OCO-2, will provide insight into how the planet adjusts to the increased production of carbon dioxide from a vantage point in orbit that will allow it to take readings on a scale never achieved before.

Their Orbiting Carbon Observatory-2 (OCO-2). Source: NASA

SMAP

In January, a ULA Delta II Rocket launched Soil Moisture Active Passive (SNAP) satellite for NASA. SMAP is an Earth satellite mission designed to measure and map Earth's soil moisture and freeze/thaw state to better understand terrestial water, carbon and energy cycles. SANSA was contracted to provide S-Band launch support to acquire telemetry data from the Delta II launch vehicle and cover the Stage II first cut-off, Stage II second cut-off as well as spacecraft seperation.

E115

SANSA supported its first Solar Electric Propulsion (SEP) mission. A SEP satellite extends the length and capabilities of the space mission while reducing costs. The introduction of SEP missions eliminates a number of challengers faced by satellite builders and launchers. Together with the international space community, SANSA is using the benefit of space science and technology to help grow and develop the African region.

CNES contract

2014 marked an almost 30-year relationship between SANSA's ground station and the French space agency, CNES. The current CNES/SANSA contract comes to an end in 2016 and SANSA has signed an additional agreement with CNES to install, host and maintain a new antenna at Hartebeesthoek. The new 10-year agreement, which can be extended for a further 10 years, illustrates the French space agency's confidence in SANSA. The new CNES station will be called HBX.

Construction of the CNES antenna at Hartebeesthoek.

4. Equipping the Nation, and Transforming Lives

The NDP seeks to expand learnerships, create a formalised graduate recruitment scheme for the public service to attract highly skilled people and expand the role of state-owned enterprises by training artisans and technical professionals.

Challenge

There is a scarcity of skilled space science professionals in South Africa. The country needs to invest in developing and retaining skilled scientists, engineers and technicians to build and sustain the local space industry. SANSA is committed to training young professionals and stimulating the creation of science and technology opportunities for them to remain in the industry. We also believe in developing a passion for science and technology among our young learners as they are the future scientists, researchers and engineers we need to sustain a space industry.

Our investment

Participation and collaboration with tertiary education institutions annually in national and international science- and space-related events confirms SANSA's commitment to increasing science appreciation, awareness, literacy and engagement among our youth and the public at large.

Around 69 000 learners attended Scifest Africa 2014 and many participated in the SANSA workshops. Supported by the Department of Science and Technology, topics at SciFest included South Africa's first Cubesat, TshepisoSAT; the tasting of space food; NASA's communication with the Mars Rover; the use of Earth observation data; and the Fundisa disk with remote sensing data for students and teachers.

SANSA was also involved in FameLab, an international competition that encourages scientists to present exciting concepts to an audience. Young experts from seven provinces participated and represented some of the country's most talented science communicators.

At Science Tube, SANSA's presentation focused on all the frequencies of the electromagnetic spectrum to demonstrate the application of each frequency and how we use it in our daily lives and at Space Operations to communicate with satellites.The aim of the activity was to measure the speed of light.

During National Science Week, SANSA's exhibit attracted more than 300 learners from Gauteng and the North West province. We participated nationally in events such as collaboration with the Secunda Amateur Radio Club and 80 top learners to simulate the launch of a satellite.

The group used a mobile ground station in Secunda and the Cubesat ground station at Hartebeesthoek to launch and track two balloons with payloads of sensors, cameras and a video camera. The sensors were monitored to collect real-time data while the balloons ascended. Learners from the Southern African Women in Aviation and Aerospace Industry (SAWIA) joined SANSA to promote space as a field of study and potential career option. SANSA's Open Day also drew over 500 members of public and the mobile space laboratory was deployed to rural schools in various municipal districts.

The mobile space laboratory reached over 1000 learners during National Science Week

Other similar events included participation in an exhibition at the Hartebeesthoek Radio Astronomy Observatory (HartRAO) and a space art competition from which 12 drawings were selected for the 2015 SANSA calendar.

During the past year, SANSA successfully provided well-supported skills development short courses for aviation and government departments to keep the users of space products and services updated with technological advances. The training included a Compass Swing course and GIS workshops.

Our focus is not only on building capacity among our stakeholders but also on uplifting our employees through skills development and personal growth. We recognised scientists and researchers who received local and international acknowledgements for their contributions to global space knowledge. Our annual Employee Awards also recognise performance excellence from any employee in the organisation.

Our work and Outputs

SANSA/I-SET team wins the SA World Robotics Olympiad leg

SANSA partnered with UNISA in its Inspired Towards Science Engineering and Technology (ISET) programme to mentor two learners from the Tersia King Learning Academy in Tembisa for the regional and national legs of the 2014 World Robotics Olympiad (WRO). They won gold in the South African leg of the Olympiad with a LEGO Mindstorms model of the challenges and proposed solutions for the astronauts aboard the Mars One Mission.

Following their win at the National Championships of the WRO, the learners also won the grand prize of a trip to Sochi in Russia to participate in the World Robotics Olympiad. As a reward for their hard work and dedication to produce an excellent entry for the WRO championships and winning the National finals, SANSA sponsored their tour of South Africa's space industry, academia and facilities in the Western Cape.

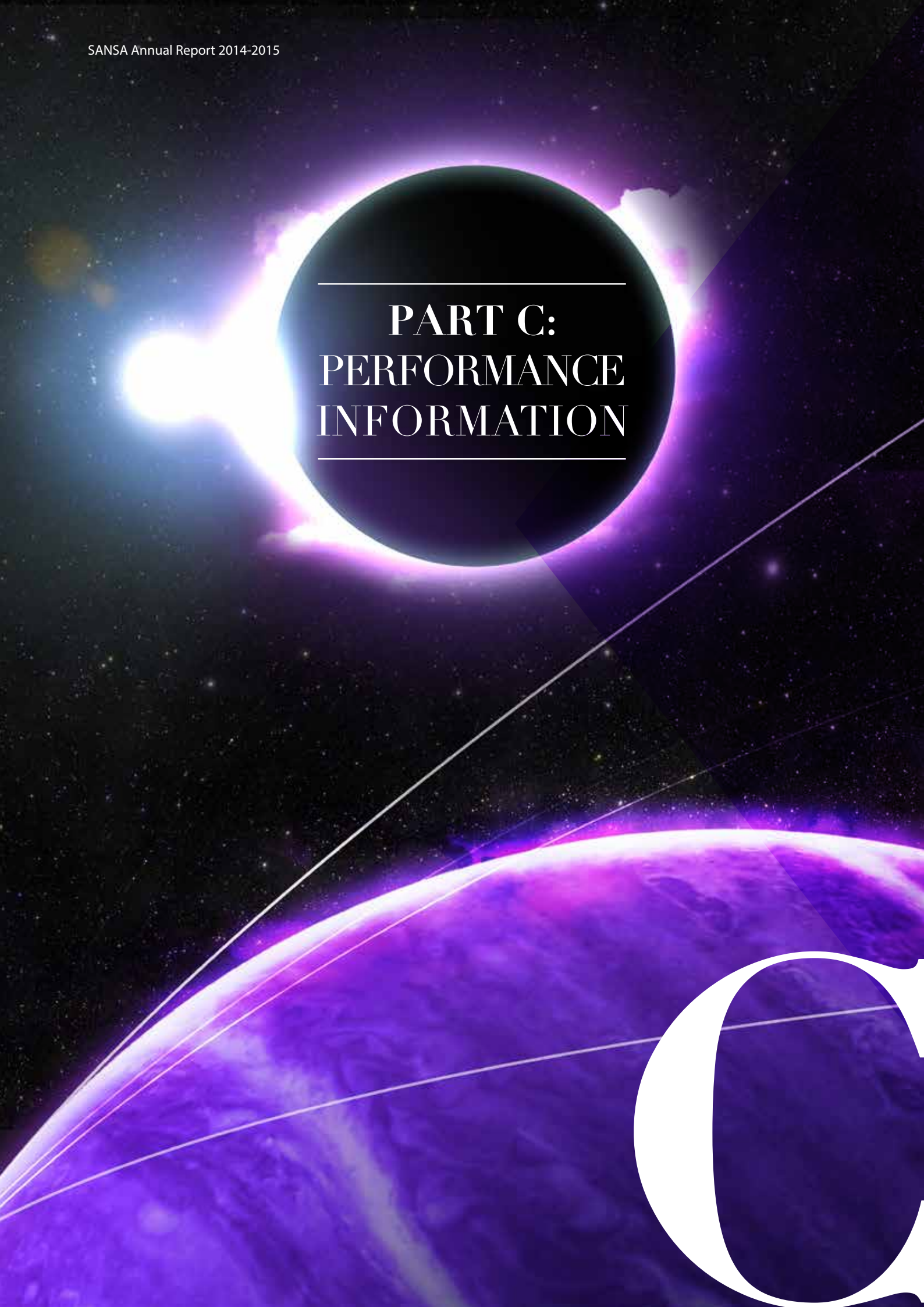
Internships

SANSA hosts many interns in positions that range from research assistants to support staff throughout the Agency. All the interns are trained and mentored during their term of service, as well as assisted in their academic careers.

Making Space Matter to Young Minds

***SANSA was involved in FameLab**, an international competition that encourages scientists to present exciting concepts to an audience. Participants included young experts from seven provinces who were representative of South Africa's most talented science communicators.*

***Around 69 000 learners** attended the DST supported Scifest Africa 2014 and many participated in the SANSA workshops. Topics included South Africa's first Cubesat, TshepisoSAT; tasting space food; NASA's communication with the Mars Rover, using of Earth observation data; and the Fundisa disk with remote senseing data for students and teachers.*



PART C: PERFORMANCE INFORMATION

1. Auditor's Report: Predetermined Objectives

The Auditor-General of South Africa (AGSA)/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on performance against predetermined objectives is included in the report to management.

Refer to Part F: Annual Financial Statements.

2. Key Performance Highlights

Objectives

SANSA strives to:

- promote the peaceful use of space
- support the creation of an environment conducive to industrial development in space technology
- foster research in space science, communications, navigation and space physics
- advance scientific, engineering and technological competencies and capabilities through human capital development (HCD), outreach programmes and infrastructure development
- foster international cooperation in space-related activities.

During the 2014/15 financial year, the South African National Space Agency (SANSA) achieved significant milestones in meeting its strategic goals.

Essential Earth observation services for socio-economic benefit

With increasing awareness and appreciation of the efficiency and productivity gains that can be derived from the use and application of satellite imagery for government service delivery, SANSA is seeing a huge demand for its products and services. Satellite imagery is increasingly applied to addressing challenges in agriculture, water resource monitoring, mapping of natural disaster areas, the effects of climate change over time and the planning of human settlements.

SANSA added 55 000 satellite images to its extensive satellite data archive during the past financial year to meet these demands. In addition, approximately 72 000 satellite images were distributed to various key stakeholders and more than 20 000 on Fundisa disks for research purposes. The Fundisa disks enhance R&D in space science and technology by providing students with a unique source of Earth observation data that they can interact with, visualise, analyse and share.

Satellite launch services for the global space industry and international governments

Satellite and broadcasting represent a significant market for the space industry. The increase in the number of communication satellite launches is driven primarily by the number of households around the world who are direct satellite broadcast subscribers. SANSA offers a range of satellite launch support services to global manufacturers, clients and governments worldwide. During the reporting period, SANSA supported a total of 21 satellite launches and in-orbit tests.

Conducting Cutting-edge research, development and innovation in space science

SANSA is making a contribution to the performance of the South African science system by progressively improving its high impact research outputs. During the past financial year, SANSA contributed 29 ISI publications, which is 45% more than the planned annual target of 20 ISI publications. This demonstrates the Agency's continuous efforts to develop emerging researchers and contribute to

the country's world share of ISI publications. Space science research is critical for building a knowledge economy and gaining a deeper understanding of the space environment to advance society. For instance, this knowledge assists in protecting technologies that could be severely affected by space weather, such as communications and navigation systems, electrical power grids and satellite systems.

Advancing SET competencies and capabilities

One of SANSA's key objectives is to advance SET competencies and capabilities through human capital development and science outreach programmes. We continues to use space science and technology as an instrument that is ideal for promoting interest and public engagement in SET. During the past year, we reached nearly 11 500 learners through space science initiatives.

Stimulating a sustainable local space industry

SANSA made an active contribution to the South African space industry through local technology development, the advancement of know-how and technology transfer. The Agency provided nine space science end-user services and products to industry clients and partners. We also used 2% of the Parliamentary Grant for the Earth Observation programme to provide Earth observation industry partners with contract work. The satellite engineering programme directly supported 36 jobs during the year under review.

Positioning South Africa as an emerging space-faring nation

SANSA is the primary point of contact and face of South Africa in the global space arena. Our activities strategically positioned the country within the community of space -faring nations. During the past financial year, we hosted many foreign visitors and participated in a number of multinational projects. Such as the European Space Agency's TIGER initiative, the European Union's Earth Observation for Economic Empowerment, the Group on Earth Observations' Global Human Settlements Working Group, and the Committee on Earth Observation Satellites Working Group on Capacity Building and Data.

3. Programme Performance Overview

During the year under review, SANSA's Earth Observation, Space Operations, Space Science and Space Engineering core programmes achieved 22 of 34 key performance indicators, which is a success rate of 65%.

The Space Programme division experienced funding challenges across all its key performance areas, specifically in the satellite development programme (EO-Sat1), which we are project-managing internally. While this had a negative impact on achieving all the divisions annual targets, the successes are reflected in the annual performance table in this report.

The Earth Observation Programme achieved nine out of the 11 set targets for the year or an 82% success rate. The Space Operations Programme performed exceptionally well in achieving seven out of eight annual targets, all a success rate of 88%. The Space Science Programme performed well by missing only two of its annual targets and achieving a 75% success rate.

Our performance against strategic goals during the reporting period entailed:

Goal 1 – World-class and efficient services and societal benefits (Societal Capital): 67% success rate, due to backlogs in the global space industry and delays in processing EO-Sat1 project contracts.

Goal 2 – Cutting-edge research, development, innovation, technology and applications (Intellectual Capital): performance at 50%, due mainly to cash flow challenges and delayed funding for the EO-Sat1 project.

Goal 3 – Effective development of human capital, transformation and engagement of citizenry (Human Capital): achievement of 67%, due to budgetary constraints and challenges in securing student funding. Since HCD budgets across the organisation were under pressure, SANSA could only support students who already held multi-year SANSA bursaries.

Goal 4 – Globally competitive national space industry (Economic Capital): performance at 75%. Budgetary constraints and no expenditure on space industry development prevented the full achievement of this goal.

Goal 5 – Make South Africa a recognised global space citizen (Global Capital): achievement at 75%. Limited success in securing a planned, multi-national project to complement the MoA with the Algeria Space Agency, prevented the full achievement of this goal.

Corporate Support Programme

The strategic purpose of this Programme is aligned with the following five goals:

- ensure that SANSA is operationally efficient
- manage the entity cost-effectively
- comply with good corporate governance principles
- enable seamless integration of processes and systems
- collaborate internally and with external stakeholders.

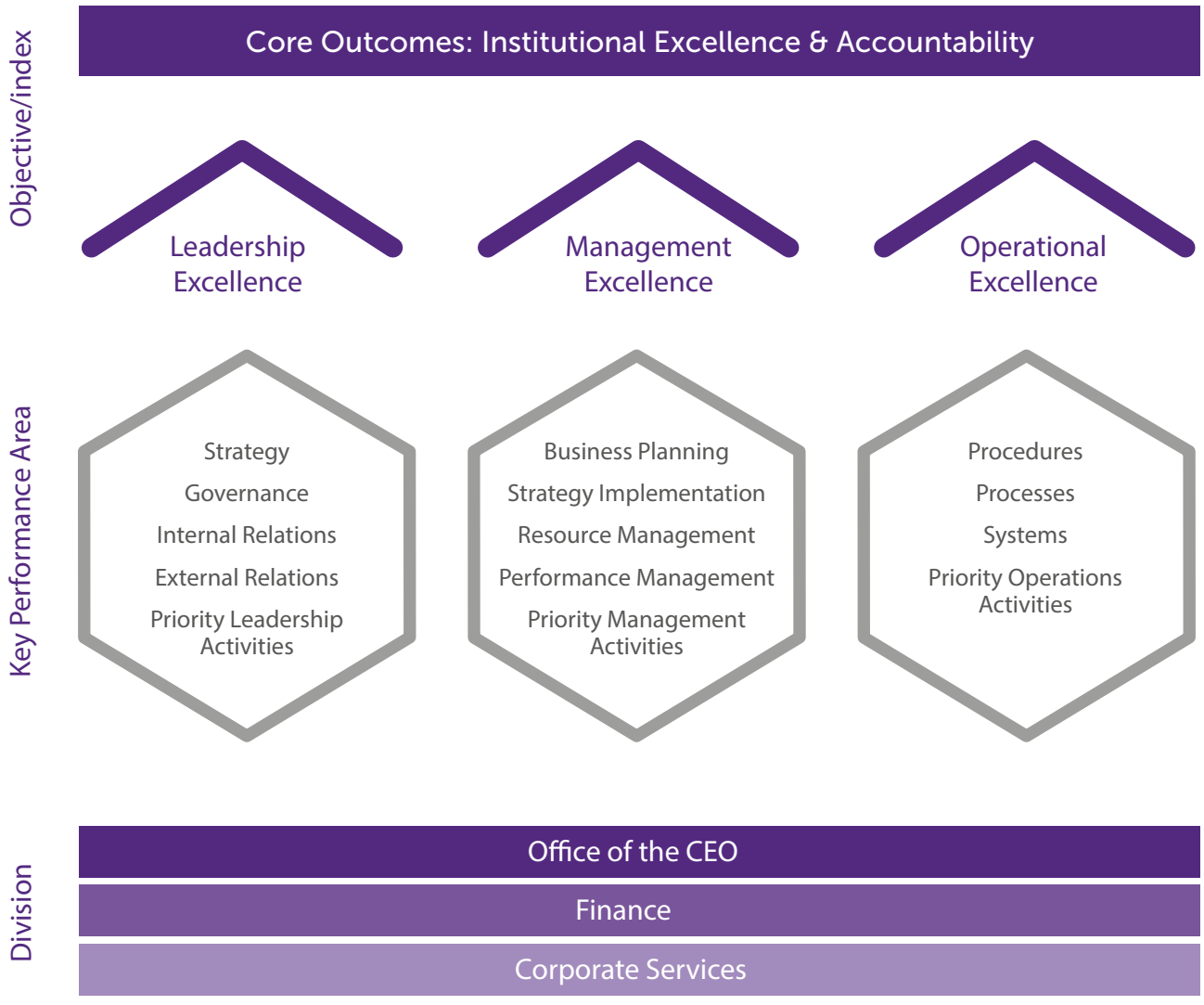
The Programme consists of the Office of the CEO and the Finance and Business and Corporate Services Divisions.

Strategic objectives and measurement

The Corporate Office drives institutional excellence and accountability within SANSA by ensuring excellence at all leadership, management and operational levels.

The successful achievement of excellence at each on these levels is measured against a corresponding Excellence Index. Each index is a weighted composite of the performance in the Key Performance Areas (KPAs) specified in Figure 1.

Figure 1: Strategic objectives of the Corporate Support programme.



Corporate Highlights

Our performance against the Excellence Index for leadership remained stable. We maintained a score of 7.1 out of 7.5 against the index, which is the same as the previous year. All leadership practices are in place and fully functional, including our senior management leadership development programmes.

Performance against the Excellence Index for management was also maintained at a level similar to last year, with an achievement of 6.9 out of 7.5. All management practices are in place and fully functional, including the planned middle management development programme.

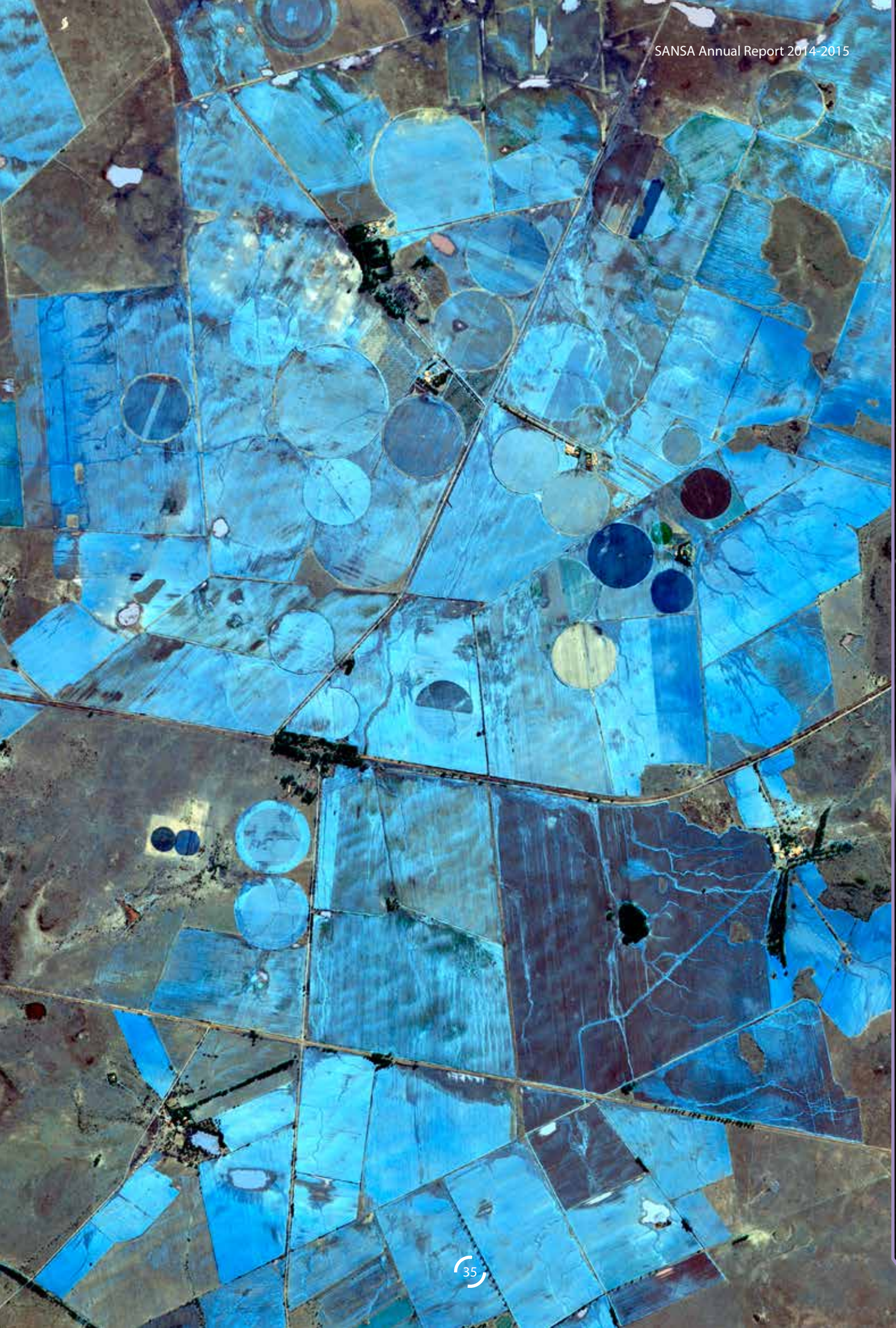
The strategic objective for operational excellence was achieved fully, at a score of 7.4. All operational practices, including the development of procedures, business process analysis and improvement, as well as implementation were implemented efficiently.

All legislated compliance plans, such as the Strategic Plan, Annual Performance Plan, Quarterly Reports and Annual Report were developed and delivered within the required timeframes. Effective performance monitoring and evaluation through performance reports and robust management oversight is ongoing.

SANSA performed well against communication excellence and staff and stakeholder relations objectives. We implemented internal and external communication plans for institutional cohesion and stakeholder engagement, conducted risk assessments and applied corrective actions successfully to address audit findings for the previous financial year and comply with good corporate governance.

Corporate Support Programme

Strategic Objective	Outputs	Activities	Key Performance Indicators	Baseline 2012/13	Target 2014/15	Actual 2014/15	Reason for Variance
1. Leadership Excellence	Effective & efficient leadership	Strategic leadership Corporate governance Internal & external relations	Leadership Excellence Index	68% management satisfaction 61% leadership satisfaction (1CS1)	Leadership Excellence Index (LEI) score of 7.5 out of 10 (3CS1)	All leadership structures are in place and functioning, which resulted in a score of 7.1 (3CS1)	Achievement maintained at previous year's approximate level with governance practices and leadership structures in place
2. Management Excellence	Effective & efficient management	Business planning Strategic implementation Resource management Performance management	Management Excellence Index	68% management satisfaction 61% leadership satisfaction (1CS1)	Management Excellence Index (MEI) score of 7.5 out of 10 (2CS2)	All management practices are in place and functioning, which resulted in a score of 6.9 (3CS2)	Achievement maintained at previous year's approximate level with management practices in place and functioning
3. Operational Excellence	Operational efficiency and cost-effectiveness	Development of procedures Process analysis and improvement System implementation & management	Operational Excellence Index		Operational Excellence Index (OEI) score of 7.5 out of 10 (2CS3)	All operational practices, including development of procedures, business process analysis and improvement, as well as system activation, were implemented efficiently, which resulted in a score of 7.4 3CS3)	Target achieved. Policies, business processes and systems that are governed by SANSA frameworks have been developed and implemented



Earth Observation Programme

SANSA distributes imagery to government under a single multi-user license to cost-effectively supply data for national imperatives. In addition, stakeholders such as research councils and academic institutions received processed imagery at no additional cost. SANSA also provides Higher Education Institutions (HEIs) with geospatial resources for student training through its Fundisa Disk Programme (FDP), which promotes the use of spatial information at tertiary level.

The Earth Observation (EO) Programme, as a source for geo-information, contributes to the management, sustained utilisation, preservation and understanding of natural resources; improved health, safety and security; disaster forecasting, monitoring and mitigation; increased R&D data stock and value-added data products and information; and the provision of decision-making, policy development and planning instruments for government and other stakeholders. Collectively, this geo-information contributes to creating a range of socio-economic benefits and improved livelihoods.

The impact of Earth Observation lies in providing:

- essential Earth observation services for socio-economic benefit, including management of water, environmental and other resources, disasters, health, safety and security and environmental and climate change.
- data and value-added remote sensing services for research and development in Earth observation applications
- national geospatial information to inform decisions about key government priorities
- human capital development and science advancement in geo-informatics, image and data processing and remote sensing.

Core functions

The core functions of the EO Programme include:

- contributing to the implementation of the South African Earth Observation Strategy (SAEOS)
- acquiring data from South African and global Earth observation satellites
- coordinating the procurement of satellite data and distributing data/images to government departments, national R&D institutions and higher education institutions
- the long-term archiving of all acquired satellite data
- archiving data that builds long-term historical data essential for change detection, to better understand environmental change in time and space
- processing and producing value-added satellite imagery products and services for various geo-information applications
- Using improved digital surface and elevation models to continuously increase geometrical accuracies to improve in-house reference data sets.
- developing and maintaining easily-accessible and efficient distribution channels of value-added image products through catalogue systems
- developing human capital to advance the above and meet the skills needs of the country
- promoting science amongst the youth and public
- developing and maintaining international partnerships to support the effective implementation of these functions
- contributing to the development of innovative EO sensors
- developing EO applications to meet stakeholder needs.

The achievements of the Earth Observation Programme are depicted below.

Earth Observations				
Indicator description	**Baseline 2013/14**	**Target 2014/15**	**Actual 2014/15**	**Reasons for Variance**
Strategic Objective 1: Offer efficient EO services for national and international benefit and a sustained environment				
Number of images acquired from regular sensors (3EO1)	4 000	20 000	55 220	The increase in the numbers is due to increased demand from users for data bundles.
Number of images distributed (2EO2)	44 000	70 000	71 794	Marginal increase from distribution of the new SPO-6 imagery Mosaic.
Strategic Objective 2: Conduct cutting-edge research, development and innovation to continuously improve SANSA's offering				
Number of images distributed for research (3EO4)	17 000	30 000	20 137	Due to financial constraints, the Fundisa disks were not distributed as planned.
Number of national value added products (3EO6)	New	4	4	
Number of ISI research publications (3EO17)	New	6	6	
Strategic Objective 3: Develop human capital in EO-related science & engineering and advance science among the youth and public				
Number of students/interns supported/trained (2EO7)	6	13	7	No recruitment conducted due to limited funding. Limited bursaries will be offered in 2015/16 financial year.
Number of short courses conducted (2EO9)	2	10	12	Marginal increase due to collaborative engagements with CEOS WGCAPD and JRC and the increasing demand for our short courses.
Proportion (%) of permanent staff from designated groups in the top two management levels (manager, senior manager) (2EO12)	50%	50%	86% (12 out of 14)	Target exceeded due to successful attraction and retainment of highly skilled staff from designated groups.
Number of learners reached through direct and specific engagement (2EO15)	2 000	2 200	4 019	Additional unforeseen funding from the NRF SAASTA during the past financial year resulted in additional learners engaged in four provinces.
Strategic Objective 4: Provide services that stimulate industry growth and participation in EO				
Proportion (%) of R&D Investment in EO industry (3EO16)	New	2%	2% (R1 154 117 out of R57 721 000)	
Strategic Objective 5: Establish and maintain effective and mutually-beneficial international partnerships according to national strategic alignment				
Number of multi-national projects (2EO14)	2	2	4	Target exceeded due to continuity of existing project-TIGER, EOPOWER, Global Human Settlements and CEOS WGCAPD projects

Space Operations Programme

SANSA operates state-of-the-art ground station facilities and provides services to the local and international space industry and governments. These services include launch support and early-orbit support (LEOP), in-orbit testing (IOT), satellite life-cycle support and mission control.

The objective of the **Space Operations Programme** is to be the leading ground station on the continent by focusing on:

- satellite ground services through telemetry, tracking and command (TT&C) for the various launcher and satellite support services, as well as hosting satellite ground infrastructure for various international and local clients
- space applications in collaboration with government departments and private industry, specifically:
  - downloading Earth observation data from various LEO satellites (SPOT, Landsat and others), an application in which SANSA is the leader in Africa.
  - downloading data sets from Space Science payloads.
  - communications and data transmission with the Department of Communications and industry.
  - Continued research into the tracking of CubeSats.

A 7.3m X-band downlink antenna

SANSA's ground station is uniquely positioned as the primary ground-receiving station for Earth observation satellites that pass over Hartebeesthoek, given the limited download facilities further north. SANSA can also download data to enhance the duty cycle of Earth observation satellites for stakeholders.

As a TT&C service provider, the Programme has the competitive advantage of covering the necessary geographical footprint with full coverage of the entire frequency range (L, S, C, ext C, X, Ku, DBS and Ka) and the operational and technical excellence to serve both local and international markets.

The following table shows major clients and country of origin:

Customer	Country
Astrium	France
United Launch Alliance	USA
Boeing Satellite Services	USA
CNES	France
Eutelsat	France
Intelsat	International
Lockheed Martin	USA
Telesat	Canada
USN	USA
SANSA EO	South Africa
Orbcomm	USA
KSAT	Norway
Skytrax/ SANDF	South Africa
Inmarsat	Europe
SpaceX	USA
ESSP	Europe
Nanosatisfi	France
ISRO	India
SSC	Sweden
Exelis	USA
HMO	South Africa
Honeywell	USA
SES	Luxemburg
Telespazio	Italy

Core Functions

The core functions of the programme are to:

- Render satellite launch and early orbits services
- Satellite in-orbit testing (IOT)
- Satellite mission and life support
- Provide hosting of mission support infrastructure
- Satellite mission control services e.g. SumbandilaSat
- Remote sensing and satellite data reception
- Space-based navigation augmentation, positioning and timing
- Develop HCD and advance science

The delivery achievements of the Programme are depicted below:

Space Operations				
Indicator description	**Baseline 2013/14**	**Target 2014/15**	**Actual 2014/15**	**Reasons for Variance**
Strategic Objective 1: Offer efficient, cost effective & globally competitive space operations and applications for societal benefit and global market				
Reliability rate in the acquisition of satellite data for the EO directorate (3SO1)	95%	95%	99% (11 011 out of 11 074)	Marginal increase due to improved operations
Number of mission launches supported and in-orbit tests undertaken (3SO2)	23	27	21	The launch back log in the space industry resulted in fewer launch support services
Strategic Objective 2: Apply focused and needs-driven applied research, development and innovation in key space operations and application areas				
Number of technical or projects reports (3SO4)	3	4	5	Due to additional demand more technical reports were produced than initially planned
Strategic Objective 3: Focused HCD in space operations and space application and active science advancement				
Number of students/interns supported/trained (3SO5)	7	7	19	There was additional funding allocated after start of the 2014/15 financial year
Proportion (%) of permanent staff from designated groups in the top two management levels (manager, senior manager) (3SO9)	50%	55%	55% (6 out of 11)	
Number of learners reached through direct and specific engagement (3SO10)	1000	1000	1 430	There was an increased interest from schools and the public in the organisation, which impacted positively on the number of public engagements
Strategic Objective 4: Maintain a strong commercial service for industry				
Proportion (%) of the global commercial space launch market (including launches, spacecraft, IOT and manoeuvres) (3SO12)	20%	23%	23.8% (21 out of 88)	
Strategic Objective 5: Establish and maintain effective and mutually-beneficial international partnerships and customer relations according to national strategic alignment				
Client performance rating as measured by client (3SO13)	98%	98%	99% (99 out of100)	

Space Science Programme

SANSA, through the Space Science Programme, is part of the worldwide network of magnetic observatories and is responsible for research, infrastructure and data for monitoring near-Earth space environment.

The Space Science Programme hosts the Space Weather Regional Warning Centre for Africa, which provides early warnings and forecasts on space weather activity and plays an important role in protecting satellite technology, communications and navigation systems as well as electrical power grids.

SANSA's magnetically clean facility in Hermanus is well-suited for characterising and calibrating magnetic sensors, as well as identifying the magnetic signature of dynamic platforms prior to sensor integration.

SANSA is recognised as being the national expert in space science research and magnetic technology applications.

The impact of the programmes research and services lies in:

- offering a state-of-the-art research platform and applied science and technology service platforms
- conducting cutting-edge space science research, development and innovation
- developing human capital in space science and technology
- contributing to the safety and security of the nation through space weather and magnetic technology-related services
- contributing to the South African aerospace industry through applied science and technology solutions
- establishing and maintaining effective and mutually-beneficial international partnerships in line with national strategic goals.

Core functions

The core functions of the Programme are to:

- collect and distribute of data for research, knowledge-creation and human capital development
- provide geo-space information and value-added data products and services to stakeholders within the defence force and navigation sectors, among others
- train students and personnel in scientific research, data processing, data management, electronics and satellite technology
- implement science advancement programmes and activities
- foster mutually-beneficial international partnerships.

The delivery achievements of the Programme are depicted below:

Space Science				
Indicator description	Baseline 2013/14	Target 2014/15	Actual 2014/15	Reasons for Variance
Strategic Objective 1: Offer state-of-the-art research platform and applied science and technology service platforms				
Amount (Tb) of Science data acquired and archived (3SS1)	1.5TB	2TB	2.6TB	More data than expected was retrieved from the Antarctica stations.
Strategic Objective 2: Conduct cutting-edge research, development and innovation				
Number of ISI publications (3SS4)	New	20	29	A number of publications were written in the previous year but published this financial year.

Space Science				
Indicator description	Baseline 2013/14	Target 2014/15	Actual 2014/15	Reasons for Variance
Strategic Objective 3: Development of human capital in space science and science advancement				
Number of students/interns supported/trained (3SS6)	25	40	38	Additional students joined after financial year end
Number of short courses conducted (3SS9)	8	10	14	Two additional courses for the SA Navy that were negotiated only late in the year
Proportion (%) of permanent staff from designated groups in the top two management levels (manager, senior manager) (2SS12)	55%	55%	50% (8 out of 16)	There were a few resignations at D1 level
Number of learners reached through direct and specific engagement (2SS13)	4 000	5 000	5 983	Additional activities included SciFest workshops
Strategic Objective 4: Active contribution to South African aerospace industry				
Number of industrial/commercial sector services/ products (2SS15)	5	7	9	Marginal increase due to additional products and services developed
Strategic Objective 5: Establish and maintain effective and mutually-beneficial international partnerships according to national strategic alignment				
Number of multi-national projects (2SS16)	6	6	7	Marginal increase due to addition of multi-national project

Space Engineering Programme

Space science and technology is recognised globally as an essential and strategic tool to meet social, technological, economic and foreign policy objectives. Accordingly, many governments around the world are increasing their investments in space activities to advance their space capabilities and benefit from space operations. **The Space Engineering Programme** manages and leads the technical coordination of space system and sub-system development on behalf of SANSA.

The satellite development programme is set to achieve the following objectives:

- Develop a South African indigenous capability in space systems to create a certain level of self-reliance in satellite technology.
- Use satellite development as a vehicle to develop technologies with a wider impact on the economy (such as control technology).
- Develop technology-associated rare skills and innovative capability.
- Stimulate the local industry through the development of new technologies and skill, contract opportunities and increased export and import channels through SANSA partnerships.

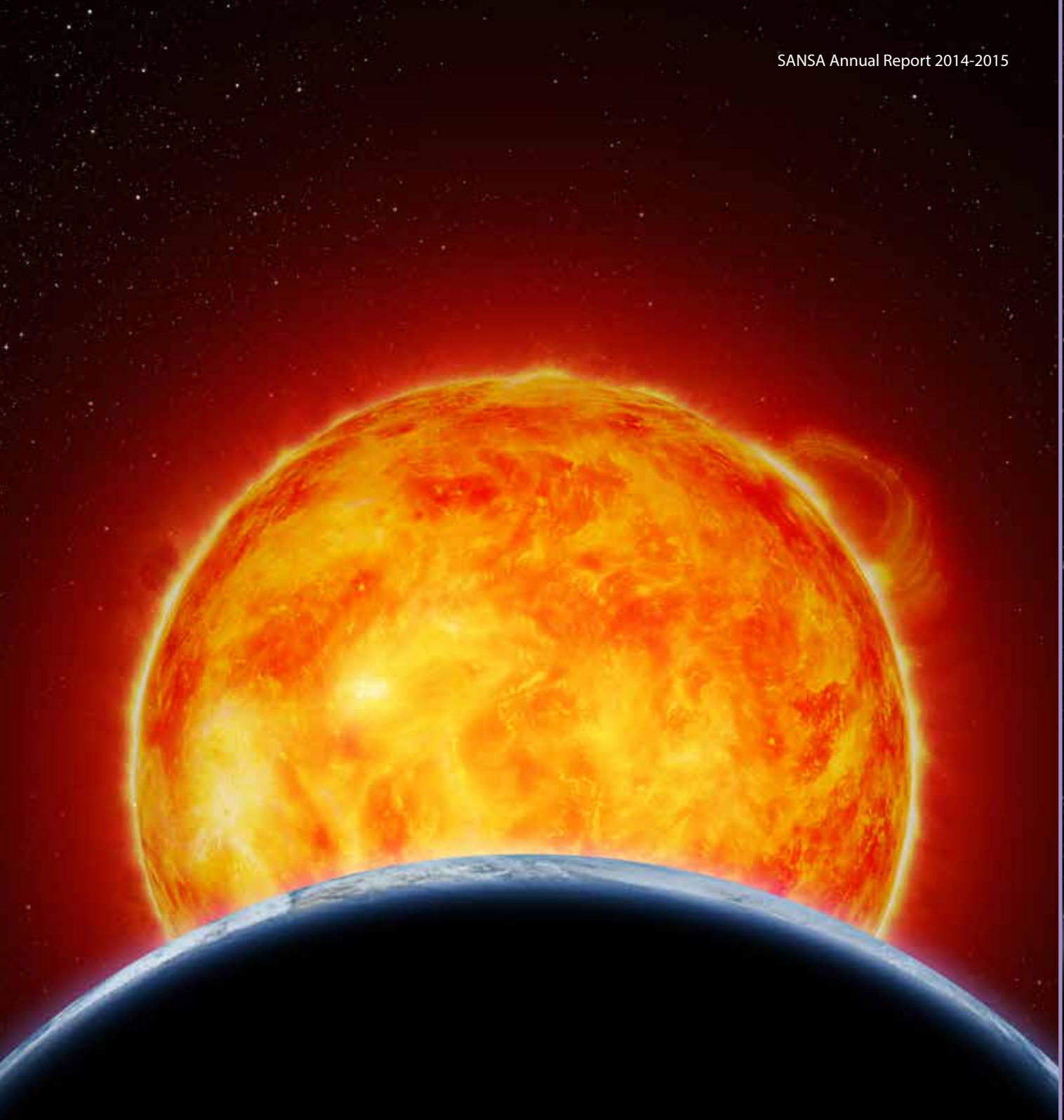
Core functions

The core functions of the Programme are to:

- drive the South African satellite development programme
- lead the development and commercialisation of new technologies
- develop skills
- interface with industry
- form global partnerships
- collect and distribute data for research, knowledge-creation and human capital development.

The Programme was under pressure during the financial year due to funding uncertainties. This limited access to resources and the ability to deliver against planned performance as depicted below:

Space Engineering				
Indicator description	Baseline 2013/14	Target 2014/15	Actual 2014/15	Reasons for Variance
Strategic Objective 1: Offer a state-of-the-art satellite assembly, integration and testing (AIT) platform and services				
Number of jobs directly supported by the satellite engineering programme (3SE1)	30	40	36	Denel Dynamics redirected employees as they await the contract for phase 1.1 from SANSA. When the order for Phase 1.1 is placed, the shortage of employees will be addressed
Strategic Objective 2: Technical coordination of satellite system and sub-system development on behalf of SANSA				
Number of national satellite projects (3SE2)	1	2	1	Only EO-SAT1 project is being implemented. IBSA- Sat has not progressed
EO-Sat1 project implementation (3SE3)	18%	50%	25%	Contracting delays due to funding uncertainties
Proportion (%) of budget expenditure spent on technology development (3SE4)	9%	26%	0%	Target not achieved as no funding received for industry upgrade
Strategic Objective 3: Focused HCD in space engineering in partnership with space industry, universities and other partners				
Number of students/interns supported/trained (3SO5)	9	5 (4 PhDs, 11 MSc/MTech	9	Since the budget for Space Engineering HCD was not approved for 2014/15, only the nine students already studying with bursaries could be supported. No new bursaries can be approved until the HCD budget for Space Engineering is approved.
Strategic Objective 4: Promote a conducive environment for industrial/private involvement in satellite system and sub-system development				
Proportion (%) of budget expenditure spent on industry development (3SE8)	8%	80%	0	Target not achieved due to committed funding not received
Strategic Objective 5: Establish and maintain effective and mutually-beneficial international partnerships and customer relations according to national strategic alignment				
Number of multi-national projects (3SE7)	2	2	1	One Declaration of Intent signed with Algeria Space Agency with implementation plan



PART D: GOVERNANCE

D

1. Corporate Governance

Governing Board

The Board is the Accounting Authority of SANSA in terms of the Public Finance Management Act (PFMA Act, No. 1 of 1999) and therefore responsible for providing SANSA with strategic direction, leadership and directives for good corporate governance. The Board places a strong emphasis on achieving the highest standards of adherence to the Code of Conduct, reporting, financial and risk management.

Role of the Board

Within the powers conferred upon the Board by legislation, particularly as stipulated in Section 9 of the SANSA Act (No. 36 of 2008), the Board has determined its main function and responsibility as adding significant value to SANSA, to:

- perform any function imposed upon it in accordance with the policy direction issued by the Minister and in terms of the SANSA Act (No. 36 of 2008)
- oversee the functions of the Agency
- monitor the research priorities and programmes of the Agency
- give effect to the strategy of the Agency, in the performance of its functions
- notify the Minister immediately of any matter that may prevent or materially affect the achievement of the objectives of the Agency
- establish or disband organisational divisions of the Agency, as appropriate, after consultation with the Minister

Board Charter

The Board Charter outlines the other responsibilities of the Board as:

- providing effective leadership based on an ethical foundation and ensuring that the Agency is a responsible citizen
- acting as the focal point for the custodian of corporate governance
- setting SANSA's directions, strategies and financial objectives and ensuring that the required resources are in place for the Agency to meet its objectives
- identifying and regularly monitoring SANSA's key risk areas and key performance indicators
- ensuring that SANSA has an effective and independent Audit Committee
- ensuring that SANSA complies with relevant legislation, regulations and codes of business practice
- providing overarching oversight of the strategy and adoption of best practices in the rollout and utilisation of ICT systems/procedures
- providing oversight to ensure the effective management of stakeholder relations and that the Agency's performance is managed and measured to enhance SANSA's reputation
- considering business rescue measures or other turnaround mechanisms as soon as the Agency is financially distressed, as defined in King III
- ensure that the performance of the Executive Management is regularly assessed and monitored
- support programmes or projects that relate to scientific space research

Composition of the Board

The SANSA Board has 16 members at the end of 2014/15 financial year as appointed by the Minister of Science and Technology. The Board members are all non-executive and the CEO is an ex-officio member of the Board. All non-executive Board members were assessed as independent during the year under review.

The Board is assisted in discharging its duties through the following committees:

- Audit and Risk
- Strategy and Investment
- Human Resources, Social and Ethics

The roles and responsibilities of the Committees are reflected in the charter for each committee.

The term of contract of Board members ended on 31 August 2014 and the Minister of Science and Technology appointed 11 new Board members and reappointed five Board members to execute the Board's fiduciary responsibilities. As a result the constitution and membership of the Board committees had to be reviewed.

Table 8: Board membership

Board member	Designation	Date appointed to Board	Date Board term ended	Highest qualification
Joy-Marie Lawrence	Board Chairman	1 June 2010 Extended from 1 June 2014 Reappointed 1 September 2014	31 May 2014 to 31 August 2014 To date	LLM (Masters in Law) Executive MBA with distinction
Mbali Mfeka	Chairman: Audit and Risk Committee	Appointed 1 September 2014	To date	BCom (Hons); Masters in Business Leadership (MBL)
Omar Latiff	Member: Audit and Risk Committee	Appointed 1 September 2014	To date	BCom (Economics), BCompt (Hons), CA(SA),
Johan Prinsloo	Member: Audit and Risk Committee	Appointed 1 September 2014	To date	BEng (Electronic Engineering)
Simphiwe Hamilton	Member: Audit and Risk Committee	Appointed 1 September 2014	To date	BMil, BMil (Hons) (Politics), MMil (Defence Administration)
Potlaki Maine	Member: Audit and Risk Committee	1 June 2010 Extended from 1 June 2014 Reappointed 1 September 2014	31 May 2014 to 31 August 2014 To date	MSc (Information Science)
Matsie Matooane	Chairman: HR, Social and Ethics Committee	Appointed 1 September 2014	To date	MBA, MSLIS
Gaborekwe Khambule	Member: HR, Social and Ethics Committee	1 May 2013 Extended from 1 June 2014 Reappointed 1 September 2014	31 May 2014 to 31 August 2014 To date	DMS, MAP, NHDP (Meteorology)
Willie van Biljon	Member: HR, Social and Ethics Committee	Appointed 1 September 2014	To date	BSc (Eng) (Mech), MSc (Eng) (Mech)
Vincent Gore	Member: HR, Social and Ethics Committee	1 June 2010 Extended from 1 June 2014 Reappointed 1 June 2014	31 May 2014 to 31 August 2014 To date	BSc (Eng) (Elec)
Ashley Naidoo	Member: HR, Social and Ethics Committee	Appointed 1 September 2014	To date	BSc (Paed), Bsc (Hons); MSc (Marine Zoology)
Marius Rezelman	Chairman: Strategy and Investment Committee	1 May 2013 Extended from 1 June 2014 Reappointed 1 September 2014	31 May 2014 to 31 August 2014 To date	BCom (Hons)
Prof Ramesh Bharuthram	Member: Strategy and Investment Committee	Appointed 1 September 2014	To date	PhD (Theoretical Plasma Physics)
Eugene Jansen	Member: Strategy and Investment Committee	Appointed 1 September 2014	To date	MBA, MSc (Eng)
Mmuso Riba	Member: Strategy and Investment Committee	Appointed 1 September 2014	To date	BSc (Math, Chem), BSc (Surveying)
Dr Nozi Mjoli	Member: Strategy and Investment Committee	Appointed 1 September 2014	To date	BSc (Hons), MSc (Microbiology), PhD (Microbiology)

As part of the induction programme, the newly appointed Board members attended all committee meetings until the confirmation of their membership.

Table 9: The Board meeting attendance record for the 2014/15 financial year

Board member	22/05/2014	29/07/2014	18/11/2014	27/02/2015
Joy-Marie Lawrence **(Chairperson)**	✓	✓	✓	✓
Maurice Magugumela **(Ex-Chairperson)**	✓	✓	●	●
Mbali Mfeka	●	●	✓	✓
Omar Latiff	●	●	✓	✓
Johan Prinsloo	●	●	✓	✓
Simphiwe Hamilton	●	●	✓	✗
Potlaki Maine	✓	✓	✗	✓
Tsheko Ratsheko	✓	✓	●	●
Prof David Walker	✓	✓	●	●
Dr Elizabeth Gavin	✓	✓	●	●
Lee Annamalai	✓	✓	●	●
Mpho Mamashela	✗	✓	●	●
Matsie Matooane	●	●	✓	✓
Gaborekwe Khambule	✓	✓	✓	✓
Willie van Biljon	●	●	✓	✓
Ashley Naidoo	●	●	✓	✓
Vincent Gore	✓	✓	✓	✓
Marius Rezelman	✓	✓	✓	✓
Prof Ramesh Bharuthram	●	●	✓	✓
Eugene Jansen	●	●	✓	✓
Mmuso Riba	●	●	✗	✓
Dr Nozi Mjoli	●	●	✗	✓
Dr Daphney Mayindi	✗	✗	●	●
DrJonas Mphepya	✗	✗	●	●
Dr Sandile Malinga **(Chief Executive Officer and ex-officio Board member)**	✓	✓	✓	✓

✓ Attendance ✗ Apology ● Not a member

Strategy and Investment Committee

The Strategy and Investment Committee is responsible for assisting the Board in fulfilling its oversight responsibilities that pertain to:

- facilitation and oversight of the strategic planning process by taking into account the mandate of SANSA and the strategic direction by the Shareholder in fulfilling Government's key priorities
- ensuring that the Strategic Plan and Annual Performance Plan are set on baseline and broad market information
- ensuring that the Strategic Plan sets out performance priorities, programmes and project plans for a five-year period in conjunction with the Shareholder
- ensuring that the Annual Performance Plan is aligned to the Strategic Plan that will ensure that SANSA achieves its five-year targets
- ensuring that the strategic planning framework adheres to the planning cycle and timelines as set out in the Governance Framework for Public Entities reporting to the Minister of Science and Technology.

The membership of the Committee and its attendance record in 2014/15 is reflected in the table below. However, it must be noted that the membership of the Committee have been re-configured during the financial year under review as a result of the appointment of new Board Members.

Table 10: Membership and member attendance of the Strategy & Investment Committee

Board member	13/05/2014	15/07/2014	05/11/2014	10/02/2015
Marius Rezelman (**Chairman**))	●	●	✓	✓
Dr Robert Scholes	✓	✓	●	●
Joy-Marie Lawrence	✓	✓	●	●
Dr Elizabeth Gavin	✓	●	●	●
Dr Jonas Mphepya	✓	●	●	●
Leeandran Annamalai (**Ex-Chairperson**)	✓	✓	●	●
Prof David Walker	✓	✓	●	●
Dr Nozi Mjoli	●	●	✓	✓
Prof Ramesh Bharuthram	●	●	✓	✓
Mmuso Riba	●	●	✗	✓
Eugene Jansen	●	●	✓	✓
Dr Sandile Malinga (**Ex-officio member**)	✓	✓	✓	✓
Bulelwa Pono (**Ex-officio member**)	✓	✓	✓	✓

✓ Attendance ✗ Apology ● Not a member

Human Resources, Social and Ethics Committee

The Human Resources, Social and Ethics Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in respect of the following matters:

- Ensure that the Human Resources strategy supports the Agency's vision, mission and associated activities
- Ensure that the organisational structure supports the activities to be undertaken by the Agency
- Promote and guide Human Resources initiatives and policies relevant to SANSA, within a framework of best practice and governance
- Determine specific remuneration packages for executive management of the organisation, including but not limited to basic salary, benefits, any annual bonuses, performance-based incentives, pension and other benefits
- Determine any criteria necessary to measure the performance of executive management in discharging their functions and responsibilities
- The Committee undertakes to periodically review the Agency's practices on diversity in the workplace to ensure adherence to Employment Equity plans
- The Committee shall review the Conditions of Service, the HR policies and procedures of SANSA and make recommendations to the Board for approval

- The Committee will provide guidance to ensure that SANSA's culture and conduct is sustainable and aligned with the statutory requirements pertaining to social and ethics matters as contemplated in the Companies Act
- The Committee will have due regard for the principles of governance and code of best practice

Table 11: Membership and attendance record of the Human Resources, Social and Ethics Committee.

Board member	14/05/2014	10/07/2014	10/11/2014	16/02/2015
Louisa Mogudi **(Ex -Chairman)**	✓	●	●	●
Adv Tsheko Ratsheko	✓	✓	●	●
Dr Daphney Mayindi	✗	✗	●	●
Capt Mpho Mamashela	✗	✗	●	●
Sindile Faku **(Lead Independent Non-Executive member appointed 1 January 2014)**	✓	✓	●	●
Gaborekwe Khambule	●	●	✓	✓
Matsie Matooane **(Chairman)**	●	●	✓	✓
Willie van Biljon	●	●	✓	✓
Vincent Gore	●	●	✓	✓
Ashley Naidoo	●	●	✗	✗
Zweli Ndziba **(Executive Director: Corporate Services and ex-officio Committee member)**	✓	✓	✓	✓

✓ Attendance ✗ Apology ● Not a member

Remuneration of Board members

Remuneration of Board members is set out in Note 18 of the Annual Financial Statements. The remuneration of the SANSA Board is in line with the National Treasury guidelines. The SANSA Board was categorised as a level A2 for the financial year under review. Board members are paid for the meeting attendance and preparatory time. Board members are not paid a daily allowance when attending to SANSA business but paid per hour for the actual event. However, SANSA covers all travel costs (airfares, car hire, etc.). Other reimbursements include monthly cell phone and data allowance in line with the SANSA cell phone and 3G policy as well as for actual costs incurred by Board members for incidental expenses such as airport parking costs, Gautrain fares and use of personal vehicles (reimbursed per kilometre as per SANSA travel policy).

Board members who represents other government departments or institutions are not remunerated unless proof of permission to do remunerative work outside their normal official duties are submitted.

SANSA Inaugural Board members

Maurice Magugumela
(Board Chairman)

Gaborekwe Khambule

Joy-Marie Lawrence

Dr Robert Scholes

Leeandran Annamalai

Captain Mpho Mamashela

Adv Tsheko Ratsheko

Vincent Gore

Dr Elizabeth Gavin

Mthobisi Zondi

Louisa Mogudi

Potlaki Maine

Marius Rezelman

Prof David Walker

Dr Daphney Mayindi

Dr Jonas Mphepya

Dr Sandile Malinga
CEO

SANSA New Board members

Joy-Marie Lawrence
(Chairman)

Prof. Rameshwar Bharuthram

Vincent Gore

Simphiwe Hamilton

Eugene Jansen

Gaborekwe Khambule

Omar Latiff

Potlaki Maine

Matsie Matooane
Chairperson:
HR Social & Ethics Commitee

Mbali Mfeka
Chairperson:
Audit & Risk Committee

Dr Nozi Mjoli

Ashley Naidoo

Johan Prinsloo

Marius Rezelman
Chairperson:
Strategy & Investment Committee

Mmuso Riba

Willie van Biljon

Dr Sandile Malinga
CEO

SANSA Senior management

Senior Management under the CEO is the second highest management committee of SANSA and responsible for the Agency's Senior operational management and consists of:

Dr Sandile Malinga
CEO

Bulelwa Pono
CFO

Zweli Ndziba
ED

Dr Lee-Anne McKinnell
MD SANSA Space Science

Raoul Hodges
MD: SANSA Space Operations

Dr Jane Olwoch
MD: SANSA Earth Observations.

Rose Nkoane
Board Secretary(Acting)

Eduardo Jorge Pinto
ED: Space Programme Division (Acting)

2. Risk Management

Enterprise risk management (ERM) is an integral part of SANSA's business strategy and planning and is applied across the organisation as an ERM Policy and Framework.

In line with SANSA's integrated risk management methodology, inherent risks are continuously reviewed with a focus on effectiveness of controls. Regular risk assessments are conducted as part of the implementation of the ERM Framework to determine the effectiveness of the control environment.

Key activities of SANSA's ERM process include:

- regular risk assessments conducted to determine the effectiveness of the control environment
- risk awareness and training sessions with management responsible for the implementation of the risk management plan
- the use of the implemented key risk indicators, which enable ongoing monitoring of risk to reduce both impact and likelihood of risk occurrences
- monthly monitoring and review of the risk registers (strategic and operational) by the Enterprise Risk Management division
- quarterly monitoring and review of risk management activities by SANSA's senior management and Audit and Risk Committee

The Board and Audit and Risk Committee are responsible for governance oversight of risk management at SANSA. The Board effects its commitment to enterprise risk management through quarterly monitoring the ERM by the Audit and Risk Committee.

SANSA's top 5 risks

The management of SANSA identified and assessed ten strategic risks for the financial year. The following are the top risks.

1. Inability to deliver on the Space Programme Unit objectives
2. Insufficient funding
3. Current ERP system inadequate
4. Infrastructure failure
5. Lack of business continuity/ recovery

Fraud prevention, detection and investigation

SANSA has developed an Anti-Fraud Management Policy and Fraud Prevention Plan to comply with Treasury Regulations and the PFMA. The Fraud Prevention Plan takes into account the fraud risks identified in the SANSA Fraud Risk Register where the detailed fraud and corruption risks are addressed. The plan seeks to address the following, among others:

- Early detection and prevention of fraud
- Investigating fraud to minimise any negative impact
- Raising fraud awareness within SANSA
- Encouraging a culture within SANSA where all employees, the public and other stakeholders behave ethically in dealings with or on behalf of SANSA
- Reporting fraud, corruption or any other unethical behaviour that could have an undesirable impact on SANSA through the SANSA fraud hotline

3. Internal Audit and Risk Committees

Internal Audit

The SANSA Internal Audit Division was established in terms of section 51(1)(a)(ii) of the PFMA, which requires the Accounting Authority (the Board) to ensure that SANSA has and maintains a system of internal audit. The Audit and Risk Committee has the authority to independently determine the scope and extent of work performed by the Internal Audit function.

In accordance with the overriding requirement of independence and objectivity, the Internal Audit function reports functionally to the Chairperson of the Audit and Risk Committee and administratively to the Chief Executive Officer.

The purpose, authority and responsibility of the Internal Audit function are formally defined in its Charter, which is reviewed on an annual basis and approved by the Audit and Risk Committee and the SANSA Board.

As a critical assurance provider within the combined assurance framework of the business, internal and external audit co-ordinate efforts and ensure that there is an optimal level of overlap between these assurance providers. The internal audit function is tasked with compiling an annual audit plan approved by the Audit and Risk committee to:

- test the internal controls across the business
- audit specific areas based on the outcome of a risk assessment
- provide advisory service to the organisation as necessary
- provide ad hoc audit services

During the 2014/15 financial year, the internal audit unit successfully conducted internal audit assignments based on a "risk-based audit approach", which is outlined in the approved internal audit plan.

The SANSA internal audit unit has adopted a co-sourced model whereby the organisation makes use of an internal audit service provider as well as an in-house audit to meet the mandate and responsibilities of the unit.

The following internal audit work was completed during the year under review:

- The internal audit unit successfully conducted internal audit assignments based on a "risk-based audit approach", which is outlined in the approved internal audit plan
- The SANSA internal audit unit has adopted a co-sourced model whereby the organisation makes use of an internal audit service provider as well as an in-house audit to meet the mandate and responsibilities of the unit

Audit and Risk Committee

The Audit and Risk Committee has been established in compliance with Sections 76(4) (d) and 77 of the PFMA (Act No. 1 of 1999) and Section 3 of National Treasury Regulations.

The objective of the Committee is to provide independent oversight on the:

- effectiveness of the internal control systems
- effectiveness of the internal audit function
- risk areas of the Agency's operations to be covered in the scope of internal and external audits
- adequacy, reliability and accuracy of the financial information
- any accounting and auditing concerns identified as a result of internal and external audits and compliance with law and regulatory provisions

Table 12 discloses relevant information on the audit committee membership and its attendance record in 2014/15. However, it must be noted that the membership of the Committee has been re-configured during the financial year under review as a result of the appointment of new Board Members.

Table 12: Attendance record of the Audit and Risk Committee

Board member	16/05/14	16/07/14	06/11/14	12/02/15
Marius Rezelman **(Ex-Chairman)**	✓	✓	●	●
Mthobisi Zondi	✗	✗	●	●
Vincent Gore	✓	✗	●	●
Potlaki Maine	✓	✓	✗	✗
Nick Nicholls **(Lead Independent Non-Executive Committee member appointed on 1 January 2014)**	✓	✓	●	●
Mbali Mfeka **(Chairman)**	●	●	✓	✓
Omar Latiff	●	●	✓	✓
Simphiwe Hamilton	●	●	✓	✓
Johan Prinsloo	●	●	✗	✓
Gaborekwe Khambule	✓	✗	●	●

✓ Attendance ✗ Apology ● Not a member

4. Compliance with Laws and Regulations

Assurance of compliance with and the effectiveness of systems of internal control is obtained through regular management reviews, internal audit reviews and testing of certain aspects of the internal financial control systems by the external auditors during the course of their statutory examinations.

5. Fraud and corruption

SANSA has a Fraud Prevention Policy and Plan in place to encourage all staff and stakeholders to prevent and detect fraud with an impact on the entity. The Fraud Policy and Prevention plan is currently under review to include other mechanisms identified for fraud prevention. SANSA has a culture of zero tolerance to fraud by all individuals as stated in the Agency's risk appetite. SANSA also launched fraud training to raise awareness of fraud, corruption and theft within the organisation.

SANSA's fraud whistleblowing hotline is used for confidential reporting within the organisation. Staff can report any acts of fraud and corruption without fear of victimisation, penalty or retribution. Irregularities reported through the hotline are handled as confidential and progress of such investigations is reported to the Audit and Risk Committee.

6. Minimising Conflict of Interest

SANSA's procurement process requires that all staff complete a declaration of interest form annually through the Human Resources division. All Supply Chain Management employees and others involved in supply chain activities sign the declaration (whether or not they have anything to declare) at each meeting (BSC, BEC and BAC). Care is taken to prevent conflict of interest within the procurement unit. Should conflict exist, the affected employee is recused from the process. Suppliers and service providers also declare their interest by completing the necessary documentation. Procurement personnel renew their declaration of interest on a yearly basis.

7. Health, Safety and Environment

SANSA is committed to achieving environmental, health and safety excellence. The organisation strives to provide a safe and healthy working environment and to avoid harming the environment and the communities in which it operates.

All employees contribute in this regard by:

- complying to environmental, health and safety laws
- Taking measures to prevent workplace injuries and illnesses and providing a healthy and safe working environment
- reducing the use and release of toxic and hazardous materials
- cooperating with the public, the government and other interested parties to develop regulatory and public policies to protect public health and the environment

Safety, Health, Environment, Quality (SHEQ)

SANSA has the necessary SHEQ committees and undertake regular meetings. The SHEQ training in various topics or exercises was undertaken including legal training, first aid, incident investigation, height training and fire fighting.

SHEQ Training Interventions

Height training attended by the 10 staff who have correct practical skills and awareness when working at heights

22 staff have been trained in fire-fighting to be in a position to manage a fire at work

Invasive species encroaching on the natural vegetation is being removed to protect the ecosystem at facilities

Waste management is vital part of good housekeeping

Removal of invasive species

As part of SANSA's targets and objectives, the SHEQ office embarked on a three-year project to eradicate invader/ alien plants and weeds.

SANSA has to adhere to the Conservation of Agricultural Resources Act, 1983, of the National Department of Agriculture that makes provision for the conservation of the natural agricultural resources of South Africa.

Waste management

Waste segregation is a vital part of good housekeeping. SANSA's SHEQ office conducted a waste segregation information session to provide staff and contractors with an operational procedure for the management of waste generated.

Energy saving

The new building at the Space Science facility was built to the latest energy efficiency by-laws and legislation and complies with the required energy transfer specifications. The design of the building makes it friendly for use and access by physically handicapped persons. The water heating and lighting is energy-efficient by using solar heating and LED and energy saving lighting technology.

The building has a hygienic sick-bay with fully-stocked first-aid cabinet, medical wash-up facilities, a hospital bed and stretcher for transporting immobile persons.

SANSA is also contributing to energy saving by monitoring its monthly electricity usage. The electricity baseline is 16 000 units. 1,176,576 units of electricity were used during the 2014/15 financial year compared to 1,855,040 used in the previous financial year.

Audits

- The internal and external audits were conducted on ISO 14001: 2007, OHSAS 18001: 2004 and ISO 9001:2008. The re-certification was conducted by SABS and Space Operations has been re-certified on the above two standards.

Non-conformance, corrective and preventative action

- ISO 9001:2008
  Six instances of minor non-conformance were raised by SABS during the audit. The findings have been corrected and cleared by SABS.

Incidents

- Two non-disabling injuries have been reported through SANSA.

DIFR

- Disabling Injury Frequency Rate (DIFR) for SANSA is 0.00.

8. Social Responsibility

SANSA researchers, students, and educators initiated a project to provide tutoring to learners in the local community. The SANSA Tutor project allows grade 11 and 12 learners from schools in the Overberg region to attend fortnightly tutoring sessions in mathematics and physical science on Saturdays at SANSA. The learners benefit by being tutored by young science role models and actively engaging with mathematics and science within an environment where these subjects are critical. Approximately 50 learners are attending each of these sessions, and some of the learners have taken the initiative to follow up where additional support is needed prior to writing exams. The project is serving a need within the community and has the support of the local schools.

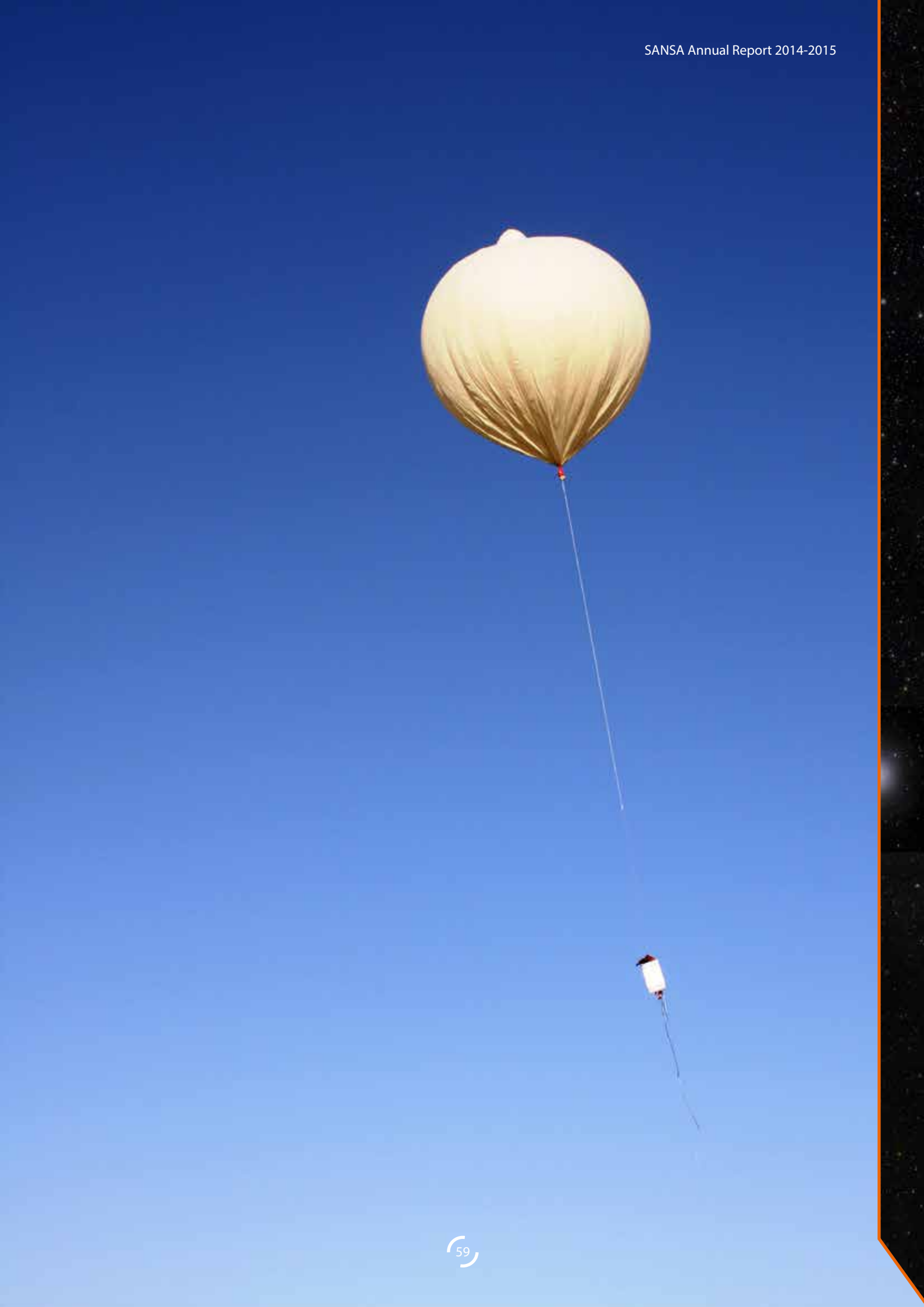
SANSA hosted a FynArts Space and Beyond Art competition for children during June 2014. FynArts is an annual Arts Festival held in Hermanus, and the children's competition has become a highlight. A local artist coordinated the competition on behalf of SANSA and two local businesses donated the prizes. A total of 39 children participated in the competition and had tremendous fun exploring space and their hidden talents.

SANSA sponsored the prize of the Top 2 Rhodes University Maths Experience competition winners. The two winners were a Grade 10 and 11 learner from the Eastern Cape with the prize being a visit to the SANSA facility in Hermanus over two days.

A donation of 14 computers and 10 notebooks was made across 15 schools in the Hartebeesthoek surrounding area. SANSA received written feedback from the schools expressing their gratitude and stating that the computers are a useful aid in improving teaching and learning.

The agency also donated 10 picnic benches to the Skeerpoort Primary School. The benches will be used during lunches and as breakout areas during lesson activities. The ceremony was attended by SANSA Senior Management as well as Mr Bibi Nkgabele from the Department of Education. All three guests motivated the learners to study hard as they hold the keys to their futures. Learners from grade 6 and 7 classes undertook some activities on space exploration.

SANSA staff participated in activities to give back to communities in honour of Nelson Mandela Day. These included painting and donating food and clothing towards the Child Welfare in Tshwane, planting a vegetable garden in Mamelodi and donating to children's charities in the Western Cape to name a few.



9. Audit and Risk Committee Report

The Committee is pleased to present its report for the financial year ended 31 March 2015.

The Audit and Risk Committee consists of five members, and met four times during the year under review. Schedule of attendance is shown on page 55 of this report.

Audit and Risk Committee Responsibilities

The Audit and Risk Committee complied with its responsibilities arising from the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit and Risk Committee also adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this Charter and discharged all its responsibilities as contained therein, except the changes in accounting policies and practices that were reviewed.

The Effectiveness of Internal Control

Through the review of the internal audit activity, the Committee is satisfied that an adequate system of internal control is in place to mitigate risks to an acceptable level. These controls have been effective during the financial year under review. The system is designed to manage, rather than eliminate, the risk of failure and to maximise opportunities to achieve business objectives. This can provide only reasonable, but not absolute assurance.

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted at SANSA, revealed certain weaknesses, which were then raised with the Agency.

The Audit and Risk Committee is satisfied, based on the information and the assurance provided by management and the Internal Audit department as well as the Independent External Auditors on the results of their audits, that an adequate system of internal control is being maintained.

Risk Management

The Committee is satisfied that SANSA has an ongoing risk management process, focused on identifying, assessing, managing and monitoring all known forms of significant risks across all operations. This has been in place for the year under review and up to the date of approval of the annual financial statements.

SANSA has a legal mandate to develop and implement effective and efficient systems of risk management and internal control in accordance with Treasury Regulation 27.2.1 which requires SANSA to conduct risk assessments regularly and develop a risk management strategy that includes a fraud prevention plan and management capacity required to manage the identified risks.

The Public Finance Management Act (PFMA) of 1999, supported by the Treasury Regulations, has legislated some key governance requirements that must be adhered to and also be implemented. The compliance requirements in accordance with the PFMA section 51(1)(a)(i) stipulate that:

"An accounting authority for a public entity must ensure that the public entity has and maintains: effective, efficient and transparent systems of financial and risk management and internal control."

SANSA has adopted a principle of implementing an enterprise-wide risk management approach to manage all its business risks. Risk management methodologies are applied in strategy setting, planning, projects, decision-making and all other business processes. SANSA strives to be a sustainable and performance-driven entity.

The aim in implementing risk management initiatives is to ensure that SANSA's strategic objectives are met as well as effectively protecting the company and its brands against reputational and financial damage.

The Audit and Risk Committee of the Board is kept abreast of developments within SANSA through formal scheduled meetings held in accordance with the approved Board year plan.

An annual risk assessment is conducted on a strategic level, and is aligned with the strategic planning process of SANSA.

The risks are captured and documented in a risk register, and monitored on an ongoing basis in relation to risk mitigation strategies.

Internal Audit

The Committee has evaluated the internal control environment and has assessed the internal controls as effective to mitigate related risks (based on the information provided). In line with the PFMA (Act No. 1 of 1999), the internal audit coverage plan was informed by the risk management process. The Committee met with the internal auditors as often as necessary to discuss issues of concern arising from internal audit reviews.

In-Year Management and Monthly/ Quarterly Report

The public entity has submitted quarterly reports to the Executive Authority.

Evaluation of Financial Statements

In respect of the SANSA Annual Financial Statements, the Committee has:

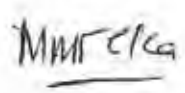
- reviewed and discussed the audited annual financial statements to be included in the annual report, with the external auditors
- reviewed the Agency's management letter and management's response to it
- reviewed changes in accounting policies and practices
- considered the applicability of the going concern assumption
- reviewed the Agency's compliance with legal and regulatory provisions
- reviewed significant adjustments resulting from the audit

The Committee concurs with, and accepts, the external auditor's report included in the annual financial statements.

Auditor's Report

We have reviewed SANSA's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.



Ms Mbali Mfeka
Chairperson of the Audit and Risk Committee
South African National Space Agency

PART E: HUMAN RESOURCE MANAGEMENT

E

1. Introduction

SANSA acknowledges the invaluable contribution of its people to the achievement of the Agency's goals and objectives.

Our human resource management programme for the reporting period was aligned with SANSA's business requirements and the priorities identified in our Human Capital Management Strategic Plan (2012 – 2015).

This section of the annual report reflects on performance against high-level strategic priorities in SANSA's human resource management programme during the past year, highlights key achievements and provides the required human resources information.

Priorities And Key Achievements

Workforce Plan

SANSA's comprehensive 2014–2017 Workforce Plan is based on rigorous workforce analysis and informed forecasting. The effective implementation of the plan will ensure that we have enough skilled and knowledgeable employees with the capabilities required to successfully execute the Agency's programmes.

We took cognisance of workforce supply and requirements in developing the plan. This related to:

(i) current employees who could retire or resign

(ii) emerging strategic focus areas that may require different skills sets

(iii) new business or operational requirements

(iv) a need for robust succession management.

The ultimate purpose of the plan is to ensure that SANSA has access to and can attract and retain a skilled, experienced and knowledgeable workforce capable of meeting our goals and objectives.

Review of HR policies & processes

SANSA completed its Human Resources Business Processes and Policies Improvement (HR-BPPI) project successfully during the period under review. All existing HR policies were reviewed and new, fit-for-purpose policies required to support business operations were developed. Related business processes and standard operating procedures were documented formally to ensure their consistent application throughout the organisation.

Talent management

Talent management is a core component of SANSA's human capital management. Our approach is to ensure that we attract the right people with the right capabilities in the right roles so that we deliver according to our performance plans and as mandated.

During the period under review, we developed a holistic Talent Management Framework. Talent plans for SANSA's business areas will be aligned with the framework to guide each area in attracting, retaining, motivating, developing, deploying, recognising and rewarding staff. The implementation of the framework throughout the organisation is a key priority in the forthcoming financial year.

Performance management

SANSA recognises and rewards strong performance. During the past year, all employees again engaged with their managers to set themselves individual goals linked to business objectives. This ensured that each individual took responsibility for delivering according to business plans. Salary increases and performance bonus payments are linked to performance goals, while performance bonuses are aligned with overall organisational performance.

Employee recognition

Ensuring that our employees are recognised and rewarded for performance contributes to productivity and workplace satisfaction. In this regard, SANSA adopted an Employee Achievement Awards Framework through which all SANSA divisions recognise employee excellence formally through Employee Achievement Award events. The awards recognise and reward individual and group performance excellence, as well as employees who "live" our values.

Learning and development

SANSA employees are encouraged to use continued education learning and development opportunities and to own and manage their own career development, supported by their managers.

During the year under review, we implemented all training interventions in our training plans within all business areas. We also provided our leadership and technical/professional teams with learning and further development opportunities.

We developed a new career framework, which will be implemented across all business areas and functions in the year ahead. The framework identifies the skills, experience and competencies required for each role and align employees' career progression needs with our business needs.

Employee benefits

All SANSA employees have access to our employee benefits portfolio in return for their invaluable contributions to the Agency.

The portfolio currently consists of:

- A bursary scheme
- Membership of a comprehensive medical aid scheme
- Membership of retirement and group life schemes;

Employment equity and diversity

SANSA is committed to building a diverse workforce that is free from discrimination and a workplace that is inclusive, supportive and equitable. Issues of disrespect, disadvantage, discrimination and/or harassment are dealt with fairly and reasonably.

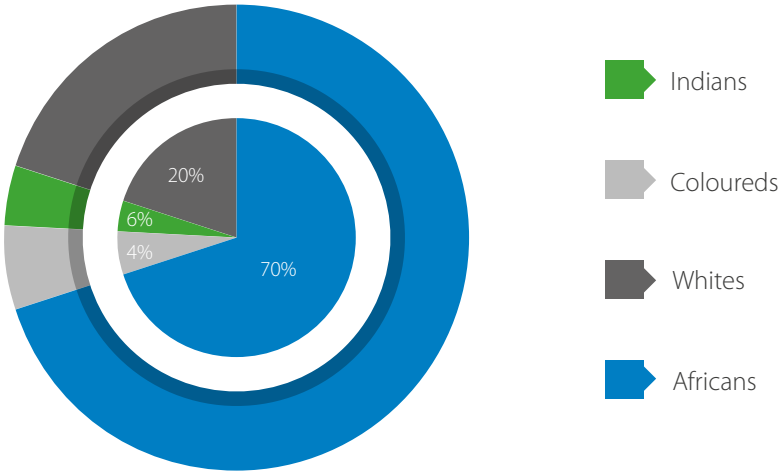
We submit Employment Equity reports to the Department of Labour annually to indicate performance against employment equity goals and targets. All our Human Resource practitioners attended the Department of Labour's workshop on the Employment Equity Act, No 55 of 1998 and Employment Services Acts, No 4 of 2014 to gain a deeper understanding of the regulations, requirements and guidelines associated with these Acts and SANSA's need for compliance with both Acts.

Employee satisfaction

We successfully conducted a satisfaction survey among employees throughout the Agency to gauge the levels of satisfaction with, *inter alia*, communication and interaction. Based on the survey results, we devised interventions to proactively manage employee expectations.

2. Human Resource Oversight Statistics

A. OVERALL SANSA EMPLOYMENT EQUITY PROFILE

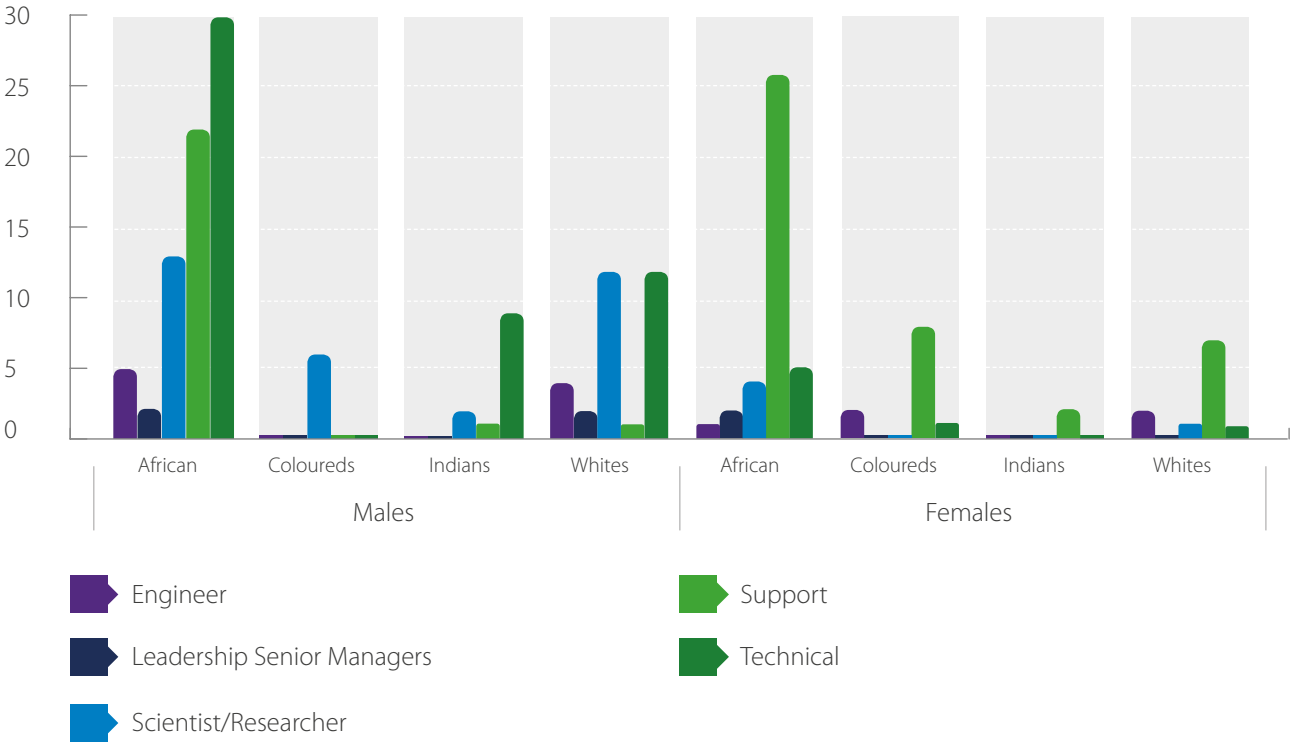


B. SANSA WORKFORCE PROFILE AS AT 31 MARCH 2015

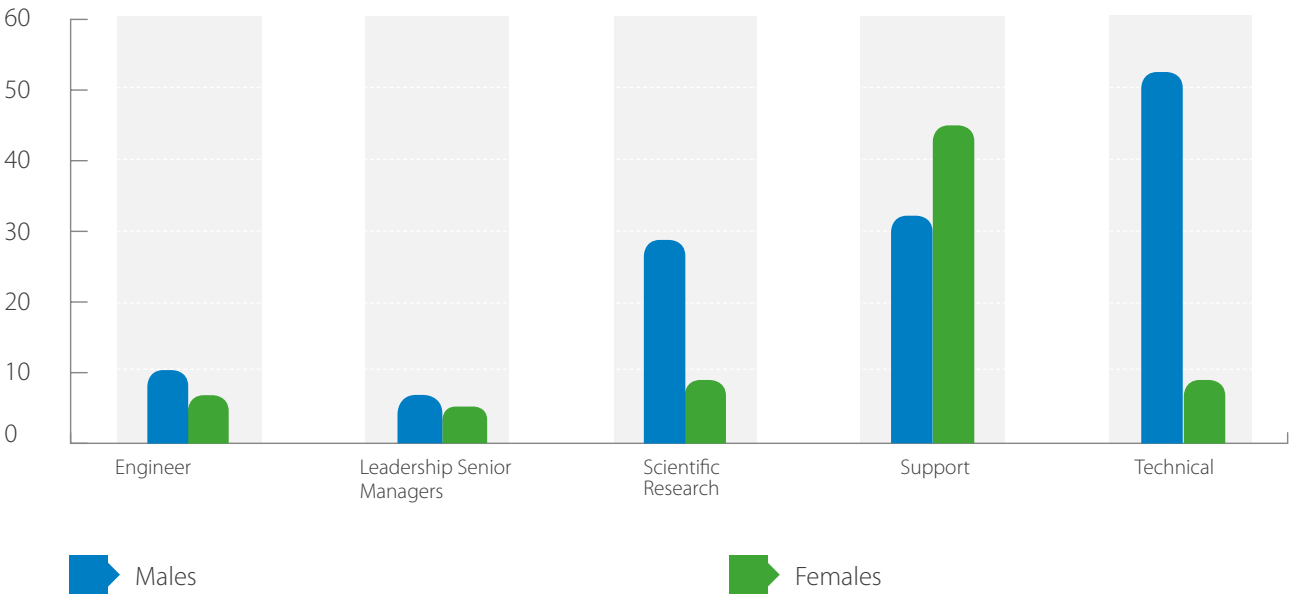
The table below reflects SANSA's total number of employees (including those with disabilities) in each occupational category as at 31 March 2015. The format is prescribed by the Employment Equity Act, No 55 of 1998.

Indicator description	Males				Females				Foreign Nationals		
	Africans	Coloureds	Indians	Whites	Africans	Coloureds	Indians	Whites	Male	Females	Total
Top Management	2	0	0	0	1	0	0	0	0	0	3
Senior Management	0	0	0	1	1	0	0	1	0	0	3
Professionally Qualified and experienced specialists and mid-management	13	0	4	15	9	2	2	4	1	0	50
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	38	4	2	9	17	4	0	6	0	0	80
Semi-skilled and discretionary decision making	8	2	0	0	5	2	0	0	0	0	17
Unskilled and defined decision making	1	0	0	0	0	0	0	0	0	0	1
Total Permanent	62	6	6	25	33	8	2	11	1	0	154
Temporary Employees	12	0	0	5	8	0	0	2	0	0	27
Grand Total	74	6	6	30	41	8	2	13	1	0	181
Employees with Disabilities	0	0	0	2	0	0	0	0	0	0	2

C. WORKFORCE PROFILE BY RACE AND JOB CATEGORY

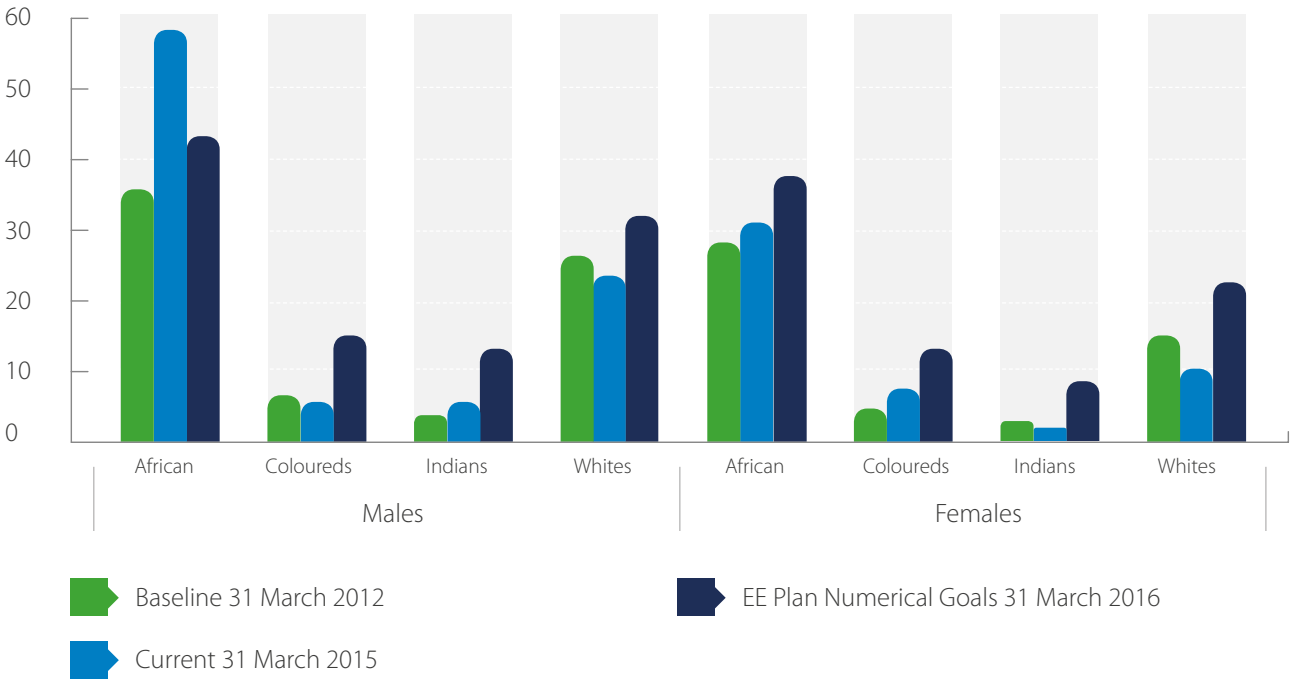


D. WORKFORCE PROFILE BY GENDER AND JOB CATEGORY



The total number of permanent employees at SANSA at financial year-end was 154, with 100 (65%) males and 54 (35%) females within all the occupational levels. Female representation in the Top 3 occupational levels was 36%, compared to 64% males.

E. EMPLOYMENT EQUITY (Progress against employment equity plan)



F. VACANCIES BY SANSA DIVISIONS

SANSA Division	Number of posts	Number of posts filled (1 April 2014 – 31 March 2015)	Vacancy rate
Corporate Office (CEO's Office; Finance; Corporate Services; Space Engineering Division)	54	40	25.9%
Space Science	55	47	14.5%
Space Operations	64	57	10.9%
Earth Observation	41	39	4.9%

G. TURNOVER WITHIN SANSA DIVISIONS

SANSA Division	Number of posts	Number of terminations (1 April 2014 – 31 March 2015)	Termination rate
Corporate Office (CEO's Office; Finance; Corporate Services; Space Engineering Division)	40	5	12.5%
Space Science	47	9	19.1%
Space Operations	57	7	12.3%
Earth Observation	39	3	7.7%
Total	**183**	**24**	**13.1%**

H. TURNOVER BY OCCUPATIONAL CATEGORY (PERMANENT EMPLOYEES)

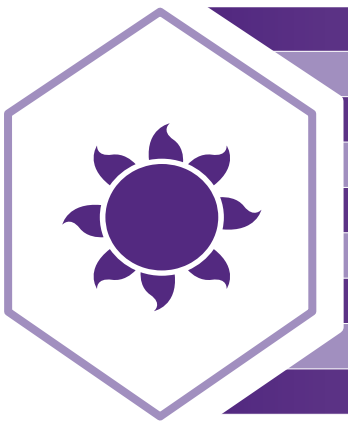
SANSA Division	Number of posts	Number of terminations (1 April 2014 – 31 March 2015)	Termination rate
Leadership (Exec and Senior Management)	6	1	16.6%
Engineers	12	2	16.6%
Scientists / Researchers	16	5	31.3%
Technical	54	4	7.4%
Support	66	8	12.1%

I. LEARNING AND DEVELOPMENT INTERVENTIONS BY SANSA DIVISIONS

SANSA Corporate Office

- Intellectual Property Law
- GRAP
- SAP Training
- Integrated Budgeting
- Report Writing Skills Training
- Presentation Skills Training
- First Aid & SHEQ Training
- Science Communication: An Introduction to Theory and Practical Skills

SANSA Space Science



- Performance management and situational leadership training
- LRA workshop with department of labour
- Occupational health and safety legal liability awareness training
- EMC fundamentals course
- Altium designer training
- Goodyear 4x4 driver training course
- Science communication: An introduction to theory, best practice and practical skills
- LPI Certification module 101&102
- First aid training

SANSA Space Operations

- Microsoft training
- Project management fundamentals training
- Diversity training
- SAP training
- Fire fighting training
- First Aid training
- Science Communication: An Introduction to Theory and Practical Skills

SANSA Earth Observation

- JICA Sansa Remote Sensing Course
- Guidostoolbox Training
- SAP HR Training
- Labour Law Amendment Training Workshop
- Spectroscopy and Spatial Analysis
- SRTM - CEOS Training
- International Workshop On Disaster Risk and Mitigation
- JICA Hands-on Training on Japanese Satellites
- Science Communication: An Introduction to Theory and Practical Skills

PART F: ANNUAL FINANCIAL STATEMENTS

Audit Report

Independent auditor's report to Parliament on the South African National Space Agency

Report on the financial statements

Introduction

We have audited the financial statements of the South African National Space Agency set out on pages 73 to 122 which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, and cash flow statement and the statement of comparison of budget and actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

The accounting authority's responsibility for the financial statements

The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the South African National Space Agency as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with GRAP and the requirements of the PFMA.

Report on other legal and regulatory requirements

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, we have a responsibility to report findings on the reported performance information against predetermined objectives for the selected objectives presented in the annual report, non-compliance with legislation and internal control. We performed tests to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, we do not express an opinion or conclusion on these matters.

Predetermined objectives

We performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objectives

presented in the annual performance report of the public entity for the year ended 31 March 2015:

- Space operation programme (Strategic objective 1): (Offer efficient, cost effective & globally competitive space operations and applications for societal benefit and global market) on pages 38 to 39

- Earth Observation programme (Strategic objective 1): (Offer efficient EO services for national and international benefit and a sustained environment) on pages 36 to 37

- Space Engineering programme (Strategic objective 1): (Offer a state-of-the-art satellite assembly, integration and testing (AIT) platform and services) on page 42

- Space Engineering programme (Strategic objective 2): Technical coordination of satellite system and sub-system development on behalf of SANSA) on page 42

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

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

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

We did not identify any material findings on the usefulness and reliability of the reported performance information for the selected objectives

Additional matter

We draw attention to the following matter:

Achievement of planned targets

Refer to the annual performance report on pages 32 to 33 for information on the achievement of the planned targets for the year.

Compliance with legislation

We performed procedures to obtain evidence that the public entity had complied with legislation regarding financial matters, financial management and other related matters. We did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

We considered internal control relevant to our audit of the financial statements, performance report and compliance with legislation. We did not identify any significant deficiencies in internal control.

Other reports

Audit-related services and special audits

An agreed-upon procedures engagement was performed on donor funding concerning the application of grant funding received from the National Research Foundation (NRF) and the Technology and Human Resources for Industry Programme (THRIP GRANTS) for the period 1 April 2014 to 31 March 2015. The report was issued to the South African National Space Agency management on the 23th of June 2015

SizweNtsalubaGobodo Inc.
Anton Van den Heever
Chartered Accountant (SA)
Registered Auditor

31 July 2015

Statement of financial position
for the Year Ended 31 March 2015

	Note	2015 R	2014 R
ASSETS			
Current Assets		**143 414 672**	**143 056 946**
Cash and Cash Equivalents	4	123 228 549	120 641 894
Receivables from Exchange Transactions	5,1	17 443 498	13 813 040
Receivables from Non-Exchange Transactions	5,2	2 407 214	8 195 079
Inventory	6	335 411	406 933
Non-Current Assets		**192 881 432**	**130 018 942**
Property, Plant and Equipment	7	164 831 024	123 733 763
Intangible Assets	8	28 050 408	6 285 179
Total Assets		**336 296 104**	**273 075 888**
LIABILITIES			
Current Liabilities		**122 842 733**	**100 350 220**
Trade and Other Payables from Exchange Transactions	9	25 195 017	19 624 576
Provisions	10	6 160 602	5 123 482
Unspent Conditional Grants and Receipts	11	86 563 264	75 050 724
Current Portion of Finance Lease	12,1	4 691 807	153 565
Operating Lease Liability	12,2	232 043	397 873
Non-Current Liabilities		**9 177 630**	**103 000**
Finance Leases	12.1.2	9 177 630	103 000
Total Liabilities		**132 020 363**	**100 453 220**
NET ASSETS		**204 275 741**	**172 622 668**
Accumulated Surplus	13	204 275 741	172 622 668
Total Net Assets		**204 275 741**	**172 622 668**

Statement of financial performance
for the Year Ended 31 March 2015

	Note	2015 R	2014 R
REVENUE			
Revenue from Non-exchange Transactions			
Transfers and Subsidies Received	15	180 585 255	137 604 101
Revenue from Exchange Transactions			
Finance Income	14	5 579 080	4 653 074
Rendering of Services	26	69 699 755	71 272 116
Other Income	16	668 054	1 209 119
Gains on Disposal of Property, Plant and Equipment		-	1 399
Net Gains/Losses on foreign exchange transactions		2 179 815	-
Total Revenue		**258 711 959**	**214 739 809**
EXPENDITURE			
Employee Related Costs	17	89 615 433	74 619 480
Board Member Remuneration	18	650 119	473 846
Depreciation and Amortisation	19	22 902 663	16 247 426
Impairment of Intellectual Property	19	1 440 000	-
Impairment Losses	20	-	19 629
Repairs and Maintenance		7 586 042	3 911 936
Finance Costs	21	49 680	124 892
Data Licence fees	27	26 729 023	25 580 933
Grants and Subsidies Paid	22	2 672 002	4 056 122
Research and Development Costs	23	19 017 534	5 002 132
General Expenses	24	56 246 619	68 384 465
Net Gains/Losses on foreign exchange transactions	25	-	1 207 928
Loss on Disposal of Property, Plant and Equipment		149 771	66 187
Total Expenditure		**227 058 886**	**199 694 976**
SURPLUS FOR THE YEAR		**31 653 073**	**15 044 833**

Statement of changes in net assets
for the Year Ended 31 March 2015

Description	Accumulated Surplus R	Total R
2014		
Balance at 1 April 2013	157 644 531	157 644 531
Surplus for the year	11 296 450	11 296 450
Increase in surplus as result of error	3 748 383	3 748 383
Correction of prior period error	(66 696)	(66 696)
Balance as at 31 March 2014	172 622 668	172 622 668
2015		
Balance at 1 April 2014	172 622 668	172 622 668
Surplus for the year	31 653 073	31 653 073
Balance at 31 March 2015	204 275 741	204 275 741

Cash flow statement
for the Year Ended 31 March 2015

	Note	2015 R	2014 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Grants		180 585 255	137 604 101
Sales of goods and services		69 699 755	71 272 116
Interest Received		5 579 080	4 653 074
Other Receipts		2 847 869	1 210 518
Payments			
Employee Costs		(90 265 552)	(73 356 868)
Suppliers		(56 004 601)	(38 551 123)
Interest Paid		(49 680)	(124 892)
Other Payments		(36 295 784)	(31 583 362)
NET CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES	28	**76 096 342**	**71 123 565**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	7	(57 788 358)	(42 541 464)
Purchase of Intangible Assets	8	(29 672 564)	(4 036 858)
Proceeds on Disposal of Property, Plant and Equipment		-	143 498
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		**(87 460 922)**	**(46 434 824)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in Finance Lease Liability		(103 000)	(153 585)
Movement in Long term liability		14 054 235	-
NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		**13 951 235**	**(153 585)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**2 586 655**	**24 535 156**
Cash and Cash Equivalents at the beginning of the year	4	120 641 894	96 106 738
Cash and Cash Equivalents at the end of the year	4	123 228 549	120 641 894

Statement of comparison of budget and actual amounts

for the Year Ended 31 March 2015

	Approved Budget	Final Budget	Actual Amounts on Comparable Basis	Difference	Notes
Revenue					
Revenue from Non-exchange					
Transactions	**192 603 000**	**275 402 225**	**266 782 327**	**(8 619 898)**	
Parliamentary Grant	118 297 000	118 297 000	118 298 000	1 000	
Ring Fenced Transfers	70 000 000	150 339 437	143 264 623	(7 074 814)	3,3
Research Grants	4 306 000	6 765 788	5 219 705	(1 546 084)	3,3
Revenue from Exchange					
Transactions	**59 396 000**	**64 455 951**	**69 699 755**	**5 243 804**	
Contract Income: Public	21 139 000	24 775 894	29 893 130	5 117 235	3,3
Contract Income: Private	409 000	987 548	1 238 424	250 876	
Contract Income: Foreign	37 848 000	38 692 508	38 568 201	(124 307)	
Finance and other Income	**180 000**	**5 020 454**	**8 426 949**	**3 406 496**	3,3
Prior years Surplus Rollovers		**26 119 624**	**26 119 624**	**-**	
Total Revenue	**252 179 000**	**370 998 254**	**371 028 656**	**30 402**	
Economic Classification					
Current Payments					
Compensation of Employees	91 881 000	92 062 783	89 615 433	(2 447 350)	
Board Costs	500 000	400 000	650 119	250 119	
Goods and services	**75 640 000**	**113 892 444**	**113 890 670**	**(1 774)**	
	168 021 000	**206 355 228**	**204 156 222**	**(2 199 005)**	
Payments for Capital Assets					
Buildings and other fixed structures	-	-	2 680	2 680	
Machinery and equipment	11 958 000	17 823 825	17 296 802	(527 623)	3,3
Software and intangible assets	1 700 000	22 922 447	29 672 564	6 750 117	3,3
Vehicles	500 000	323 572	510 196	186 624	
Satellite Development	70 000 000	123 573 182	39 978 680	(83 594 502)	3,3
	84 158 000	164 643 026	87 460 922	(77 182 104)	
Total Expenditure	**252 179 000**	**370 998 254**	**291 617 144**	**(79 381 110)**	
Surplus/Deficit	-	-	79 411 512	79 411 512	

Reconciliation of Actual amounts on a Comparable Basis and Actual amounts on the annual financial statements

Net Cash flows from	Operating Activities	Financing Activities	Investing Activities	Total
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**79 411 512**	**-**	**(87 460 922)**	**(8 049 410)**
Basis Differences	(3 315 169)	13 951 235	-	10 636 066
Timing Differences		-	-	-
Entity Differences	-	-	-	-
Actual amount in Cash Flow Statement	**76 096 342**	**13 951 235**	**(87 460 922)**	**2 586 655**

Accounting policies
for the Year Ended 31 March 2015

1. BASIS OF PRESENTATION

The annual financial statements have been prepared using the accrual basis of accounting, in terms of which items are recognised as assets, liabilities, net assets, revenue and expenses when they satisfy the definitions and recognition criteria for those elements, which in all material aspects are consistent with those applied in the previous year, except where a change in accounting policy has been recorded. The historic cost convention has been used, except where indicated otherwise.

The Annual Financial Statements are prepared in South African Rand (R) and have been prepared on a going concern basis.

Statement of compliance

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) and the Public Finance Management Act (PFMA).

1.1 CHANGES IN ACCOUNTING POLICY AND COMPARABILITY

Accounting Policies have been consistently applied, except where otherwise indicated below. The Accounting Policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated.

The entity changes an Accounting Policy only if the change:

(a) is required by a Standard of GRAP; or
(b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flow.

The details of any changes in accounting policies and comparative restatements are explained in the relevant policy.

1.2 CRITICAL JUDGEMENTS, ESTIMATIONS AND ASSUMPTIONS

In the application of the entity's accounting policies, which are described below, management is required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that management have made in the process of applying the entity's Accounting Policies and that have the most significant effect on the amounts recognised in the Annual Financial Statements:

1.2.1 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on the relevant GRAP standards and the terms of the instruments. Accounting Policy 1.7.2 on Financial Assets Classification and Accounting Policy 1.7.3 on Financial Liabilities Classification describe the factors and criteria considered by the management of the entity in the classification of financial assets and liabilities.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in GRAP.

1.2.2 Impairment of Financial Assets

Accounting Policy 1.7.5 on Impairment of Financial Assets describes the process followed to determine the value by which financial assets should be impaired. In making the estimation of the impairment, the management of the entity considered the detailed criteria of impairment of financial assets as set out in GRAP, and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the entity is satisfied that the impairment of financial assets recorded during the year is appropriate.

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness.

1.2.3 Useful lives of Property, Plant and Equipment and Intangible Assets

Property, plant and equipment and Intangible assets are depreciated over their useful life taking into account residual values, where appropriate. The useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing useful lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

1.2.4 Impairment: Write down of Property, Plant and Equipment and Intangible Assets

Property, plant and equipment and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. The future cash flows expected to be generated by the assets are projected taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current carrying value and, if lower, the assets are impaired to the present value taking into account the reasonable cost of replacement

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 17: Property, Plant and Equipment and GRAP 31: Intangible assets. In particular, the calculation of the recoverable service amount for PPE and intangible assets involves significant judgment by management.

1.2.5 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations. The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. SANSA recognises provision for bonuses based on the expected performance bonuses to be paid out to employees.

1.2.6 Revenue Recognition

Accounting Policy 1.9.2 on Revenue from Exchange Transactions and Accounting Policy 1.9.3 on Revenue from Non-exchange Transactions describe the conditions under which revenue will be recorded by management of the entity.

In making their judgement, management considers the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange transactions, as far as Revenue from Exchange and Non-Exchange Transactions is concerned. In particular, revenue from services rendered is recognised in surplus or deficit in proportion to the stage of completion of the transaction at the reporting date.

The stage of completion is assessed by reference to work performed as at the reporting date. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that these will result in revenue and can be measured reliably. As soon as the outcome of a contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to work performed as at reporting date. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in surplus or deficit.

Management of the entity is satisfied that recognition of the revenue in the current year is appropriate.

1.2.7 Going Concern Assumption

The Annual Financial Statements have been prepared on a going concern basis. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent liabilities and commitments will occur in the ordinary course of business.

1.3 OFFSETTING

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a standard of GRAP.

1.4 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Standard number	Standard name	Effective date (if applicable)
GRAP 20	Related party disclosures	No effective date
GRAP 32	Service Concession Arrangements: Grantor	No effective date
GRAP 108	Statutory Receivables	No effective date

GRAP 20 – Related parties
This standard provides the requirements for the disclosure of related parties and transactions and balances with related parties. This standard was based on IPSAS 20 as currently applied by the entity for its related party disclosures. Accordingly it is not expected that the adoption of this standard will have a material impact on the financial statements of the entity. This standard does not yet have an effective date.

Standard number	Standard name	Effective date (if applicable)
	Preface to Interpretations of the Standards of GRAP	No effective date
iGRAP 17	Interpretation of the standard of GRAP on service concession arrangements where a grantor controls a significant residual interest in an asset.	No effective date

1.5 PROPERTY, PLANT AND EQUIPMENT

1.5.1 Initial recognition and subsequent measurement

Property, plant and equipment are measured at cost, net of accumulated depreciation and/ or accumulated impairment losses, if any. Property, plant and equipment are tangible assets which are held for use in the production or supply of goods and services or for administrative purposes and are expected to be used during more than one financial period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- The cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and significant costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Where an asset is acquired at no cost, (i.e. non-exchange transaction), it's cost will be it's fair value as at the date of acquisition.

All repair and maintenance costs are recognised in surplus or deficit as incurred. The present value of the initial expected estimate cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a allowance is met.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

1.5.2 Depreciation

Depreciation is recognised in surplus or deficit on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment:

a. Freehold land

Land has an unlimited useful life and therefore is not depreciated but stated at cost less any impairment losses.

b. Freehold buildings

SANSA identified the following major components of buildings.

- Buildings
- Alterations and other fixtures

The useful lives of the various components of buildings have been assessed to be:

- Buildings 15-50 years
- Alterations and other fixtures 14-15 years

c. Equipment and Motor Vehicles

The useful lives of the various categories of equipment and vehicles have been assessed to be:

- Office furniture 3-10 years
- Motor vehicles 3-10 years
- Computer equipment 1-10 years
- Research equipment 2-15 years
- Plant & Machinery 2-20 years
- Office Equipment 3-10 years
- Exhibits 10 years

d. Leasehold improvements

These improvements are depreciated over the shorter of the contract period or the assessed useful lives of the assets.

The residual values, depreciation methods and useful lives of the asset categories are reviewed at each financial year end and adjusted if necessary. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.5.3 Impairment of non-financial assets

Cash generated units are determined as the smallest identified group of assets which can generate cash flows independently from other assets or groups of assets. Non-cash generating assets are primarily held for service delivery purposes.

1.5.3.1 Cash generating assets

The entity assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the individual asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated and the carrying amount is increased to the recoverable amount.

The increased carrying amount of an asset attributable to a reversal of an impairment loss should not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

1.5.3.2 Non-Cash generating assets

The entity assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss and is recognised in surplus/deficit.

An impairment loss is recognised for non cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated and increases the carrying amount to the recoverable service amount.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

1.6 INTANGIBLE ASSETS

An intangible asset is recognised when:

- It is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised in surplus or deficit when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it
- it will generate probable future economic benefits
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be used reliably.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the asset to which it relates. The amortisation is calculated at a rate considered appropriate to reduce the cost of the asset less residual value over the shorter of its estimated useful life or contractual period. Residual values and estimated useful lives are reviewed annually. The amortisation method used is the straight line method.

Intangible assets that meet the recognition criteria are stated in the statement of financial position at amortised cost, being the initial cost price less any accumulated amortisation and impairment losses. The assets residual values, useful lives and methods of amortisation are reviewed at each financial year end, and adjusted prospectively if appropriate. Amortisation is charged to surplus or deficit so as to write off the cost of intangible assets over their estimated useful lives, using the straight-line method as follows:

Computer Software : 3 years

An item of intangible assets is derecognised upon disposal or when no future economic benefits or service potential are expected from its use or disposal. The surplus or deficit arising from the derecognition of an item of intangible assets is included in the surplus or deficit when the item is derecognised. The surplus or deficit arising from the derecognition of an item of intangible assets is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.7 FINANCIAL INSTRUMENTS

The entity has various types of financial instruments and these can be broadly categorised as either financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual agreement .

1.7.1 Initial recognition

Financial assets and financial liabilities are recognised on the entity's Statement of Financial Position when the entity becomes party to the contractual allowances of the instrument, therefore trade date accounting applies.

The entity does not offset a financial asset and a financial liability unless a legally enforceable right to set off the recognised amounts currently exists; and the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.7.2 Financial Assets - Classification

A financial asset is any asset that is cash or a contractual right to receive cash or another financial assets.

The financial assets of the entity are classified as Financial instruments at amortised cost.

The Financial assets at cost are investments in residual interests that do not have a quoted market price in an active market, fair value cannot be reliably measured.

The entity has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

Type of Financial Asset	Classification
Bank Balances and Cash	Financial instruments at amortised cost
Trade receivables	Financial instruments at amortised cost

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts.

Trade receivables consists of amounts due by customers within a 30 day collection period.

1.7.3 Financial Liabilities - Classification

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The entity has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

Type of Financial liability	Classification
Trade and other payables	Financial instruments at amortised cost
Finance leases	Financial instruments at amortised cost

There are three main categories of Financial Liabilities, the classification determining how they are measured. Financial liabilities may be measured at:

(i) Fair value or
(ii) Amortised cost or
(iii) Cost

1.7.4 Initial and Subsequent Measurement

Financial Assets:

Financial Assets (upon initial recognition) are stated at fair value, plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequent to initial recognition, financial assets are measured at amortised cost.

Financial liabilities:

Financial Liabilities (upon initial recognition) are stated at fair value, plus transaction costs that are directly attributable to the acquisition or issue of the financial liabilities. Subsequent to initial recognition, financial liabilities are measured at amortised cost.

1.7.5 Impairment of Financial Assets

Financial assets, other than those at fair value, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised.

Financial assets carried at amortised cost

Financial assets at amortised cost encompass accounts receivables and cash and cash equivalents. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable.

An allowance for impairment of accounts receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. The allowance is made whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group.

When a debtor is considered uncollectible, it is written off. Changes in the carrying amount of the allowance account are recognised in the Surplus/Deficit.

1.7.6 Derecognition of Financial Assets

The entity derecognises financial assets 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. The entity transfers a financial asset if either it transfers the contractual rights to receive the cash flows of the financial asset or retains the contractual rights to receive the cash flows of the financial asset.

1.7.7 Derecognition of Financial Liabilities

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

The entity recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in surplus or deficit.

1.8 RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

It is the policy of the entity to disclose information that enables the user of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed on the reporting date.

The entity has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

Risks and exposure are disclosed as follows:

Market Risk

- Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.
- The maximum exposure to cash flow and fair value risk, price risk and foreign currency risk.
- Sensitivity analysis for each of the market risks

Credit Risk

Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the entity's receivables from customers and investment securities.

- Each class of financial instrument is disclosed separately.
- Maximum exposure to credit risk not covered by collateral is specified.
- Financial instruments covered by collateral are specified.

Liquidity Risk

- Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.
- A maturity analysis for financial assets and liabilities that shows the remaining contractual maturities.
- Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

1.9 REVENUE RECOGNITION

1.9.1 General

Revenue, is derived from a variety of sources which includes government grants, rendering of services and finance income.

Revenue comprises the fair value of the consideration received or receivable for services rendered in the ordinary course of the entity's activities. Revenue is shown net of rebates and discounts.

The entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

1.9.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the entity directly in return for services rendered, the value of which approximates the consideration received or receivable.

1.9.2.1 Finance income

Interest earned on investments is recognised in surplus or deficit on the time proportionate basis that takes into account the effective yield on the investment.

1.9.2.2 Rendering of Services

Rendering of Services constitute revenue which arises from service delivery to customers.

The stage of completion is assessed by reference to work performed as at the reporting date. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that these will result in revenue and can be measured reliably. As soon as the outcome of a contract can be estimated reliably, contract revenue and expenses are recognised in surplus or deficit in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to work performed as at reporting date. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in surplus or deficit.

1.9.3 Revenue from Non-exchange Transactions

Revenue from non-exchange transactions refers to transactions where the entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue

from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

1.9.3.1 Government grants/subsidies

Conditional Grants and receipts

Income received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Unconditional Grants and receipts

Government grants that are receivable as compensation for expenditure or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in surplus or deficit in the period in which they become receivable.

1.10 LEASES

Lease Classification

Leases of property, plant and equipment, in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the entity.

The Entity as Lessee

Determining whether an arrangement contains a lease
At inception of an arrangement, the entity determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the entity the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the entity separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the entity concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the entity's incremental borrowing rate.

Finance leases

Where the entity enters into a finance lease, Property, plant and equipment or Intangible Assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Liabilities. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the entity uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases
The entity recognises operating lease rentals as an expenditure in surplus or deficit on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as an expenditure and the contractual payments are recognised as an operating lease asset or liability

1.11 RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. All entities within the national government sphere are also regarded as related parties.

1.12 EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements, please refer to note 36. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

1.13 COMPARATIVE INFORMATION

Prior year comparatives

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reasons for the reclassification are disclosed.

1.14 CAPITAL COMMITMENTS AND EXPENDITURE

Items are classified as commitments where the entity commits itself to future transactions that will normally result in the outflow of resources.

Capital commitments are not recognised in the statement of financial position as a liability but are included in the disclosure notes in the following cases:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP.

1.15 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities represent a possible obligation that arises from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability can also arise as a result of a present obligation that arises from past events but which is not recognised as a liability either because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

1.16 FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions.

Monetary assets and liabilities denominated in such foreign currencies are retranslated to the functional currencies at the rates prevailing at the reporting date. Exchange differences are included in surplus or deficit.

Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in South African Rands, which is the company's functional and presentation currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at

the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial position.

1.17 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (Act No 56 of 2003) and is in contravention of any legislation. Irregular expenditure excludes unauthorised expenditure. All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.18 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in surplus or deficit.

1.19 EMPLOYEE BENEFITS

1.19.1 Short-term Employee Benefits

Remuneration to employees is recognised in surplus or deficit as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

The entity treats its provision for leave pay as an accrual.

The costs of all short-term employee benefits such as leave pay and bonus are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the Statement of Financial Position. The entity recognises the expected cost of performance bonuses only when the entity has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

1.20 PROVISIONS

Provisions are recognised when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the obligation.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money at a rate adjusted for the specific risks of a liability. The impact of the periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

1.21 INVENTORY

The entity uses the first in first out method (FIFO) to account for inventory. Inventories are valued at the lower of cost price or net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated or selling costs.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expenditure in the period the write-down or loss occurs.

1.22 TRANSFER OF FUNCTIONS UNDER COMMON CONTRO

A transfer of functions between entities within the same sphere of government or between entities that are part of the same economic entity the transfer is considered to have occurred between entities under common control. Assets and liabilities transferred between entities under common control are recognised at the carrying values. In instances where the carrying amount is not available or can't be accurately determined, the depreciated replacement cost is used as the deemed carrying amount.

1.23 BUDGET INFORMATION

The financial statements and budget are not presented on the same basis as the financial statements are prepared on accrual basis and the budget on a cash basis of accounting. A reconciliation between the surplus/(deficit) for the period as per statement of financial performance and budgeted surplus/(deficit) is included in the statement of comparison of budget and actual amounts. At the end of September each year the budget may be revised if necessary due to changes in the operations of the entity which require a reallocation of resources. All budget changes are approved by the board of directors prior to the implementation of the revised budget.

2. GENERAL INFORMATION

Domicile	South Africa	
Nature of business and principle activities	The South African National Space Agency (SANSA) is mandated by the SANSA Act, 36 of 2008 and is South Africa's government body for the promotion and use of space. It also fosters cooperation in space-related activities and research in space science, seeks to advance scientific engineering through human capital, and supports the creation of an environment conducive to the industrial development of space technologies within the framework of national government.	
Legal form of entity	Public entity, as defined by the Public Finance Management Act schedule 3A(Act No. 1 of 1999 as amended by Act No. 29 of 1999).	
Executive authority	Department of Science and Technology	
	Appointed 01 September 2014	**Term ended 31 August 2014**
Board members	J Lawrence (Chairman) Prof. R. Bharuthram V Gore S Hamilton E Jansen G Khambule O Latiff P Maine M Matooane M Mfeka Dr. N Mjoli A Naidoo J Prinsloo M Rezelman M Riba W Van Biljon Dr. S Malinga	M Magugumela (Chairperson) L Annamalai P Maine L Mogudi Adv. T Ratsheko J Lawrence V Gore Capt. M Mamashela Dr. E Gavin Dr. R Scholes M Zondi M Rezelman G Khambule Prof. D Walker Dr. J Mphepya Dr. D Mayindi Dr. S Malinga

Registered office	Enterprise Building, Mark Shuttleworth street, Innovation Hub Pretoria Gauteng, South Africa
Business address	Enterprise Building, Innovation Hub Mark Shuttleworth street, Innovation Hub Pretoria Gauteng, South Africa
Postal address	PO Box 484, Silverton, 0001 Silverton 0127, Gauteng, South Africa
Auditor	Sizwe Ntsaluba Gobodo Incorporated (011) 231 0600 20 Morris Street East, Woodmead, 2191

3. STATEMENT OF COMPARISION OF BUDGET AND ACTUAL AMOUNTS

3.1 The South African National Space Agency presents its approved budget on a cash basis and the financial statements on the accrual basis.

3.2 The budget is approved on a cash basis by functional classification as well as economic classification. The approved budget covers the fiscal period from 1 April 2014 to 31 March 2015. The budget and the accounting bases differ. The financial statements for the entity are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The financial statements differ from the budget, which is approved on the cash basis. The statement of comparison of budget and actual amounts is prepared on a comparable basis to the budget. The reconciliation of the actual comparable amounts to the net cash flows per the cash flow statement is presented on the statement of comparison of budget and actual amounts.

3.3 The variance between the actual and budgeted values is explained as follows:

The favourable variance on total revenue is as a result of additional contract income received from public sector entities for satellite imagery and value added services as well as interest income earned on the bank account during the year.

The R70 million variance on the capital budget reflects the timing effect of funds contracted for and fully committed for the satellite development which is a multi-year project.

4. CASH AND CASH EQUIVALENTS

	2015 R	2014 R
Cash and Cash Equivalents	123 228 549	120 641 894
Total Cash and Cash Equivalents	**123 228 549**	**120 641 894**
	-	-

4.1 Current Investment Deposits

Call Deposits	-	18 626 233
Total Current Investment Deposits	**-**	**18 626 233**

4.2 Bank Accounts

Cash in Bank	123 219 767	102 008 390
Total Bank Accounts	**123 219 767**	**102 008 390**

4.3 Cash on hand

Cash on hand	8 782	7 271
Cash on hand	**8 782**	**7 271**
Cash and cash equivalents are measured at amortised cost. Cash includes cash on hand and cash with banks.	**123 228 549**	**102 015 661**

5.1 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade receivables from exchange transactions	17 443 498	13 813 040
	17 443 498	**13 813 040**

5.1.1 Trade receivables from exchange transactions

	Gross Balances	Allowance for Impairment	Net Balances
As at 31 March 2015			
Trade customers	17 443 498	-	17 443 498
Total	**17 443 498**	**-**	**17 443 498**
As at 31 March 2014			
Trade customers	13 830 634	(17 594)	13 813 040
Total	**13 830 634**	**(17 594)**	**13 813 040**

5.1.2 Ageing of Trade receivables from exchange transactions

	2015 R	2014 R
Current:		
0 - 30 days	16 836 649	13 268 301
Past Due:		
31 - 60 Days	401 049	334 991
61 - 90 Days	5 800	23 006
91 - 120 Days	-	115 540
+ 120 Days	200 000	88 796
Total	**17 443 498**	**13 830 634**

5.1.3 Reconciliation of the allowance for Impairment

Balance at beginning of year	(17 594)	(9 270)
Impairment Losses recognised		(17 594)
Impairment Losses reversed	17 594	9 270
Amounts recovered	-	-
Balance at end of year	**-**	**(17 594)**

In determining the recoverability of debtors, the allowance for impairment of trade receivables has been made for all consumer balances outstanding. No further credit allowance is required in excess of the allowance for Impairment.

Financial assets that are neither past due nor impaired are considered to be fully performing. The carrying amounts of fully performing financial assets included in trade and receivables at year-end are:

	2015 R	2014 R
	16 836 649	13 268 301

Financial assets included in trade receivables that are outside their normal payment terms are considered to be past due. The following represents an analysis of the past due financial assets that are past due but not impaired:

	606 849	562 332
Receivables from Local debtors	14 697 590	6 217 899
Receivables from International debtors	2 745 908	7 612 734
Total Trade Debtors	**17 443 498**	**13 830 633**

5.1.4 Credit quality of trade receivables from exchange transactions

Trade receivables consist of a large number of customers, spread across different industries in the geographical area of the entity. Periodic credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee is increased accordingly. Trade receivables are non-interest bearing and are generally on 30 day collection terms. The maximum exposure to credit risk at the reporting date is the amortised cost of each class of receivable mentioned above.

In determining the recoverability of a receivable, management considers any change in the credit quality of the debtor from the date credit was initially granted up to the reporting date. Any allowance for impairment on trade and other receivables (loans and receivables) exists predominantly due to the possibility that these debts will not be recovered. Management assesses these debtors individually for impairment and group them together in the Statement of Financial Position as financial assets with similar credit risk characteristics.

The credit quality of trade receivables that are neither past due nor impaired are considered fair by the company taking into account the historical information available.

5.1.5 Fair value of trade receivables from exchange transactions

Trade and other receivables from exchange transactions (upon initial recognition) are stated at fair value, plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequent to initial recognition, financial assets are measured at amortised cost.

Management considers the carrying amounts of financial assets recorded at amortised cost in the financial statements to approximate their fair values on 31 March 2014, as a result of the short-term maturity of these assets and liabilities.

5.1.6 Classification of financial assets

The Financial Assets of the entity are classified as follows:

Financial Assets	**Classification**
Trade receivables from exchange transactions	
Trade receivables	At amortised cost

5.2 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2015 R	**2014 R**
Receivables from non-exchange transactions	2 407 214	8 195 079
	2 407 214	**8 195 079**

5.2.1 Receivables from non-exchange transactions

As at 31 March 2015

	Gross Balances	Allowance for Impairment	Net Balances
Prepaid expenses	826 755	-	826 755
Sundry deposits	1 548 170	-	1 548 170
Other Debtors	32 289	-	32 289
Total	**2 407 214**	**-**	**2 407 214**

As at 31 March 2014

Prepaid expenses	6 758 257	-	6 758 257
Sundry deposits	1 368 600	-	1 368 600
Other Debtors	68 222	-	68 222
Total	8 195 079	-	8 195 079

5.2.2 Ageing of Receivables from non-exchange transactions

	2015 R	2014 R
Current:		
0 - 30 days	859 044	6 826 479
Past Due:		
31 - 60 Days	-	-
61 - 90 Days	-	-
91 - 120 Days	-	-
+ 120 Days	1 548 170	1 368 600
Total	**2 407 214**	**8 195 079**

-

5.2.3 Credit quality of Receivables from non-exchange transactions

Periodic credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee is increased accordingly. Trade receivables are non-interest bearing. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

In determining the recoverability of a receivable, management considers any change in the credit quality of the debtor from the date credit was initially granted up to the reporting date. Any allowance for impairment on trade and other receivables (loans and receivables) exists predominantly due to the possibility that these debts will not be recovered. Management assesses these debtors individually for impairment and group them together in the Statement of Financial Position as financial assets with similar credit risk characteristics.

The credit quality of trade receivables from non-exchange that are neither past due nor impaired are considered fair by the company taking into account the historical information available.

5.2.4 Fair value of Receivables from non-exchange transactions

Trade and other receivables from non-exchange transactions (upon initial recognition) are stated at fair value, plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequent to initial recognition, financial assets are measured at amortised cost.

Management considers the carrying amounts of financial assets recorded at amortised cost in the financial statements to approximate their fair values on 31 March 2015, as a result of the short-term maturity of these assets and liabilities.

5.2.5 Classification of financial assets

The Financial Assets of the entity are classified as follows:

Financial Assets	**Classification**
Receivables from non-exchange transactions	
Sundry deposits	At amortised cost
Other Debtors	At amortised cost

6. INVENTORY

	2015 R	**2014** R
Fuel - at cost	335 411	406 933
Total Inventory	**335 411**	**406 933**

7. PROPERTY, PLANT AND EQUIPMENT

31 March 2015

Reconciliation of Carrying Value

Description	Land	Leasehold Improvements	Leased Assets	Buildings	Plant and Machinery	Research equipment	
	R	R	R	R	R	R	
Carrying values at 1 April 2014	**4 307 700**	**1 116 586**	**167 696**	**13 138 381**	**56 840 644**	**12 375 180**	
Cost	4 307 700	1 644 434	328 387	14 227 825	73 542 262	16 432 893	
• Completed Assets	4 307 700	1 644 434	328 387	14 227 825	73 542 262	16 432 893	
• Under construction	-	-	-	-	-	-	
Accumulated Depreciation:	-	(527 848)	(160 691)	(1 089 444)	(16 701 618)	(4 057 713)	
Acquisitions at cost	-	56 512	-	2 680	13 897 790	390 888	
Capital under Construction - Additions					1 427 001		
Depreciation	-	(550 312)	(87 692)	(444 408)	(7 514 215)	(2 350 927)	
Carrying value of Disposals:	-	-	-	-	-	-	
Cost of Disposed Asset							
Acc Dep of Disposed Asset							
CAPITILISED AMOUNTS							
Impairment Losses	-	-	-	-	-		
Carrying values at 31 March 2015	**4 307 700**	**622 785**	**80 004**	**12 696 653**	**64 651 220**	**10 415 141**	
Cost	4 307 700	1 700 946	328 387	14 230 505	88 867 053	16 823 782	
• Completed Assets	4 307 700	1 700 946	328 387	14 230 505	88 867 053	16 823 782	
• Under Construction	-	-	-	-	-	-	
Accumulated Depreciation:	-	(1 078 161)	(248 383)	(1 533 852)	(24 215 833)	(6 408 640)	

	Vehicles	Office equipment	Furniture and fittings	Computer equipment	Exhibits	Work In Progress	Laboratory equipment	Total
	R	R	R	R	R	R	R	R
	5 169 826	**3 593 109**	**3 496 656**	**9 301 668**	**324 822**	**13 683 831**	**217 662**	**123 733 763**
	6 403 445	8 615 750	4 559 464	22 172 695	364 800	13 683 831	235 011	166 518 497
	6 403 445	8 615 750	4 559 464	22 172 695	364 800	-	235 011	152 834 667
	-	-	-	-	-	13 683 831		13 683 831
	(1 233 618)	(5 022 641)	(1 062 808)	(12 871 027)	(39 978)	-	(17 349)	(42 784 736)
	510 196	525 520	134 376	5 666 123	-	-	576 577	21 760 661
						36 027 697		37 454 698
	(613 135)	(631 973)	(471 074)	(3 601 578)	(36 480)	-	(135 779)	(16 437 575)
	(92 200)	(3 859)	(24 403)	(133 065)	-	-	-	(253 526)
	(138 938)	(44 702)	(44 911)	(1 335 960)	-	-	-	-
	46 738	40 843	20 509	1 202 895	-	-	-	-
						(1 427 001)		(1 427 001)
	-	-	-	-	-	-	-	-
	4 974 688	**3 482 797**	**3 135 555**	**11 233 148**	**288 342**	**48 284 527**	**658 459**	**164 831 024**
	6 774 703	9 096 568	4 648 928	26 502 858	364 800	48 284 527	811 587	222 742 345
	6 774 703	9 096 568	4 648 928	26 502 858	364 800	-	811 587	174 457 818
	-	-	-	-	-	48 284 527	-	48 284 527
	(1 800 015)	(5 613 771)	(1 513 374)	(15 269 711)	(76 458)	-	(153 128)	(57 911 326)

7. PROPERTY, PLANT AND EQUIPMENT

31 March 2014

Reconciliation of Carrying Value

Description	Land	Leasehold Improvements	Leased Assets	Buildings	Plant	Research equipment	
	R	R	R	R	R	R	
Carrying values at 1 April 2013	**4 307 700**	**1 476 172**	**288 044**	**9 343 375**	**40 183 042**	**8 232 412**	
Cost	4 307 700	1 477 521	328 387	10 046 382	50 104 657	10 846 556	
• Completed Assets	4 307 700	1 477 521	328 387	10 046 382	50 104 657	10 846 556	
• Under construction	-			-		-	
Accumulated Depreciation:	-	(1 349)	(40 343)	(703 007)	(9 921 615)	(2 614 144)	
Acquisitions at cost	-	166 913		4 186 692	23 437 605	5 646 438	
Capital under Construction - Additions							
Depreciation	-	(526 499)	(120 348)	(386 726)	(6 780 003)	(1 473 620)	
Carrying value of Disposals:	-	-	-	(4 960)	-	(30 050)	
Cost of Disposed Asset				(5 249)		(60 101)	
Acc Dep of Disposed Asset				289		30 051	
Acc Dep of Useful life adjustments							
CAPITILISED AMOUNTS							
Impairment Losses	-	-	-	-	-	-	
Carrying values at 1 April 2014	**4 307 700**	**1 116 586**	**167 696**	**13 138 381**	**56 840 644**	**12 375 180**	
Cost	4 307 700	1 644 434	328 387	14 227 825	73 542 262	16 432 893	
• Completed Assets	4 307 700	1 644 434	328 387	14 227 825	73 542 262	16 432 893	
• Under construction	-			-		-	
Accumulated Depreciation:	-	(527 848)	(160 691)	(1 089 444)	(16 701 618)	(4 057 713)	

	Vehicles	Office equipment	Furniture and fittings	Computer equipment	Exhibits	Work In Progress	Laboratory equipment	Total
	R	R	R	R	R	R	R	R
	3 221 603	**4 059 427**	**3 083 115**	**9 285 506**	**361 302**	**12 864 313**		**96 706 012**
	3 879 077	8 070 265	3 713 152	18 592 107	364 800	12 864 313		124 594 917
	3 879 077	8 070 265	3 713 152	18 592 107	364 800			111 730 604
	-	-	-	-	-	12 864 313		12 864 313
	(657 474)	(4 010 838)	(630 037)	(9 306 601)	(3 498)	-	-	(27 888 906)
	2 779 638	545 485	846 312	3 877 852	-		235 011	41 721 946
						26 817 367		26 817 367
	(662 697)	(1 011 803)	(432 771)	(3 736 449)	(36 480)	-	(17 349)	(15 184 744)
	(168 718)	-	-	(125 241)	-	-	-	(328 970)
	(255 271)			(297 264)				
	86 553			172 023				
						(25 997 850)		(25 997 850)
	-	-	-	-	-	-	-	0
	5 169 826	**3 593 109**	**3 496 656**	**9 301 668**	**324 822**	**13 683 831**	**217 662**	**123 733 763**
	6 403 445	8 615 750	4 559 464	22 172 695	364 800	13 683 831	235 011	166 518 497
	6 403 445	8 615 750	4 559 464	22 172 695	364 800	-	235 011	152 834 667
	-	-	-	-	-	13 683 831		13 683 831
	(1 233 618)	(5 022 641)	(1 062 808)	(12 871 027)	(39 978)	-	(17 349)	(42 784 736)

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

	2015 R	2014 R
7.1 Fully depreciated items still in use		
Number of fully depreciated assets that is still in use	716	588

7.2 Assets given as security

No assets were given as security.

8. INTANGIBLE ASSETS

At Cost less Accumulated Amortisation and Accumulated Impairment Losses	28 050 408	6 285 179

	Intellectual Property	Computer Software	Total
Carrying values at 01 April 2014	**2 800 000**	**3 485 179**	**6 285 179**
Cost	2 800 000	5 972 400	8 772 400
Accumulated Amortisation	-	(2 487 221)	(2 487 221)
Acquisitions during the Year:			
Purchased	-	29 672 564	29 672 564
Disposal during the Year:	**-**	**(2 246)**	**(2 246)**
Cost of Disposed Asset		(20 210)	(20 210)
Acc Dep of Disposed Asset		17 965	17 965
Impairment during the Year:	(1 440 000)	-	(1 440 000)
Amortisation during the Year:	(560 000)	(5 905 089)	(6 465 089)
Carrying values at 31 March 2015	**800 000**	**27 250 408**	**28 050 408**
Cost	2 800 000	35 624 753	38 424 753
Accumulated Amortisation and Impairment	(2 000 000)	(8 374 346)	(10 374 346)
Carrying values at 01 April 2013	**-**	**3 311 004**	**3 311 004**
Cost	-	4 735 542	4 735 542
Accumulated Amortisation	-	(1 424 538)	(1 424 538)
Acquisitions during the Year:	2 800 000	1 236 858	4 036 858
Purchased		1 236 858	1 236 858
Transfers received (Intellectual property)	2 800 000		2 800 000
Amortisation during the Year:	-	(1 062 683)	(1 062 683)
Transfers during the Year:	-	-	-
Carrying values at 31 March 2014	2 800 000	3 485 179	6 285 179
Cost	2 800 000	5 972 400	8 772 400
Accumulated Amortisation	-	(2 487 221)	(2 487 221)

9. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

	2015 R	2014 R
Trade Creditors	4 395 011	3 219 086
Other Creditors	1 512 898	3 953
Income received in advance	6 756 500	5 241 535
Accrued Expenses	5 125 788	4 678 607
Accrued leave	6 608 871	5 673 777
13th Cheque	594 589	606 258
Other Provisions	201 360	201 360
Total Creditors	**25 195 017**	**19 624 576**

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the accounting policy.

No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the entity deals with. The entity has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

Leave accrues to the staff of the entity on an monthly basis, subject to certain conditions. The accrual is an estimate of the amount due at the reporting date. An employees may not accumulated more than 50 leave days at any given point in time and may not roll forward leave for a period of more than 6 months after year end.

9.1 Credit terms of trade and other payables

Trade payables are non-interest bearing and are generally on 30 day payment terms. The entity does not pledge any of its assets as security for the payables. The entity has internal operating procedures and controls in place to ensure that all payables are paid within the credit timeframe.

9.2 Classification of financial liabilities

The Financial Liabilities of the entity is classified as follows:

Financial Liabilities	**Classification**
Trade and other payables	
Trade Creditors	Financial liabilities at amortised cost
Other Creditors	Financial liabilities at amortised cost
Accrued Expenses	Financial liabilities at amortised cost

	2015 R	2014 R

10. PROVISIONS

Bonus Provision	6 160 602	5 123 482
Total Provisions	**6 160 602**	**5 123 482**

The bonus provision represents the estimated liability in respect of performance bonuses to be paid out to employees.

The movement in current provisions is reconciled as follows:

	Performance Bonuses R
Provisions:	
31 March 2015	
Balance at beginning of year	5 123 482
Contributions to provision	6 169 937
Amount utilised during the year	(5 132 817)
Balance at end of year	**6 160 602**
31 March 2014	
Balance at beginning of year	4 813 029
Contributions to provision	3 439 023
Expenditure incurred	(3 128 570)
Balance at end of year	**5 123 482**

	2015 R	2014 R

11. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

11.1 Conditional Grants from Government

	86 563 264	**75 050 724**
National Government Grants	86 563 264	75 050 724
	-	-
Total Conditional Grants and Receipts	**86 563 264**	**75 050 724**
Unspent Grants is made up of the following Grants:		
DST Grant (Ring Fenced)	83 517 409	73 264 622
NRF Research and Development grant	3 045 855	1 786 102
	86 563 264	**75 050 724**

Refer to Note 15 (Transfers and subsidies received) for a reconciliation of the grants received, recognised as revenue and unspent as at year end.

12.1 Finance Leases

	2015 R	2014 R
Finance Lease Liabilities	13 869 437	256 656
Sub-total	13 869 437	256 565
Less: Current Portion of finance lease	(4 691 807)	(153 565)
Finance Lease Liabilities	(4 691 807)	(153 565)

Finance Leases relate to the leasing of office equipment with lease terms of between 3-6 years. This office equipment has been accounted for in Property Plant and Equipment under the asset category leased assets. The average effective interest rate on finance leases is 30.75% (2014: 30.75%). Included in the finance lease is also the lease of spot terminal with a payment term of 5 years. The terminal has been accounted for under the asset catergory computer equipment and software.

Management is of the opinion that the carrying value of long-term liabilities recorded at amortised cost in the Annual Financial Statements approximates their fair values.

The fair value of Finance leases was determined after considering the standard terms and conditions of agreements entered into between the entity and the relevant financing institutions.

12.1.1 Finance Lease Liabilities relating to Office Equipment

The entity as Lessee:

The management of the entity is of the opinion that the carrying value of long-term liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The obligations under finance leases are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
Amounts payable under finance leases:	**2015 R**	**2014 R**	**2015 R**	**2014 R**
Within one year	113 224	203 250	102 992	153 565
In the second to fifth years	-	113 204	-	103 000
Over five years		-		-
	113 224	316 454	102 992	256 565
Less: Future Finance Obligations	(10 201)	(59 888)	-	-
Present Value of Minimum Lease Obligations	**103 022**	**256 566**	**102 992**	**256 565**
Less: Amounts due for settlement within 12 months (Current Portion)			(102 992)	(153 565)
Finance Lease Obligations due for settlement after 12 months (Non-current Portion)			**-**	**103 000**

The entity has finance lease agreements for the following significant classes of assets:

- Office Equipment

PABX Ericsson

- Instalments are payable monthly in advance
- Average period outstanding 2 months
- Average effective interest rate, based on prime 11,57%
- Average monthly instalment R 2 710,92

Minolta Copier 1

- Instalments are payable monthly in advance
- Average period outstanding 11months
- Average effective interest rate 20,17%
- Average monthly instalment R 3 266,72

Minolta Copier 2

- Instalments are payable monthly in advance
- Average period outstanding 11 months
- Average effective interest rate, based on prime 20,17%
- Average monthly instalment R 3 266,72

Minolta Copier 3

- Instalments are payable monthly in advance
- Average period outstanding 11 months
- Average effective interest rate, based on prime 20,17%
- Average monthly instalment R 3 266,72

12.1.2 Finance Lease relating to Computer Equipment and Software

	2015 R	2014 R
Finance Lease Liabilities	(9 177 630)	-
Current Portion of Finance Lease Liability	(4 588 815)	-
Total Finance liability	**(13 766 445)**	-

	Minimum Lease Payments R	R
Amounts payable under finance leases:		
Within one year	(4 588 815)	-
In the second to fifth years	(9 177 630)	-
	(13 766 445)	-

The finance lease liability amount outstanding of R 13 766 445 refers to the DRS Spot terminal payable over 5 years . The initial amount raised on the assets was R 26 222 335 to date actual payments for the two years amounts to R 10 384 500 and a foreign currency translation difference of R2 071 390 at year end.

12.2 Operating lease

Operating Leases are recognised on the straight-line basis as per the requirements of GRAP 13. In respect of Non-cancellable Operating Leases the following liabilities have been recognised:

Balance at beginning of year	397 873	398 139
Operating lease liability during the period	(165 830)	(266)
Total Operating Lease	**232 043**	**397 873**

	2015 R	2014 R

12.2.1 Amounts payable under Operating Leases

At the reporting date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:

Up to 1 year	**2 089 147**	**1 964 701**
Buildings	2 053 018	1 925 158
Office equipment	36 129	39 543
Vehicles		
2 to 5 years	**10 497**	**1 759 890**
Buildings	-	1 681 772
Office equipment	10 497	78 118
Vehicles	-	-
More than 5 years	-	-
Buildings	-	-
Office equipment	-	-
Vehicles	-	-
Total Operating Lease Arrangements	**2 099 644**	**3 724 591**

The entity has operating lease agreements for the following classes of assets, which are only significant collectively:

- Buildings
- Office Equipment
- Vehicles

No restrictions have been imposed on the entity in terms of the operating lease agreements.

13. ACCUMULATED SURPLUS

The Accumulated Surplus consists of the following Internal Funds and Reserves:		
Accumulated Surplus due to the results of Operations	204 275 741	172 622 668
Total Accumulated Surplus	**204 275 741**	**172 622 668**

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

	2015 R	2014 R

14. FINANCE INCOME

External Investments:		
Bank Account	5 579 080	4 653 074
Investments - Call and fixed deposits	-	-
Other Interest - Outstanding debtors	-	-
	5 579 080	**4 653 074**

15. TRANSFERS AND SUBSIDIES RECEIVED

Operational Grants:	**118 298 000**	**111 708 000**
Parliamentary Grants (DST)	118 298 000	111 708 000
Parliamentary Grants (NRF)	-	-
Conditional Grants (Ring fenced allocations)	**52 896 658**	**-**
DST Grant (Ring fenced)	52 896 658	-
NRF Research and Development Grant	-	-
Transferred from Deferred Revenue	9 390 597	23 096 101
Transferred Assets	-	2 800 000
Total Government Grants and Subsidies	**180 585 255**	**137 604 101**

15.1 DST Grant (Ring Fenced)

Total		
Balance unspent at beginning of year	73 264 623	21 816 564
Current year receipts	70 000 000	69 000 000
Conditions met - transferred to Revenue	(59 747 214)	(17 551 941)
Conditions still to be met - transferred to Liabilities (see note 11)	**83 517 409**	**73 264 623**

See the breakdown of this grant with the descriptions for each component below:

15.1.1 SAEON & NRF

Balance unspent at beginning of year	6 484 806	6 484 806
Current year receipts	-	-
Conditions met - transferred to Revenue	(2 018 000)	-
Conditions still to be met - transferred to Liabilities	**4 466 806**	**6 484 806**

These ring fenced grants received from the DST for projects related to Sunspace: SAEON (South African Environmental Observation Network): for the development of the South African Earth Observation System Portal and NRF (National Research Foundation): for Human Capital Development Initiatives. These projects were ceded to SANSA and are currently being finalised.

	2015 R	2014 R
15.1.2 Sunspace (Transition)		
Balance unspent at beginning of year	89 000	258 576
Current year receipts	-	-
Conditions met - transferred to Revenue	-	(169 576)
Conditions still to be met - transferred to Liabilities	**89 000**	**89 000**

Sunspace Transition: for the Transition Phase for Sunspace Core Capabilities Absorption Process Work Packages. This project has been concluded.

15.1.3 Satellite Development		
Balance unspent at beginning of year	51 523 731	15 073 182
Current year receipts	70 000 000	49 000 000
Conditions met - transferred to Revenue	(39 978 680)	(12 549 451)
Conditions still to be met - transferred to Liabilities	**81 545 051**	**51 523 731**

The Satellite development funding were received in the latter part of the financial year and are committed for the preliminary design phase of the project.

15.1.4 Sunspace IP acquisition and Industry upgrade		
Balance unspent at beginning of year	15 167 444	-
Current year receipts	-	20 000 000
Conditions met - transferred to Revenue	(17 750 534)	(4 832 556)
Conditions still to be met - transferred to Liabilities	**(2 583 090)**	**15 167 444**

Satellite Development

15.2 NRF Research and Development grants

Total

Balance unspent at beginning of year	2 367 065	2 217 181
Current year receipts	2 852 639	3 801 736
Conditions met - transferred to Revenue	(2 173 850)	(3 651 852)
Conditions still to be met - transferred to Liabilities (see Note 11)	**3 045 854**	**2 367 065**

These grants are for multiple purposes which include research infrastructure grants as well as student bursaries linked to research projects. The research project grants include running expenses and travel funds as well. The grants were received from the National Research Fund (NRF) by particular researchers after successful application to a competitive programme. Some of the grants were purely mobility grants. All of the grants are multiple year awards and are on-going until the project is completed.

	2015 R	2014 R

16. OTHER INCOME

Sundry Income	189 223	1 071 891
Rent Received	164 800	127 795
Discount Received	5 785	3 569
Bad Debts Recovered	-	1 900
Donation	6 287	267
Expense Recovery	199 415	3 696
Insurance payout	102 544	-
Total Other Income	**668 054**	**1 209 118**

17. EMPLOYEE RELATED COSTS

Employee Related Costs - Salaries and Wages	78 698 703	66 114 860
Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	6 143 026	5 042 097
Performance Bonuses current year adjustment	4 773 704	3 462 523
Total Employee Related Costs	**89 615 433**	**74 619 480**

The members of key management personnel of SANSA during the year were:

- Chief Executive Officer - Dr. S Malinga
- Chief Financial Officer - B Pono
- Executive Director Corporate Services - Z Ndziba
- Managing Director SANSA Space Operations - R Hodges
- Managing Director SANSA Earth Observations - Dr. J Olwoch
- Managing Director SANSA Space Science - Dr. L McKinnell

Remuneration of the Chief Executive Officer: Dr. S Malinga		
Annual Remuneration	1 609 486	1 507 097
Performance Bonus	102 103	95 479
Contributions to UIF, Medical and Pension Funds	154 075	114 866
Total	**1 865 664**	**1 717 442**

Remuneration of the Chief Financial Officer: B Pono		
Annual Remuneration	1 237 807	1 155 591
Performance Bonus	79 204	74 022
Car and Travel Allowance	22 000	24 000
Contributions to UIF, Medical and Pension Funds	103 695	89 454
Total	**1 442 706**	**1 343 067**

	2015 R	2014 R
Remuneration of the Executive Director: Z Ndziba		
Annual Remuneration	1 053 465	972 838
Performance Bonus	74 106	69 258
Car and Travel Allowance	212 850	212 850
Contributions to UIF, Medical and Pension Funds	10 655	1 785
Total	**1 351 076**	**1 256 730**
Remuneration of the Managing Director SANSA Space Operations: R Hodges		
Annual Remuneration	1 005 243	936 860
Performance Bonus	66 254	61 920
Car and Travel Allowance	-	-
Contributions to UIF, Medical and Pension Funds	146 332	107 718
Total	**1 217 829**	**1 106 498**
Remuneration of the Managing Director SANSA Earth Observations: Dr. J Olwoch		
Annual Remuneration	999 490	935 852
Performance Bonus	62 838	48 939
Car and Travel Allowance	-	-
Contributions to UIF, Medical and Pension Funds	84 348	71 339
Total	**1 146 676**	**1 056 129**
Remuneration of the Managing Director SANSA Space Science: Dr. L McKinnell		
Annual Remuneration	1 006 015	941 962
Performance Bonus	63 248	59 110
Car and Travel Allowance	-	-
Contributions to UIF, Medical and Pension Funds	84 833	71 793
Total	**1 154 096**	**1 072 865**

18. BOARD MEMBERS REMUNERATION

Non-executive Chairperson J Lawrence[1]	47 075	21 095
Non-executive Chairperson M T Magugumela[2]	26 531	74 620
Other Board members	576 513	378 131
	-	
Total Board members Remuneration	**650 119**	**473 846**

18. BOARD MEMBERS REMUNERATION (Continued)

	2015 R	2014 R
P Maine	32 734	42 812
V Gore	50 586	22 680
M Rezelman	79 860	50 404
G Khambule	48 262	35 491
J Prinsloo	26 393	-
M Mfeka	46 774	-
Prof. R Bharuthram	34 944	-
Dr. N P Mjoli	28 579	-
W J van Biljon	41 884	-
E Jansen	30 882	-
M I Matooane	42 436	-
L S Hamilton	28 511	-
O A Latiff	31 159	-
L Annamalai[2]	16 764	51 973
Adv. T Ratsheko[2]	19 335	31 782
Capt. M Mamashela[2]	7 239	22 798
L Mogudi[2]	8 446	55 863
Prof. D Walker[2]	903	42 624
R G Nicholls[3]	374	3 045
S S Faku[3]	448	3 182
Dr. J Mphepya[2]	-	7 886
Dr. D Mayindi[2]	-	7 590
Dr. E Gavin[2,4]	-	-
Dr. R Scholes[2,4]	-	-
M Zondi[2,4]	-	-
M Riba[4]	-	-
A Naidoo[4]	-	-

[1] Appointed as Chairperson on 1 September 2014

[2] Term ended 31 August 2014

[3] Mr R G Nicholls and Mr S S Faku were lead independent Non-Executive Audit and Risk committee and the Human Resources and Social Ethics committee respectively. Their term ended on 31 August 2014.

[4] These board members are in the employ of the state and therefore do not receive board remuneration.

19. DEPRECIATION AND AMORTISATION

Depreciation: Property, Plant and Equipment	16 437 574	15 184 743
Amortisation: Intangible Assets	6 465 089	1 062 683
Impairment loss: Intelectual Property	1 440 000	-
Total Depreciation and Amortisation	**24 342 663**	**16 247 426**

	2015 R	2014 R

20. IMPAIRMENT LOSSES

20.1 Impairment Losses on Financial Assets

Impairment Losses Recognised:		
Receivables from exchange transactions	-	19 629
Impairment Losses Reversed:		
Receivables from exchange transactions	-	-
Total Impairment losses	-	19 629

21. FINANCE COSTS

Finance Leases	49 680	124 892
Interest Paid	-	-
Total Interest Expense	49 680	124 892
Total Interest Paid on External Borrowings	**49 680**	**124 892**

22. GRANTS AND SUBSIDIES PAID

Bursaries to students	2 261 002	3 579 122
Research and development	411 000	477 000
Total Grants and Subsidies	**2 672 002**	**4 056 122**

23. RESEARCH AND DEVELOPMENT COSTS

Sunspace Incentive Payment	4 832 556	4 832 556
Sunspace Transition	-	169 576
Grant Expenditure - EO-SAT1 CSIR Strategic Technology Partnership	1 180 000	-
Grant Expenditure - EO-SAT1 Denel SpaceTeq Industry upgrade	10 986 978	-
Grant Expenditure - SAEON	2 018 000	-
Total Research and Development Costs	**19 017 534**	**5 002 132**

Research and Development Costs disclosed above, have been expensed immediately and are in respect of research into the future needs of the entity and new resources to fulfil these needs.

24. GENERAL EXPENSES

	2015 R	2014 R
Advertising & Marketing	2 205 768	1 733 272
Audit Fees	2 412 105	1 760 530
Bank Charges	118 879	125 619
Consulting fees	2 669 843	5 217 770
Conferences and Seminars	661 748	718 572
Consumables	89 805	110 419
Electricity	5 156 829	2 807 386
Entertainment	157 362	136 990
Fuel and Oil	362 208	1 209 484
Insurance	1 061 768	1 325 410
Legal Costs	129 386	2 459
License fees	3 407 221	3 652 710
Other General Expenses	12 531 870	25 375 864
Printing and Stationery	639 731	746 252
Rent and lease charges	3 333 675	3 057 295
Travel and accommodation	5 624 113	8 236 902
Security	961 385	924 343
Telephone Cost	1 628 779	1 977 831
Data and internet services	9 863 578	7 978 891
Transport Costs	3 230 566	1 286 467
Total General Expenses	**56 246 619**	**68 384 465**

The amounts disclosed above for Other General Expenses are in respect of costs incurred in the general management of the entity and not directly attributable to a specific service or class of expense.

25. NET GAINS AND LOSSES ON FOREIGN EXCHANGE TRANSACTIONS

Gains in net Foreign Exchange	4 160 657	1 640 570
(Losses) in net Foreign Exchange	(1 980 842)	(2 848 498)
Net foreign Gains/(Losses)	**2 179 815**	**(1 207 928)**

26. RENDERING OF SERVICES

Services to local Public entities	29 893 130	17 169 870
Services to local Private entities	1 238 424	2 076 908
Services to Foreign clients	38 567 304	51 964 305
Other services rendered	897	61 033
	69 699 755	**71 272 116**

	2015 R	2014 R

27. DATA LICENCE FEES

Data licence fees	26 729 023	25 580 933
	26 729 023	25 580 933

Data licence fees consists mainly of SPOT data access fees for downloading satellite imagery for earth observation services.

28. CASH GENERATED BY OPERATIONS

Surplus for the Year	**31 653 073**	**15 044 833**
Adjustment for:		
• Depreciation and Amortisation	22 902 663	16 247 426
• Impairment of Intellectual Property	1 440 000	
• Transfer of Intellectual Property	-	(2 800 000)
• Gains on Disposal of Property, Plant and Equipment	-	(1 399)
• Loss on Disposal of Property, Plant and Equipment	149 771	66 187
• Unrealised exchange rate gains and losses	(2 179 815)	1 207 928
• Impairment Loss	-	19 629
• Sundry income	12 768	62 158
• Discount Received	5 784	3 569
Operating surplus before working capital changes	**53 984 244**	**29 850 331**
Decrease in Inventories	(71 522)	24 512
Decrease in Receivables from exchange and non-exchange transactions	(2 157 407)	(3 926 919)
Increase in Creditors, Provisions and unspent conditional grants and receipts	24 341 027	45 175 641
Cash flow from operating activities	**76 096 342**	**71 123 565**

29. CORRECTION OF AN ERROR

The comparative amount(s) relating to the Statement of Financial Performance have been restated as follows:

Employee Related Costs[1,3]	-	(1 663 003)
Transfers and Subsidies Received[2]		2 049 451
Depreciation and Amortisation[4]		(35 927)
Net effect on surplus/(deficit) for the year	-	350 521

	2015 R	2014 R
The comparative amount(s) relating to the Statement of Financial Position have been restated as follows:		
Property, plant and equipment[1,4]	-	1 833 596
Accruals[3]	-	(201 361)
Unspent Conditional Grants and Receipts[2]		(2 049 451)
Net effect on Statement of Financial Position	-	(417 216)
The comparative amount(s) relating to the Statement of changes in Net Assets has/have been restated as follows:		
Accumulated Surplus/(Deficit)[3, 4]	-	(66 696)
Net Effect on Statement of changes in Net Assets	-	(66 696)

[1]The restatement of prior year balances relates to the correction of classification errors where costs related to the project office for the satellite development project were not capitalised in the prior year.

[2]The restatement of prior year balances relates to the correction of classification errors where costs related to the project office for the satellite development project were not capitalised and the related recognition against the ring fenced grant for the satellite development project.

[3]This restatement relates to a tax liability on certain employees salaries who were paid in error for their additional pension contributions from April 2011 to February 2014. SANSA has elected not to claim back these contributions, but honour the tax liability due to SARS.

[4]This restatement of prior year balances relates to the correction of useful life estimates for certain assets that are still in use but were fully depreciated in the prior years. The reassessment of the useful lives reduced the depreciation value and accumulated depreciation that was initially stated in the prior year.

30. CHANGE IN ESTIMATE

During the year the following changes were made to the estimations employed in the accounting for transactions, assets:

Change in depreciation resulting from reassessment of useful lives. The following categories are affected:	Value derived using the original estimate R	Value derived using amended estimate R	Value impact of change in estimate R
Computer Equipment	801 797	492 931	(308 866)
Office Equipment	153 453	79 303	(74 150)
Office Furniture	5 035	21 993	16 958
Plant and Machinery	1 433 226	651 991	(781 235)
Research equipment	2 359 998	2 344 523	15 475
Total	**4 753 509**	**3 590 742**	**(1 131 818)**
Change in depreciation resulting from reassessment of residual values. The following categories are affected:			
Vehicles	841 115	621 535	(219 580)
Total	**841 115**	**621 535**	**(219 580)**

	2015 R	2014 R

31. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful Expenditure

Reconciliation of Fruitless Expenditure:		
• Opening balance	-	-
• Fruitless and Wasteful Expenditure incurred	12 811	-
• Fruitless and Wasteful Expenditure irrecoverable and written off	(12 811)	
• Fruitless and Wasteful Expenditure awaiting recovery or write off	-	-

Details of Fruitless and Wasteful Expenditure

Nature of the expenditure	Disciplinary Steps / Criminal Proceedings	Amount
Expenditure incurred was due to last minute cancellation of a meeting and therefore the venue could not be cancelled at short notice.	The amount to be written off as the cancellation of the meeting was not initiated by SANSA	3 518
Expenditure incurred in the form of attorney recovery fees for money that was paid erroneously into the wrong supplier bank account.	Employee was engaged on the matter. The employee is not liable in law for the attorney fees and the amount was to be written off	2 459
The expenditure incurred relates to double payments to a supplier.	Employee was engaged on the matter. The amount is recoverable from the supplier.	6 834
		12 811

32. IRREGULAR EXPENDITURE

Reconciliation of Irregular Expenditure:		
• Opening balance	-	-
• Irregular Expenditure incurred	166 270	-
• Irregular Expenditure condoned	(166 270)	
• Amounts not recoverable (Not Condoned)	-	-
• Irregular Expenditure awaiting condonement	-	-

Details of irregular expenditure condoned. No person liable in law.

Supply chain policy not followed:	Disciplinary Steps / Criminal Proceedings	Amount
As per SANSA's delegation, all manager can approve up to R30 000. A manager approved quotation for an expenditure of R90 807,27 which is above their delegated authority.	Employee was engaged on the matter and she indicated that an in principle approval was given by their line-manager and, based on this, they signed the quotation. The employee was warned that even if an in principle approval is given, it has to be confirmed by an official sign-off by the appropriately delegated authority. Employee was verbally warned to strictly follow due process.	90 807
The procurement process was not followed for a single source supplier and the contract was signed without first being vetted by the SANSA Legal Unit as per policy.	Employee was engaged on the matter. Notwithstanding backlogs in the vetting process, failure to vet contract is a huge risk for SANSA. Employee was given a stern written warning not to repeat this.	15 513
Approval and procurement process was not followed for a single source supplier and payments made based on invoices received	The disciplinary process is still in progress	59 950
		166 270

	2015 R	2014 R
33. COMMITMENTS FOR EXPENDITURE		
Capital and Expenditure Commitments		
Approved and Contracted for:-	**79 301 340**	**155 779 883**
• Property, Plant and Equipment	70 717 649	38 033 150
• Intangible assets	-	1 993 895
• Expenditure	8 583 691	115 752 837
Approved but Not Yet Contracted for:-	**-**	**621 292**
• Property, Plant and Equipment	-	621 292
• Expenditure	-	-
Total Capital and Expenditure Commitments	**79 301 340**	**156 401 175**
This expenditure will be financed from:		
Own Resources	79 301 340	156 401 175
	79 301 340	**156 401 175**

34 EMPLOYER RETIREMENT BENEFIT INFORMATION

The only obligation of the entity with respect to the retirement benefit plans is to make the specified contributions.

The total expense recognised in the Statement of Financial Performance represents contributions payable to the plan by the entity at rates specified in the rules of the plan. These contributions have been expensed.

35 RELATED PARTY TRANSACTIONS

Related party relationships:

South African National Space Agency (SANSA) is a Public Entity under the control of the Department of Science and Technology South Africa. The Agency is a schedule 3A Public entity in terms of the Public Finance Management Act, Act 1 of 1999 as amended by Act 29 of 1999, and therefore falls within the national sphere of government. SANSA has a significant number of related parties, being those that fall within the national sphere of government. Amounts due from / (to) these entities are subject to the same terms and conditions as normal trade receivables and trade payables and transactions with these entities are concluded at arm's length.

The land claim remains pending since approximately 2008 in respect of the property upon which SANSA Space Operations is located. South African National Space Agency (SANSA) is not the owner of the land, however the Department of Science and Technology has pronounced it's support of the application to be made by SANSA to the Department of Public Works to formalise the land use rights toward the property. In respect of the land claim proceedings, SANSA has also facilitated the filing of the notice to intervene as an interested party in November 2014 with the Randburg Land Claims Court. A scientific expert report is also being finalised and will be submitted in support of the notice to intervene and also used in support of the submission to Department of Public Works as part of the application for formalised land use rights.

For key management emoluments, please refer to note 17.

36 PENDING LAND CLAIM

A land claim remains pending since approximately 2008 in respect of the property in Hartebeeshoek. The South African National Space Agency (SANSA) is not the owner of the land. The legal and financial implications of the land claim will be determined upon the ruling of the Land Claims Commissioner.

37 IN-KIND DONATIONS AND ASSISTANCE

The entity received a donation of a Spectrometer e-Callisto Frequency Agile Radio worth R 6 286.46 from Christian Monstein. JICA (Japan International Cooperation Agency) donated 30 computers to the value of R786,565.80, the equipment will be used in facilitating workshops and training.

38 EVENTS AFTER THE REPORTING DATE

No events having financial implications requiring disclosure occurred subsequent to 31 March 2015.

38 GOING CONCERN

The annual 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 settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

All Financial instruments arise directly from operations.

The entity does not enter into any derivative transactions. The main risk arising from the entity's financial instruments are cash flow interest rate risk, liquidity risk and credit risk.

The entity reviews and implements policies managing each of these risks. There are no significant concentrations of risk. Compliance with policies and procedures is reviewed by internal and external auditors on a continuous basis.

The carrying amounts of financial liabilities at reporting date was:	2015 R	2014 R
Trade and other payables	25 195 017	19 624 576
Finance leases	13 869 437	256 565
Long term liabilities	13 766 445	-
	52 830 899	19 881 141

Interest Rate Risk

No material risk exists due to there being no material finance costs in the current finance year. The only real risk that exists is the risk of variations in cash flow due to changes in the interest rate, which will affect interest income.

The entity's income and operating cash flows are substantially independent of changes in the market interest rates.

31 March 2015	**Floating Interest Rate R**	**Non-interest Bearing R**	**Total R**
Assets			
Receivables from Exchange Transactions	-	17 443 498	**17 443 498**
Receivables from Non-Exchange Transactions	-	2 407 214	**2 407 214**
Cash and cash equivalents	123 219 767	8 782	**123 228 549**
Liabilities			
Trade and other payables	-	(25 195 017)	**(25 195 017)**
Long-term Liabilities	(27 635 882)	-	**(27 635 882)**
Net Financial assets/(Liabilities)	**95 583 885**	**(5 335 524)**	**90 248 361**

31 March 2014	Floating Interest Rate R	Non-interest Bearing R	Total R
Assets			
Receivables from Exchange Transactions	-	13 813 040	**13 813 040**
Receivables from Non-Exchange Transactions	-	8 195 079	**8 195 079**
Cash and cash equivalents	120 634 623	7 271	**120 641 894**
Liabilities			
Trade and other payables	-	(19 624 56)	**(19 624 56)**
Long-term Liabilities	(256 565)	-	**(256 565)**
Net Financial assets/(Liabilities)	**120 378 058**	**2 390 815**	**122 768 873**

Interest Rate Sensitivity Analysis

The sensitivity analysis below was determined based on the exposure to interest rates at the reporting date. For variable rate long-term instruments, the analysis is prepared assuming the amount of the instrument outstanding at the reporting date was outstanding for the whole year. A 100 basis point increase or decrease was used, which represents management's assessment of the reasonably possible change in interest rates.

Effect of a change in interest rate on interest bearing financial assets and liabilities

Financial Assets	Classification	2015 R	2014 R
External investments:			
Call Deposits	Loans and receivables	-	-
Bank Balances	Loans and receivables	123 219 767	120 634 623
Cash Floats and Advances	Loans and receivables	8 782	7 271
		123 228 549	**120 641 894**
Interest received		5 579 080	4 653 074
Interest rate		4,5%	3,9%
Effect of a change in interest rate on interest earned from external investments:			
Effect of change in interest rate	%	1%	1%
Effect of change in interest rate	Rand value	1 232 285,49	1 206 418,94
Effect of change in interest rate	%	-1%	-1%
Effect of change in interest rate	Rand value	-1 232 285,49	-1 206 418,94

Liquidity risk

The entity prevents liquidity risk by maintaining adequate banking facilities and by receiving contributions annually in the form of Grants.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements for the entity:

	2015				
	Carrying amount R'000	Contractual cash flows: 1 month or less R'000	Contractual cash flows: 1 -3 months R'000	Contractual cash flows: 3 - 12 months R'000	Contractual cash flows: 12 - 60 months R'000
Non-derivative financial liabilities					
Trade and other payables	25 195 017	25 195 017	-	-	-
Finance lease liability	13 869 437	8 583	25 594	77 244	13 758 016
Long term loan	13 766 445			2 294 408	11 472 038
	52 830 899	**25 203 600**	**25 594**	**2 371 652**	**25 230 054**

	2014				
	Carrying amount R'000	Contractual cash flows: 1 month or less R'000	Contractual cash flows: 1 -3 months R'000	Contractual cash flows: 3 - 12 months R'000	Contractual cash flows: 12 - 60 months R'000
Non-derivative financial liabilities					
Trade and other payables	19 624 576	19 624 576	-	-	-
Finance lease liability	256 565	12 797	28 207	115 174	100 387
	19 881 141	**19 637 373**	**28 207**	**115 174**	**100 387**

Market and Credit risk

Financial assets which potentially subject the entity to the risk of non-performance by counter parties consist of Receivables from exchange and non-exchange.

An allowance for impairment is established based on management's estimate of any identified potential losses in respect of Receivables from exchange and non-exchange. Bad debts identified are written off as they occur. The entity does not have any significant credit risk exposure to any single counterparty. There is a foreign exchange risk due to the existence of international debtors. These debtors however have strict 30 day payment terms which ensures that the movement in exchange rates are limited to a shorter time period.

The entity's exposure to foreign currency risk was as follows:

	31 March 2015					
	Total	**ZAR**	**EURO**	**USD**	**SEK**	**GBP**
Receivables from Exchange Transactions	17 443 498	14 697 590	2 745 908		-	-
Trade payables	(25 195 017)	(24 742 841)	(452 176)		-	
Gross exposure	**(7 751 519)**	**(10 045 251)**	**2 293 732**	**-**	**-**	**-**

	31 March 2014					
	Total	**ZAR**	**EURO**	**USD**	**SEK**	**GBP**
Receivables from Exchange Transactions	13 813 040	7 595 142	1 146 917	5 070 982	-	-
Trade payables	(19 624 576)	(19 603 176)	(21 400)			
Gross exposure	**(5 811 536)**	**(12 008 034)**	**1 125 517**	**5 070 982**	**-**	**-**

The following significant exchange rates applied during the year:	**2015**	**2014**
Year-end spot rate		
Euro	13,03	14,55
USD	12,14	10,58

Sensitivity analysis

A 10% weakening of the rand against the above currencies at 31 March would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Euro	229 373	112 552
USD	-	507 098
SEK	-	-
GBP	-	-
Total	**229 373**	**619 650**

A 10% strengthening of the rand against the following currencies at 31 March 2015 would have decreased profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as was performed at 31 March 2014.

Notes

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