annual report 2001

SITA

Contents

state information technology agency

RP No: 127/2001

VISION

To become a leading and respected public sector IT company in the world that:

* provides relevant products and services to the Government cost-effectively;
* is an employer of choice;
* is an advanced user of information technology; and
* delivers value for money to the Shareholder.

MISSION

The mission of SITA is to continually:

* increase the speed of delivery of the products and services of SITA;
* improve the return on investment on Government IT expenditure;
* improve the quality of the products and services of SITA;
* improve the security environment within which SITA operates;
* innovate with respect to its products and services; and
* support the socio-economic policies of Government.

CORE VALUES

* competency
* teamwork
* honesty
* fairness
* client orientation

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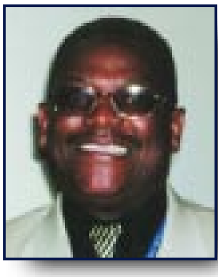
BOARD OF DIRECTORS



Mr SM Rasethaba
Chairperson:
SITA Board of Directors

Adv. KD Moroka
Advocate, High Court
of South Africa

Mr G Pieterse
CEO African
Renaissance
Holdings

Mr IA Mamoojee
Deputy Director
General
National Treasury

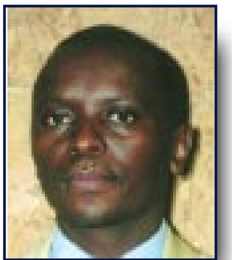
Mr M Ramaite
Director General
Dept. of Public Service
and Administration

Mr AA Ngcaba
Director General
Dept. of
Communications

Ms LE Mthimunye
Head, Special Projects
Rand Merchant Bank

C van Schalkwyk
Chief Executive
Officer

M Mojapelo
Chief Operating
Officer



M Matlwa
Chief Financial
Officer

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THE CORPORATE GOVERNANCE REVIEW

SITA abides by the principles and practices set out in the King Report .The Board continued to demonstrate a strong commitment to high standards of integrity and corporate governance. The mechanisms, structures and systems that ensure good governance within SITA are set out below.

BOARD OF DIRECTORS

SITA is governed and controlled, in accordance with the SITA ACT (Act number 88 of 1988), by a Board of Directors appointed by the Minister after consultation with Cabinet. The Board meets once a quarter. Extraordinary meetings are convened if and when major issues require Board resolutions in-between scheduled meetings. At its meetings, the Board monitors the performance of executive directors and addresses a range of key issues of policy and strategy. At each scheduled Board meeting the executive directors report on quarterly results and business developments.

The company has six Board sub committees. These are the Audit Committee and Internal Control, Human Resources and Remuneration Committee, Capital Expenditure and Finance Committee, Corporate Governance and Nominations Committee, Interim Tender Committee and the Executive Management Committee. In view of the fact that the company is currently undergoing restructuring, a Restructuring Committee has also been formed.

All the other committees meet quarterly with the exception of the Interim Tender Board, the Executive Management Committee and the Restructuring Committees, which meet monthly and weekly respectively.

COMPOSITION OF THE BOARD

The Board is comprised of 9 directors, of whom only three are executive directors. The Chairperson and Board members are highly respected individuals from the private sector, academic sector, and other sectors of society. They are selected on the grounds of their diverse skills and experience relating to the business-thus ensuring independent judgment to Board decisions.

All directors have full and timely access to the advice and services of the company secretary who is responsible for ensuring that procedures are followed.

SHAREHOLDER REPRESENTATION ON THE BOARD.

Messrs Muthanyi Robinson Ramaite and Andile Ngcaba represent the Government of the Republic of South Africa - the controlling shareholder.

BOARD COMMITTEES

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE.

This Committee’s main responsibility is to review corporate governance practices of the company and to ensure that SITA is consistently working to improve levels of disclosure and transparency.

In line with the aforementioned statement the committee considers and nominates executive staff members in order to promote significant presence of previously disadvantaged men and women throughout the company – in the structures of its Board of Directors, management, and staff.

The Committee meets quarterly. Ad hoc meetings are held at the request of any member of the Committee.

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The committee comprises of the following members:

Chairperson of the Main Board Mr. SM Rasethaba;
Group Managing Director Mr. C. van Schalkwyk;
Director- General of Department of Public Service and Administration Mr. MR Ramaite;
Director- General Department of Communications Mr. AA Ngcaba.

AUDIT COMMITTEE AND INTERNAL CONTROL

The Board has ultimate responsibility for the Group's system of internal financial and operational control. Controls are designed to ensure that all activities operate efficiently, effectively and to high ethical standards. The Audit Committee of the Board has delegated authority to carry out this responsibility of the Board.

The Committee reviews the financial statements and accounting policies, the effectiveness of internal controls and analyses the Auditor-General's findings. It is also the responsibility of the Audit Committee to review SITA's overall risk profile, together with risk management and control processes and procedures.

The Audit Committee consists of non-executive directors and meets quarterly. In the year under review Ms LE Mthimunye was the Chairperson. Other members are;
Mr. A du Plessis;
Mr. K Shuenyane;
Mr. JL Grundling;
Mr. LA van Vuuren;
Mr. B Kgomo;
Mr. IA Mamoojee;

The Managing Director, Executive Directors, Internal Audit members and the Auditor-General attend these meetings from time to time especially during the preparation of financial year end statements and when deemed appropriate.

The Chairperson, the members of the Audit Committee, Internal Audit and the Auditor-General have unrestricted access to the Chairperson and the Company Secretary.

CAPITAL EXPENDITURE & FINANCE COMMITTEE

The Board mandates this Committee to approve and monitor capital expenditure of the Group. The Committee is furthermore mandated to consider all other Finance-related issues such as approval of counter-party limits, funding challenges and the issue of guarantees and sureties.

The Committee meets quarterly and is chaired by the Group Managing Director. The following members comprise the Committee;

Mr. C van Schalkwyk; Chairperson
Mr. SM Rasethaba;
Ms LE Mthimunye;
Mr. L Mahlati;
Ms L Mthembu;
Dr D da Silva;
Mr. B Kodisang;
Mr. I Kgaboesele;
Mr. K Shuenyane;
Mr. IA Mamoojee;
Ms. M Mojapelo;
Mr. M Matlwa;

The other Executive Directors attend these meetings whenever they are requested by the members.

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THE CORPORATE GOVERNANCE REVIEW

HUMAN RESOURCE AND REMUNERATION COMMITTEE

This committee's main mandate is to ensure that the directors and the senior executives are fairly rewarded for their individual contributions to the company's overall performance. The committee formulates remuneration policies for the executive directors, which has the objective of attracting and retaining executives of the highest calibre. Remuneration includes salaries and bonuses.

The committee meets quarterly and is composed of the following non-executive directors;

Advocate KD Moroka - Chairperson
Ms T Mgoduso
Ms A Ngwezi
Ms S Gordon
Mr. E Ngubane
Prof. LA Tager
Dr S Khotu
Mr. N Gosebo
Mr. G Pieterse

INTERIM TENDER COMMITTEE

This committee oversees the implementation of the "Whole of Government IT Procurement Framework" by ensuring that benefits to Government will improve service delivery. Its main responsibility is the evaluation and approval of tenders for services and products procured above certain pre-determined limits. The tender process takes into account Black Economic Empowerment objectives. Cardinal to the mandate of this committee is to ensure IT Synergy in Government Departments and Organs of the State as well as interoperability of procured IT products and services.

Due to the fluidity of the IT environment this committee meets monthly. The committee consists exclusively of the following non-executive directors ;

Mr. IA Mamoojee - Chairperson
Mr. SM Rasethaba
Ms L Mthembu
Rev. A Abrahams
Mr. T Daka

EXECUTIVE COMMITTEE

The executive committee consists of executive directors and management. It is responsible for the day to day operations of the company. The committee meets on a weekly basis to discuss operational issues such as investment and capital expenditure proposals. All matters arising from these meetings which are above the delegated powers of the MD are reported to the Board for ratification.

In terms of approved levels of authority , the executive committee is authorized to make decisions of up to R30million per transaction. Investment or expenditure in excess of R30 million requires Board approval.

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STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of SITA (Pty) Ltd. The financial statements presented on pages 16 - 46 have been prepared in accordance with GAAP in South Africa, and include amounts based on judgements and estimates made by management. The directors also prepared the other information included in the annual report and are responsible for both its accuracy and its consistency with the financial statements.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the company will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the company.

The financial statements have been audited by the Auditor General, and was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board Directors and committees of the Board. The directors believe that all representations made to the Auditor General during their audit are valid and appropriate.

The report of the Auditor General is presented on pages 12 – 15. The financial statement was approved by the Board of Directors on 29 August 2001 and are signed on its behalf by:

SM RASETHABA
Chairperson: SITA Board of Directors.

COLIN VAN SCHALKWYK
Managing Director.

COMPANY SECRETARY'S STATEMENT

I, Ray Hlalele, in my capacity as Company Secretary of SITA (Pty) Ltd, hereby certify that to the best of my knowledge and belief, the company has lodged with the Registrar of Companies all such returns as are required of it in terms of the Companies Act 1973, as amended, and that all such returns are true, correct and up to date.

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CHAIRPERSON'S REPORT

My inaugural review last year highlighted the fact that the State Information Technology Agency (SITA) was entering a period of unprecedented change.

With the groundbreaking amalgamation of the Information Technology (IT) arms of the Department of Defence, South African Police Services and the Department of State Expenditure's Central Computer Services behind us, the stage was set for the co-ordination and consolidation of Government IT to be a priority item on the agenda of change.

The change underway is two-dimensional. One is to make SITA reflect the face of the country in terms of population demographics, champion the policy objectives of Government with regard to IT and to implement procurement strategies that support regional development. This dimension seeks to make SITA consistent with the imperatives of a new political order. At the heart of this changing process is to infuse into the state owned enterprise a set of strategies that can catapult it to the success levels of its private sector counterparts.

The other dimension directs SITA to give due consideration to security concerns, continuous and uncompromised levels of service to citizen centric organs of State and to possess the presence of mind to search for new frontiers of IT development through research and development.

In February this year SITA's restructuring proposals were placed before Cabinet for consideration. In March the proposals received Cabinet endorsement for SITA to be restructured into three core divisions. The first division will be regulatory with the intent to reducing Government's expenditure through value-adding IT acquisitions and promoting e-services within the Government.

The other two would be to "build and operate" entities focused on the military and civilian IT systems of the Government. The last mentioned could, within one to three years, be spun off to extend its public service mandate to allow it to engage with private sector companies.

The changes being undertaken are not all that SITA is about. The Government's blueprint on infrastructure has seen the launch of concrete projects where the agency's pivotal role is progressively surging ahead with distinction.

The Integrated Justice System (IJS), under the collective leadership of the Departments of Justice, Correctional Services, Social Welfare and South African Police Services, is a flagship project and is pivotal to South Africa's crime-fighting integrated approach. The added co-operation of SITA and Business Against Crime to this unitary approach, as set by the said organs of State, will no doubt go a long way towards ridding the country of the burden of crime.

Successful investigation by the SAPS will raise the esteem of members and solidify their acceptance in communities to which they are deployed. Faultless prosecutions will reduce incidents where communities resort to desperate measures of taking the law into their hands. Responsive rehabilitation methods will ease the pressure on prison populations. Reformed prisoners, on returning to society, will count favourably in a climate that is geared to making communities safer.

The swift action by the Department of Home Affairs to loss of passports and ID's and illegal persons entering some of SA's border posts, makes a compelling case for an integrated approach.

Through the AFIS project (Automated Fingerprint Information Systems) SITA is gradually replacing the current manual process involved in the identification of fingerprints. The GIS (Geographic Information System) proved handy for use by the Independent Electoral Commission in determining location of polling stations and demarcation of wards for purposes of running the successful December 2000 local Government elections.

The recent Cabinet approval of Project Kite, meant to enable Ministers to electronically confer on discussion documents requiring Government decision, will surely rank as the leading IT project in Government. Through these projects, the positive effects of the use of IT in Government are beginning to be felt and the benefits are steadily being passed on to citizens.

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SITA's participation in Comnet-IT, an international networking foundation mandated by Commonwealth Heads of Government and currently chaired by the Department of Arts, Culture, Science and Technology Minister, Dr Ben Ngubane, is a confirmation of SA's standing as a global IT player.

In the two years of its existence the visionary recommendations of the Presidential Review Commission appointed by former President Nelson Mandela and the directives of the Communications Task Team led by President Thabo Mbeki remain key indicators for SITA's road map.

SM RASETHABA
Chairperson: SITA Board of Directors.

THE MANAGING DIRECTOR'S REVIEW

BACKGROUND

I have been at SITA for roughly four months – not very long, but long enough to form some fairly strong views about this institution. I must from the onset, express my gratification for the support and encouragement I have been afforded by the management team, the Board and the Shareholder.

SITA is unique in today's IT world. I think the evidence is clear that there is substantial value added, for our consumers, corporate clients and Government departments, in the ability to bring together, in one provider, the products, services and national capacity relevant to each client, project or need. This ability also creates an extraordinarily exciting and fulfilling environment. Interoperability plays a major role in this aspect.

Our achievements are the result of the energy and commitment of 2400 people working for SITA in all Provinces of South Africa. I am very proud of their efforts in making SITA the great company we have built today, and the greater company we will build tomorrow.

This past year has seen many manifestations of this energy. Having said that, there is no room for complacency or indeed anything but dynamic commitment to continuous improvement and growth. I believe this is a widely shared view throughout SITA.

The challenge now – recognizing all that has been accomplished – is to realise the immense potential that lies ahead. This is far from a simple matter. But our future is in our hands. We have the ability – given our strengths, our resources, and our national and product positions – to create an unrivaled ability in the years ahead to meet customer needs, provide fulfillment for our people and create shareholder value.

I believe that ours is an era of historic economic change with the elimination of racial barriers, reduction of barriers to cross-border trade, the spread of market - based economies and the ongoing development of transformative technologies. All of this will continue to create great opportunities for information technology and we need never to lose focus of our main vision **"TO BECOME A LEADING AND RESPECTED PUBLIC SECTOR INFORMATION TECHNOLOGY COMPANY IN THE WORLD" .**

Our new Corporate identity and branding rollout have changed the market perception of SITA as demonstrated by the acceptance we are receiving from Government departments, private companies and the public at large.

In the past year we accelerated delivery on our mandate which is to serve as information systems facility to the State, chiefly responsible for the management and execution of IT - related work for, and on behalf of Government.

We have enjoyed a marked increase in our client base. Innovative strategies implemented to enhance service delivery to our participating departments resulting in increases in new Business Agreements being signed thus surpassing the company's two - year performance in this respect.

We further embarked on the development of a SITA Partnership Model in order to position the company to be able to efficiently take advantage of any business opportunities that may arise. Our model is structured in such a way that we are able to offer assistance even in the implementation of social responsibility programmes. Our assistance to the Department of Communications in the high level IT skill rollout at the Institute for Space and Satellite Applications bears evidence to this model.

The Learnership programme is growing at an exciting pace with well over three hundred internships. We participated in the rolling out of the Web-enablement of the National Archives which impacted directly on our communities.In addition we have developed a close relationship with the National Treasury on transversal systems. All these projects bear witness to the strides we are making in order that SITA becomes a household name.

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HUMAN CAPITAL

The dynamism embedded in the SITA human capital is often underestimated and is often not viewed in the manner that it deserves. It should be recognized that SITA is a conglomeration of people from different corporate cultures (CCS, INFOPLAN ETC), and to create homogeneity has been a daunting task. Suffice it to mention that we met our employment equity targets and in some departments exceeded them.

In our endeavours to introduce efficiency we formulated policies based on the balanced score card. As a result we were able to reduce contractors from 800 to about 400.

As mentioned previously we have a staff complement of 2400 employees. We are consistently engaging our Executive management to ensure the visibility of women in Senior Management positions and to promote parity as espoused in our gender policy. Performance Contracts were instituted for all management staff. We are continuously reviewing all our human resources policies to ensure that we are abreast with any changes in the human resources arena.

FINANCIAL REVIEW

The current financial year turnover rose by 9.5% from R928.4million to R1 016.5million. The marginal increase is mainly due to volume increases in our service delivery as there were no tariff increases.

The company posted an operating loss of R5.6million for the current financial year translating into a deterioration of 104.5% as compared to the previous year profit of R124.1million.This can be attributed to the lack of tariff adjustments. The tariffs have not been increased since the inception of the company. This has put pressure on the company's operating margins.

The net finance income rose by 223.6% from R3.5million to R11.5million. This can be attributed to better utilization of available funds. This resulted in a net profit of R4.2million for the year. However this net profit is a deterioration of 95.4% compared to the R91.2million of the previous year.

The situation will be remedied by the new tariff structure that has been put in place for the 2002/2003 financial year as well as new marketing strategies.

RESTRUCTURING

After carefully taking a bearing and scanning the IT market locally and internationally, together with the approval of our Shareholder we embarked on a restructuring process with clear objectives:

* To unlock the Shareholder value and create wealth
* Formation of Information Technology Acquisition Centre (ITAC) and Certification
* Reorganise and streamline the management and institute a deeper sense of financial discipline
* Creation of three subsidiary companies – SITA D, SITA C and SITA E to entrench specialization and maximize on effectiveness and efficiency.
* Build SITA subsidiaries around capable, energetic and highly incentivised teams of people.

I take this opportunity to thank the Minister of Public Service and Administration, the Chairperson of the Board, Members of the Board, Board Sub-Committee Members and management for their support. I am sure that if we keep on course we will be able to navigate our way through the difficult issues that need to be dealt with in this financial year.

SITA will manage the fulfillment agents on behalf of the Government through partnering with the private sector and other parastatals. I am confident that we, as the management team are ready for this challenge and I reaffirm our commitment to the company and to the Government of South Africa.

COLIN VAN SCHALKWYK
Managing Director.

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REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE STATE INFORMATION TECHNOLOGY AGENCY (PTY) LTD

FOR THE YEAR ENDED 31 MARCH 2001

1. AUDIT ASSIGNMENT

The financial statements set out on pages 16 to 46, for the year ended 31 March 2001, have been audited in terms of Section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995), Section 16(9) of the State Information Technology Agency Act 1998, (Act No. 88 of 1998), and the Companies, Act 1973 (Act No. 61 of 1973). The financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting authority of the State Information Technology Agency (SITA). My responsibility is to express an opinion on these financial statements and the compliance with relevant laws and regulations, applicable to financial matters, based on the audit.

2. REGULARITY AUDIT

2.1 Nature and scope

2.1.1 Financial audit

The audit was conducted in accordance with generally accepted government auditing standards, which incorporate generally accepted auditing standards. These standards require that the audit be planned and performed to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures included in the financial statements,
- Assessing the accounting principles used and significant estimates made by management, and
- Evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

2.1.2 Compliance audit

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

AUDITOR-GENERAL

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2.2 Qualification

2.2.1 Financial audit

(a) SITA utilised the assets of the participating departments consisting of Central Computer Services (CCS) and Information Services, SA Police Services (SAPS) during the period under review. With reference to the directors' report and note 7 to the financial statements, the fixed properties, computer equipment and office furniture of these participating departments were at year-end still in a process of being transferred to SITA. However, SITA has had the use of fixed assets of both CCS and SAPS but these assets were not accounted for in the accounting records of SITA. Furthermore, the physical existence of the said movable assets could not be confirmed.

I was not able to adequately assess and evaluate the impact of non-accounting for the above-mentioned assets in the financial statements, since the value of the assets are unknown.

The non-accounting of these assets furthermore has an impact on the value of share capital, since shares should have been issued for the value of the assets acquired. Therefore, both assets and share capital are understated by unknown amounts.

(b) The impact on the income statement in respect of possible depreciation allowances that would have been provided for on the above-mentioned fixed assets is also unknown.

2.2.2 Compliance audit

(a) With reference to the issued share capital disclosed in note 11 to the financial statements and in the directors' report, shares were not issued to the State in terms of Section 18(1) of the State Information Technology Agency Act, 1998, (SITA Act) which determines that *"the State will be issued with fully paid-up shares in the Agency as specified in an agreements entered into between the Agency and the Minister, with the concurrence of the Minister of Finance, in exchange for the assets and liabilities invested in the Agency valued on a method acceptable to the State"*. An agreement did not exist at the date of this report. Since SITA is of the opinion that the Business Agreements provided for in Section 20 of the SITA Act substitute this agreement, the matter was referred to the State Law Advisers for a legal opinion. The outcome was that the business agreements in terms of the Section 20 of the SITA Act cannot substitute the agreement referred to in Section 18 (1) of the SITA Act and therefore the agreement contemplated in Section 18 (1) of the Act has yet to be concluded.

(b) Due to the non-transfer of the assets and the non-finalisation of the valuation methods to be applied in determining the take-on values of the assets referred to in paragraph 2.2.1 above, the CCS business agreement provided for in Section 20 of the SITA Act has yet to be concluded at the date of this report. SITA has thus not complied with the SITA Act.

AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE STATE INFORMATION TECHNOLOGY AGENCY (PTY) LTD

2.3 QUALIFIED AUDIT OPINION

2.3.1 Financial audit

Because of the significance of the matters discussed in paragraph 2.2.1, I do not express an opinion on the financial statements.

2.3.2 Compliance audit

Because of the effects of the matters referred to in paragraph 2.2.2, I do not express an opinion on the compliance with laws and regulations, applicable to financial matters.

3. EMPHASIS OF MATTER

Without further qualifying the opinion expressed above, attention is drawn to the following matters:

3.1 Registered share capital

The incorporation documentation of SITA originally lodged with the Registrar of Companies by the Department of Public Service and Administration (DPSA), erroneously requested the Registrar to register the full authorised share capital of R1 billion as issued share capital, instead of issuing shares in accordance with Section 18 (1) of the Act. As a result, the disclosed issued share capital of R242 175 168 does not agree with the registered issued share capital of R1 billion.

To rectify this error and address the issue, the DPSA has initiated legal action. At the date of this report, this matter was still in progress and the potential impact of the difference could not be assessed.

3.2 Internal audit

In terms of Section 51 (1) (a)(ii) of the Public Finance Management Act, 1999 (Act No. 1 of 1999 as amended by Act No. 29 of 1999), the accounting authority must ensure that an entity has and maintains a system of internal audit under the control and direction of an audit committee, complying with and operating in accordance with regulations and instructions prescribed in terms of Section 76 and 77 of the said Act. SITA outsourced the internal audit function to an audit firm on 3 November 2000 (contract signed 18 January 2001). From the date of appointment, the internal audit function concentrated on specific management requests which in the absence of a formal approved internal audit plan was not audit committee directed. The internal audit plan for 2001/2002 was approved by the audit committee on 9 March 2001.

AUDITOR-GENERAL

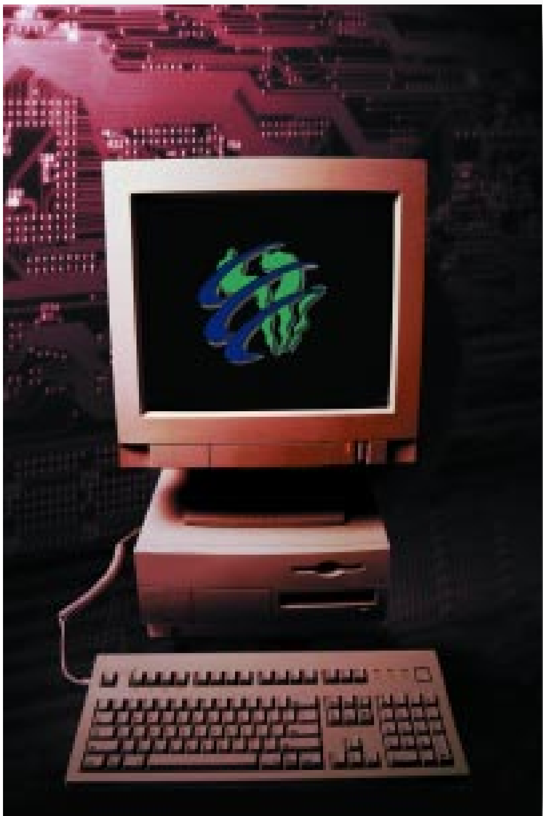
3.3 Going concern

With reference to the post balance sheet event disclosed in the directors' report, SITA entered into a three-year licensing contract (the enrolment) with a software supplier during April 2001. In terms of the enrolment, SITA acquired 100 000 licences (based on an estimated number of qualified desktops in use by organs of state) at an annual cost of $195 per desktop amounting to US$19 500 000 (R161 850 000) for the year ending 31 March 2002. The total cost of the licences over the term of the enrolment amounts to US$58 500 000 (R485 550 000). SITA's ability to meet this contractual obligation is largely depended on organs of state acquiring the licenses from SITA. Where organs of state do not acquire the licenses from SITA for any reason whatsoever, the cash flow position of SITA will be materially affected. I could not determine the potential impact on SITA's ability to fund its contractual obligations or to continue as a going concern should SITA fail in its attempts to manage the risks associated with the enrolment. The liability was converted on the date of this report at a rate of R8,30 = US$1.

4. APPRECIATION

The assistance rendered by the staff of SITA during the audit is sincerely appreciated.

S.A. FAKIE
Auditor-General
Pretoria
3 September 2001



DIRECTORS' REPORT

The directors have pleasure in presenting their report which forms part of the Audited Financial Statements of the company for the year ended 31st March 2001. This report and the audited Annual Financial Statements comply with the requirement of the PFMA No 1 of 1999.

NATURE OF BUSINESS

The nature of SITA's business is to provide Information Technology (IT), information systems (IS) and related services in a maintained information systems security environment to, or on behalf of, participating departments and in regard to these services, act as an agent of the South African Government. This is in line with the SITA Act. No 88 of 1998.

In accordance with chapter Six of the Presidential Review Commission Report instituted by former President Nelson Mandela in March 1998, SITA is specifically mandated to focus immediately on and ensure, through effective co-ordination and consolidation mechanisms, that Government IT:

1. Talks to each other (Interoperable or Compatible IT)
2. Operates in a secure environment (IT Security)
3. Eliminates unnecessary IT duplications; and
4. Exploits economies of scale

FUNCTION OF THE BUSINESS

In accordance with Section 7 of the SITA Act the prescribed functions of the Agency are:

(1) To achieve its objective, the Agency must -

(1) provide data processing services;
(2) provide information technology and information systems training;
(3) provide application software development and maintenance services;
(4) promote the effective utilisation of information technology to enhance the efficiency at all levels of the Public Service
(5) provide technical, functional and business advice and support regarding information technology;
(6) provide information technology and information systems management services;
(7) with regard to any of the above functions act as procurement agency in respect of information technology requirements, in accordance with State procurement policy; and
(8) perform any function which the Minister may, from time to time, determine in order to give effect to the objective of the Agency.

(2) The Agency must, in the execution of its functions, maintain a comprehensive information systems security environment according to approved policy and standards.

(3) The Agency must, in the execution of its functions, adhere to the policies on information management and information technology and a framework of norms and standards to give effect to such policies, as well as regulations made in this regard by the Minister in terms of the Public Services Act (Act No 103 of 1994), and this Act.

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OBJECTIVES

Management required a firm base to launch its two most important strategic objectives for the first year, namely:

* Defining, in partnership with the Shareholder, the integration strategy; and
* Establishing SITA as a worthy company for taking on the task bestowed upon it through the SITA Act, Act No 88 of 1998 and the recommendations of the Presidential Review Committee Report of 1997.

With the focal point of the activities in SITA (Pty) Ltd directed at making this newly created, value-adding organisation work, much effort has been focussed upon operational issues resulting from the "marrying-up" of the ex-CCS, ex-ISSAPS and the ex-Infoplan. Bain and Co were contracted to advise on streamlining internal procedures and reducing the number of silos.

HIGH LEVEL PERFORMANCE FOR THE YEAR

GOAL 1: INCREASE THE SPEED OF DELIVERY OF SITA PRODUCTS AND SERVICES

Objectives	Key Performance Indicators	Performance Results
Implement a standard project process.	On time delivery. Delivery within planned budget. Accommodation of essential client needs. System functions according to expectations.	Achieved Achieved Achieved Achieved
Improve the procurement process.	Procurement process that is time responsive, transparent. Reduce the delivery time, from defining the tender specification to publishing the tender by 30%. Sufficient control mechanisms.	In progress Achieved Achieved
Create effective communication forums/mechanisms with stakeholders.	Identified high priority areas of concern for client. Interoperable solutions across common business liens and/or technologies. Common view of universal requirements of Government.	Achieved
Establish accessible base for strategic IT decision-making.	Timely delivery of relevant information. Reduce the provision of statistics from time of request to delivery by at least 30%.	Achieved
Standardise change management process.	Integrated call desk with standardised prioritisation and escalation capability. Adherence to standards. Problem resolution within the parameters as specified within Service Level Agreements (SLA's). Effective configuration management.	In progress In progress Achieved Achieved
Standardise Systems Development Life Cycle (SDLC) process	System functions according to client expectations. Resource sharing. Adoption of the 80/20 rule: In agreement with the client implement 20% of the requirement that will address 80% of the benefit when faced with "impossible time scales" and resource limitations. System fit for purpose it is intended for.	Achieved Achieved Achieved Achieved

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DIRECTORS' REPORT (CONTINUED)

GOAL 2: IMPROVE THE RETURN ON INVESTMENT (ROI) ON GOVERNMENT EXPENDITURE

Objectives	Key Performance Indicators	Performance Results
Effective utilisation of resources	Duplication eliminated. Efficiency increased.	Achieved In progress
Develop Total Cost of Ownership (TCO) culture in IT decision-making.	Reduce operating cost by at least 20%.	Achieved
Integrated hardware philosophy that addresses ownership, deployment	Common operating environment. Reduce hardware operating and maintenance costs by at least 10%.	In progress In progress
Negotiate better deals / prices with manufacturers and service providers and pass on benefits to the Government.	Reduce expenditure by at least 12%. Cental contract management.	Achieved In progress
Integrate solutions across departments and clusters.	A homogeneous IT architecture easy to maintain with high throughout. Delivery of first iteration Master Systems Plan (MSP) within three months of formal contracting with an Organ of State.	In progress Achieved
Consolidate new and ceded contracts from participating departments to SITA.	Consolidated contracts per supplier. Consolidated contracts per Organ of State. Reduce contract management cost by at least 5%	In progress In progress Achieved
Do regular surveys to monitor the use of systems by end-users.	One survey p.a. covering 60% of Government Departments integrated. Respond to survey findings and apply correctives.	Not done Not done
Utilise existing systems as a base to build integrated offerings for the State HR, Fin and Log.	Feasibility study with supporting business use. Reduce cost by at least 50%.	Achieved In progress
Combine current software licences into one for Business Intelligence (BI) products and obtain better rates with suppliers.	Reduce licence fees by at least 10%. Integrated data warehouse.	In progress In progress
Ensure internal policy structure that is aligned to servicing client requirements.	Policy framework aligned with SITA general goals. 80% of internal corporate policies completed. Reduce service delivery of SITA's products and services by 20%. Improve quality in delivering consistent results.	In progress In progress Achieved In progress

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GOAL 3: IMPROVE THE QUALITY OF THE PRODUCTS AND SERVICES OF SITA

Objectives	Key Performance Indicators	Performance Results
Adherence to international best practices.	Baseline for performance measurement and benchmarking.	In progress
Improve contract management where industry supplies the products and services.	Improve on-time delivery by at least 10%	In progress
Implement processes which are in keeping with industry.	Reduce process cost by at least 15% for supporting processes. Defect decrease of at least 50%. Service delivery in line with best practices in Industry.	In progress In progress In progress
Identify cost reduction programmes based on Audit reports.	Projects directed at various critical areas. Reduce outstanding audit report queries by at least 50%.	In progress

GOAL 4: IMPROVE THE SECURITY ENVIRONMENT WITHIN WHICH SITA OPERATES

Objectives	Key Performance Indicators	Performance Results
Ensure conformance to client's security requirements.	Jointly drafted security policies on IT.	In progress
Establish a SITA information systems security centre of excellence	Operational steering committee. One major seminar on Information Systems Security (ISS) matters p.a.	In progress
Launch priority projects to address security threats inclusive of consulting services and awareness programmes.	Estimate known breaches of ISS.	In progress
Identify and ensure that the security requirements of the various clients are met.	Secured security environment	In progress
Ensure that all IT decisions consider security drivers.	Security direction included in applicable deliverables. ISS framework	In progress

DIRECTORS' REPORT (CONTINUED)

GOAL 5: INNOVATE WITH RESPECT TO SITA PRODUCTS AND SERVICES IN ANTICIPATION OF GOVERNMENT REQUIREMENTS

Objectives	Key Performance Indicators	Performance Results
Continuous benchmarking against IT/IS industry standards.	Enhanced products and services portfolio in line with META/Gartner and Compass.	In progress
Develop, promote and reward innovations implemented.	Innovation evaluation plan. Maintained innovation system.	Not achieved
Enable innovative use of IT by doing fundamental research and development in partnership with other research organisations.	Strategic IT direction. At least one research publication per quarter. Partnerships with organisations such as the CSIR. Pooled resources.	Achieved Not achieved Achieved Achieved
Pro-active development of Executive and Management Information System (EIS) and Management Information Facility (MIF) architecture.	EIS on existing transverse systems. EIS/MIF on other systems. Determining capability with access to transverse/legacy systems.	Not applicable Achieved In progress
Provision of Back Office automation (office suites, scheduling, mail and infrastructure) as a standard product offering to the State.	Business plan with costing models and funding options. Cost per workstation comparable with international standards.	In progress In progress

GOAL 6: SUPPORT THE SOCIO-ECONOMIC POLICIES OF GOVERNMENT

Objectives	Key Performance Indicators	Performance Results
Implement mentoring and training programmes.	Increase mentorship programmes by at least 40%. Increase apprenticeship schemes by at least 10%.	In progress
Identify socio-economic programmes that SITA should participate in.	SMME empowerment. Policies tested against applicable socio-economic Acts. Adherence to deadlines in relevant legislation. Compliance with affirmative action ratios.	Achieved
Vigorous affirmative action recruitment.	Representative skilled human resources.	Achieved
Capacity building	Strategic partnering with tertiary and research institutions. Empowerment of students in IT-related studies Empowerment.	Achieved

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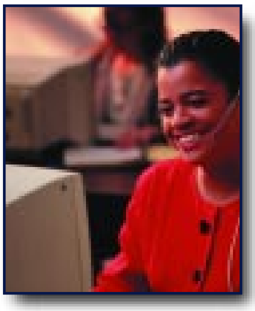

EMPLOYMENT EQUITY

The company is committed to the social and economic transformation of South Africa and believes this demands, that equal attention be paid to the goals of equity and excellence. The Employment Equity Act of 1997 requires the company to engage in employment equity practices with the objective of eliminating unfair discrimination of designated groups.

Due to the restructuring process, the attainment of employment equity goals is seen as an integral part of divisional management's responsibilities. Success in achieving objectives in this arena will form part of management's normal performance management process, with rewards and penalties incorporated in the division's balanced scorecard.

The Group Executive Committee is currently reviewing the policy and strategic guidelines, ensuring application of the policy throughout the group and will take overall responsibility for the success of the Employment Equity process.

In terms of the broad process to be submitted to the Board of Directors, the following principles will guide the implementation of specific equity initiatives :

* Strategic nature of Employment Equity
* Human Resources Perspective
* Change
* Culture of inclusivity
* Commitment.
* Communication
* Accountability
* Targets not Quotas
* Resources

The Human Resources Division is the custodian of the process and will monitor the application of policy and process, and report on a quarterly basis.

TRANSFORMATION

As the company moves into 2001/2002, it has set a business model which confirms the mandate given by the shareholder. We place great value on taking the transformation process forward through informed and agreed mandate and active participation of all stakeholders.

We are very conscious of the need to maintain a dynamic equilibrium in our staff complement, balancing energetic promotion of representivity with the retention of specialist capabilities and the development of a strong new skills base. We support workplace cultural change as a key component of restructuring currently taking place.

SITA is particularly dependent on IT skills and other specialist and technical skills which were not previously available in any significant proportions in the disadvantaged sectors of our society. However, we are making steady progress in this regard.

DIRECTORS' REPORT (CONTINUED)

SITA PENSION FUND

The SITA Act Chapter 4 requires that an approved pension fund be established. A project team has been instituted to examine the implementation of a pension fund. The following action steps have been initiated:

* Draft rules of the fund have been complete.
* The Remuneration Board Sub-committee has accepted fund design.
* Discussions are currently underway with the Procurement Department to obtain quotations from Actuaries.
* Negotiations are underway with State funds and the Denel Fund on the transfer of funds.

TENDER BOARD

Chairman: Mr SM Rasethaba

Objective: The Interim Tender Board is to ensure that the benefits of Government will improve service delivery in the following:

* IT Synergy in Departments and Organs of State
* Interoperability of IT products & Services
* Consolidation and leveraging of SITA's buying power.
* Applying world-class purchasing strategies, methods and tools.
* Developing Procurement function to executive directors/managers and Government Departments.
* Negotiation process, methods and tools.
* Purchasing ethical codes
* Compliance with purchasing and supply policy and detailed procedures.

INTERNAL AUDIT

In terms of the PFM Act, a system of internal audit, with sufficient resources to ensure its effective and efficient operation, must be established by the company.

SITA outsourced this function to specialist internal audit experts, Nkonki Sizwe Ntsaluba Inc. Their selection was carried out in accordance with SITA's competitive tender procedures.

They report directly to the Managing Director and the Audit Committee.

Their annual audit plan and a rolling three-year strategic internal audit plan based on key areas of risk, were approved by the Audit Committee and the Board of Directors.

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Their responsibilities include the following:

* Reviewing the adequacy of the system of internal control aimed at managing the risks associated with the business
* Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report information
* Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws and regulations which have a significant impact on operations and reports.
* Appraising the systems of prevention and assisting in the detection and investigation of fraud.
* Reviewing operations or programmes to ascertain whether or not results are consistent with established objectives and goals and whether or not the operations are being carried out as planned.
* Reviewing the means of safeguarding assets and, where appropriate, verifying the existence of such assets.

TREASURY MANAGEMENT

Treasury performs a supporting function and has the responsibility for the management of the treasury financial risks that include liquidity risk and interest rate risk. In addition Treasury is tasked with ensuring that SITA earns a maximum real return per annum and maintains a relatively low risk profile. The above activities are carried out in a professional manner by applying sound business principles.

Weekly cash flow projections are drawn up and monitored on a daily basis to identify possible cash flow shortages or the availability of funds for investment purposes. During the year an Investment Committee was established consisting of representatives from the following departments:

* Finance
* Legal Services
* Government Alliances and Partnerships
* Business Research and Development

The Investment Committee meets at least once a month or when necessary to approve the funds allocated to the Treasury manager for investment purposes in pre-approved financial instruments with limits per instrument.

RESULTS FOR THE YEAR

The results for the year ended 31st March 2001 are highlighted below:

Income statement for the year ended 31st March

	2001 R	2000 R
Revenue	1,016,521,869	928,408,062
(Loss)/Profit from Operations	(5,605,217)	124,134,369
Net interest received	11,487,876	3,549,688
Net profit after taxation	4,208,880	91,237,047

DIRECTORS' REPORT (CONTINUED)

Balance Sheet
At 31st March

Assets	**2001 R**	**2000 R**
Property and equipment	134,293,989	91,721,420
Current and other	456,442,189	394,443,607
Total Assets	**590,736,178**	**486,165,027**
Equity and Liabilities		
Share capital and reserves	337,621,095	293,856,673
Long-term & current liabilities	253,115,083	192,308,354
TOTAL EQUITY AND LIABILITIES	**590,736,178**	**486,165,027**

Additional financial information

The following key figures are extracted from Income Statement

Total direct operating costs	793,722,072	693,638,381
Total indirect operating costs	232,058,050	117,903,365
Total capital expenditure	64,568,747	43,625,244
Total training and development costs	10,045,083	7,378,287

The following key ratios are derived from the Financial Statements

Return on total Shareholder's interest (after tax)	1,25%	31,05%
Return on total assets	0,71%	18,77%
Current ratio	2,19 : 1	2,77 : 1
Revenue per employee	R515,478	R 541,346
Debt : Equity ratio	0.21 : 1	0,26 : 1
Net profit % (after tax)	0,41%	9.83%

DIVIDENDS

No dividends have been proposed or paid for the year ending 31 March 2001.

SHARE CAPITAL

According to the SITA Act, shares must be issued to Government in exchange for all those assets and liabilities transferred to SITA on 1 April 1999. The issued share capital will change as assets are brought onto the balance sheet in the future.

AUTHORISED SHARE CAPITAL

One billion ordinary shares of R1.00 each

ISSUED SHARE CAPITAL

One billion ordinary shares of R1.00 each	1,000,000,000	1000,000,000
Less : Adjustments	757,824,832	797,380,374
TOTAL	**242,175,168**	**202,619,626**

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FIXED ASSETS

Beta, Centurion & Numerus Buildings.

Since the inception of SITA in April 1999 there was tremendous effort in getting the transfer of the three abovementioned properties. Due to the complexity of the process of assets transfer, it has taken more time than anticipated to transfer the thee properties.

Bureau Beta

There was confirmation that there are no land claims registered against the property. The consolidation of the site has been done and a submission has been made to the disposal committee. The property has been lodged for registration. This building was valued during the year by an independent party to the value of R11,7 million.

Centurion Building

There is a dispute in the transfer agreement which will further delay the process of registration. The Department of Public Works wants to retain some of the land for their own use. This would entail registering this property in our name with a restrictive condition in the title on the property for future sale or development by Department of Public Works. The property was valued, by an independent party, to the value of R 119,5 million.

Numerus

Subdivision has been finalised in writing and submitted to the Department of Public Works for further action by state property buildings. The legal department is currently evaluating the transfer agreement which will facilitate the process of transfer. The process is still however going to be protracted for a while and is expected to take a number of months. The property was valued, by an independependant party to the value of R12,2 million.

Other Movable Assets

The computer equipment and office furniture of the former CCS and SAPS are not reflected in the fixed asset register because accurate lists and records of these assets did not exist at the date of finalisation of the financial statements. An asset bar coding and valuation exercise was undertaken during the year but was not completed at the date of finalisation of the financial statements.

CAPITAL EXPENDITURE

ASSET CATEGORY		AMOUNT
	2001	**2000**
	R	**R**
Mainframe Equipment	R 22,792,470	R14,151,025
Computer Equipment	R 26,045,234	R12,690,077
Network Equipment	R 11,645,018	R15,394,230
Office Furniture	R 3,194,123	R 1,261,412
Buildings & Infrastructure	R 659,446	-
Vehicles	R 232,456	R 128,500
Total	**R 64, 568,747**	**R43,625,244**

DONOR FUNDING

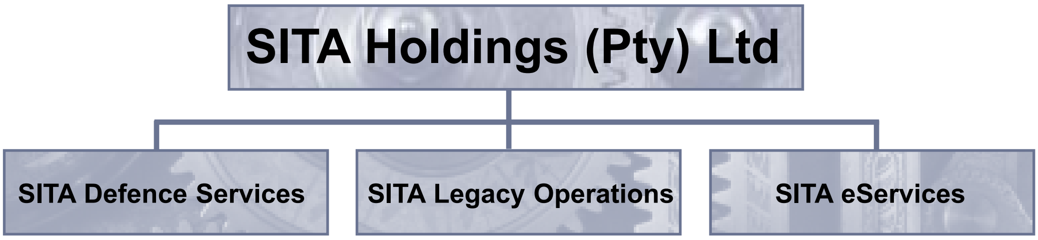
For the current year under review no donor funding was received. Out of funds received from previous year of R2,500,000 from the Department of Public Services and Administration, R886,207 has still not been utilised.

POST BALANCE SHEET EVENTS

RESTRUCTURING

Government's service delivery principles, to both Citizens and Business, have been clearly captured in the Batho Pele White Paper. The Government's IT function is faced with increasing pressure from dynamic socio-economic conditions, mounting stakeholder expectations and rapidly changing technology. It is therefore imperative that the deployment and utilisation of IT is optimised in a manner that significantly addresses the service delivery expectations of both the Citizens and Business. The fundamental objective for the creation of SITA was to accelerate the utilisation and return on Investment on IT.

The above has led to SITA's restructuring. The future SITA will look as follows:



Further description of the core entities is given in the next sections.

SITA Defence Services

SITA Defence Services as the name indicates will primarily focus on supporting the Department of Defence's needs with regards to Information Technology. By ring-fencing this component, the accounting process developed will be more manageable and auditable in line with the Government PFMA(Public Finance Management Act) imperatives. In addition to this financial motivation, the benchmarking exercise conducted by SITA has shown that countries across the world have separated their defence IT networks from the non-defence networks to ensure that security is not compromised as far as sovereignty is concerned. The purchasing power of the SITA holdings can still be realised by ensuring that economies-of-scale are achieved when it comes to the procurement of software and hardware.

SITA Legacy Operations

The established non-defence services as per SITA's current service offerings will be bundled together and consolidated. These services will include:

* Bureau Services
* Data Centre Services
* Current Wide Area Networks

The division will fulfill the current and mid-term service delivery obligations that SITA has, utilising the legacy environment. This will enable a smooth transition to the new capabilities for delivering e-Government services with minimal impact on service delivery standards.

SITA e-Services

This will form the heart of the new SITA and will concentrate on the delivery of the e-Government "pillars" and new services that cut across Government. At no stage will this arm build or operate IT systems, but will be responsible for the management, setting of standards and, for the procurement process in order to achieve economies-of-scale, avoidance of duplication, IT security, and interoperability and compatibility. The e-services arm will be built out of the new services required by the Government rather than the existing services. SITA's e-Services in essence will consist of the following capabilities -

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* The e-Government services centre of excellence
* The e-Government architecture and security centre of excellence
* The e-Government Acquisition centre of excellence
* The e-Government Virtual Private Network.

The above structure was approved by Cabinet on 29th March 2001

MICROSOFT ENTERPRISE ENROLMENT

SITA initiated discussions with software vendors to negotiate better pricing for organs of state and to normalise the software licensing initiatives of Government. These negotiations for improved pricing were primarily driven by Government's procurement economies of scale. In a study to review the inventory of Government-wide systems, it became evident that the Government has approximately 300 000 PC's of which 70% use Microsoft software . Based on this drive, SITA initiated discussions with Microsoft (SA) (Pty) Ltd and entered into a three-year licencing contract. The contract was signed by SITA (Pty)Ltd on 2nd April 2001 and by Microsoft (SA) (Pty) Ltd on 23rd April 2001.

The contract is based on SITA facilitating the sale of 100 000 desktop licences to organs of state at the negotiated price. The negotiated cost of each desktop licence is $195 per licence per annum. The time frame for the sale of the licences is 12 months from the signing of the contract. The contract payment schedule was based on four equal instalments, the first being due on 31 August 2001, with the last payment being due on 31st March 2002 in respect of the first year.

The software licence contract will have the following benefits to the organs of state and service delivery to the Citizen. Firstly, this will result in a cost saving of at least $50 per Microsoft desktop licence which amounts to a savings of $5 million (based on an average price of $250 per licence before the negotiations). The actual receipt of benefits will be driven by the purchasing patterns of the organs of state. Secondly, the contract provides a centralised mechanism for further negotiations with Microsoft for both the desktop licences and other Microsoft products utilised in Government. Thirdly, the licence agreement incorporates free upgrades for Microsoft Licensees. Lastly, support will be given in the operating of equipment and support to users of applications or systems. This support excludes telephonic support.

The negotiated contract has a number of issues and risks that have to be managed to ensure that the defined value is actually received. Firstly, the value stream is dependent on the actual procurement of the desktop licences. Secondly, in the event that fewer licences are purchased compared to the quarterly target, SITA will have to fulfill the payment obligation before it receives the anticipated payments from the organs of state. This will increase the burden on SITA's cash flow management. The company has the right to sell 100 000 Microsoft licences within the first year of signing the contract. This right expires in April 2002. At the date of the audit report, the company had not yet sold any licences. Should the situation persist the company will have to provide for the unsold portion of licences in the 2002 Financial Statements. Should the company place any true up orders for enterprise products the contract stipulates the following prices:

1st Anniversary $487.50 per desktop price
2nd Anniversary $390.00 per desktop price
Subsequent anniversary, $292.50 per desktop price.

Management is currently in the process of re-negotiating the terms and conditions of the original contract to include a clause stating that repayments may be done on the basis of pay as you go.

Should negotiations not be successful, extreme pressure will be put on SITA's cash flow management, which in turn will increase the risk of SITA as a going concern.

SITA management has initiated two key steps to mitigate the highlighted risks. Firstly, an intensive drive to market the new desktop contracts. The action plan is driven by the quantified number of desktops in Government departments, Local Government and National Provinces as well as target dates by which time the desktop licences are due for renewal. Business relationship managers have been identified to focus on achieving the minium uptake of licences under the new contract per quarter.

Secondly, an application has been made to a commercial bank to hedge the first payment due on 31 August 2001. In addition, management is in the process of considering how best to hedge the remaining payments. Finally, management is also in the process of consulting with the Reserve Bank in

DIRECTORS' REPORT (CONTINUED)

connection with adherence to exchange control requirements or regulations. In terms of the contract, should the above not be resolved SITA stands the risk of a potential $58,5million exposure to the company for the duration of the contract.

GOING CONCERN

The directors are of the opinion, based on enquiries made and their knowledge of the group, that adequate resources exist to support the company as a going concern. The company's financial statements have been prepared on the going concern basis.

Company law requires the directors to prepare financial statements for each financial year, which truly and fairly reflect the state of affairs of the company at the end of the financial year and the results of their operations for that period. In preparing the financial statements, the directors are required to:

* select suitable accounting policies and apply them consistently
* make judgements and estimate that which is reasonable and prudent
* state whether applicable accounting standards have been followed, and
* prepare the financial statement on a going concern basis unless it is inappropriate to presume that the company will continue to do business.

The directors are responsible for keeping proper accounting records of the company.

OTHER INFORMATION

Employee statistics

The general staff statistics as at 31st March 2001 can be summarised as follows:

	Headcount 2001	**Headcount 2000**
Permanent		
Executive & Senior Management	78	94
Information Technology Staff	1,384	1,133
General Staff	510	488
Contractors	402	416
Total	**2,374**	**2,131**

	BLACKS			**WHITES**		
JOB FAMILY	TOTAL	M	F	TOTAL	M	F
Executive & Senior Management	38%	30%	8%	62%	48%	14%
Information Technology Staff	38%	26%	12%	62%	37%	25%
General Staff	66%	32%	34%	34%	12%	22%

Blacks include Blacks, Coloureds and Asians

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BOARD OF DIRECTORS

The following information relates to the Board of Directors and sub-committees of the Board.

Meetings (Description)	Number of Meetings
Main Board	Six
Audit Committee	Four
Finance & Expenditure Committee	Five
Corporate Governance and Nominations Committee	Six
Remuneration Committee	Five
Interim Tender Board	Ten

The various sub-committees of the Board are:

Audit Committee

Chairperson: Ms L E Mthimunye

Objective: Primarily to provide additional assistance regarding the quality and reliability of financial information. The Board has ultimate responsibility for the system of internal financial and operational control.

FINANCE AND EXPENDITURE COMMITTEE

Chairperson: Mr C van Schalkwyk

Objective: This committee has been established to approve and monitor capital expenditure for the Company. The committee is furthermore mandated to consider all other Finance related issues such as the approval of counter-party limits, funding challenges and the issue of guarantees and sureties the value of which does not exceed the amount included in the budget approved by the Board.

CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE

Chairperson: Mr SM Rasethaba

Objective: This Committee was formed to ensure that SITA operates with an effective Board and Committee structure with policies, practices and procedures that are in keeping with tenets of good corporate governance. The Committee is also mandated to interview and recommend to the shareholder all appointments to the Board and Divisional Boards.

REMUNERATION COMMITTEE

Chairperson: Adv. KD Moroka

Objective: The functions of the Remuneration Committee, according to the Corporate Governance Manual are as follows:

- The determination and review of directors' fees, executive remuneration and executive incentive schemes.

List of Executive Directors as follows:

NAME	QUALIFICATION	DATE APPOINTED
C van Schalkwyk Managing Director: CEO	BA, BAHons. H.Dip.Education, Masters of Science in Policy Economics	4 November 2000
M Mojapelo Chief Operating Officer	B.Comm	4 November 1999
M Matlwa Chief Financial Officer	BComm, B.Compt Hons, MBA, CA(SA)	9 November 2000

List of Non-Executive Directors

NAME	QUALIFICATION	DATE APPOINTED
SM Rasethaba (Chairman)	BA, Mphil	1 May 1999
Adv. KD Moroka	B.Proc, LLB	4 November 1999
Mr M Ramaite	B.Proc, LLB, MA	12 November 1999
Mr G Pieterse	-	4 November 1999
Ms LE Mthimunye	B.Comm, H.Dip Tax, CA(SA)	4 November 1999
Mr AA Ngcaba	M.Comm. Management Diplomas	17 April 1999
Mr I Mamoojee	B.Compt. (Hons) , Tax Law Cert.	1 January 2001
	Associate Dip. CA (SA)	

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STATE INFORMATION TECHNOLOGY AGENCY (PROPRIETARY) LIMITED

BALANCE SHEET AS AT 31 MARCH

	Notes	2001 R	2000 R
ASSETS			
NON CURRENT ASSETS		150,861,101	97,714,853
Property and equipment	7	134,293,989	91,721,420
Deferred tax	8	16,567,112	5,993,433
CURRENT ASSETS		439,875,077	388,450,174
Cash and cash equivalents	9	261,918,198	87,186,625
Receivables and prepayments	10	177,956,879	301,263,549
TOTAL ASSETS		**590,736,178**	**486,165,027**
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES		337,621,095	293,856,673
Ordinary share capital	11	242,175,168	202,619,626
Retained earnings		95,445,927	91,237,047
NON-CURRENT LIABILITIES			
Borrowings	12	52,000,811	52,000,811
CURRENT LIABILITIES		201,114,272	140,307,543
Trade and other payables	13	99,419,807	64,261,408
Prepayments		23,989,658	11,197,937
Provisions for liabilities	14	33,268,904	22,407,755
Current tax liabilities		44,435,903	42,440,443
TOTAL EQUITY AND LIABILITIES		**590,736,178**	**486,165,027**

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STATE INFORMATION TECHNOLOGY AGENCY (PROPRIETARY) LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

	Notes	2001 R	2000 R
Gross revenue		1,016,521,869	928,408,062
Cost of sales		793,722,072	693,638,381
Gross profit		222,799,797	234,769,681
Other income	2	3,653,036	7,268,053
Operating expenses	3	232,058,050	117,903,365
Operating (loss)/profit	4	(5,605,217)	124,134,369
Net finance income	5	11,487,876	3,549,688
Profit before taxation		5,882,659	127,684,057
Taxation	6	1,673,779	36,447,010
Net profit for the year		**4,208,880**	**91,237,047**

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STATE INFORMATION TECHNOLOGY AGENCY (PROPRIETARY) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2001

	Share capital R	Retained earnings R	Total R
Balance at 01 April 1999	-	-	-
Issue of share capital	202,619,626	-	202,619,626
Net profit for the year	-	91,237,047	91,237,047
Balance at 31 March 2000	202,619,626	91,237,047	293,856,673
Issue of share capital	39,555,542	-	39,555,542
Net profit for the year	-	4,208,880	4,208,880
Balance at 31 March 2001	**242,175,168**	**95,445,927**	**337,621,095**

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STATE INFORMATION TECHNOLOGY AGENCY (PROPRIETARY) LIMITED

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

	Note	2001 R	2000 R
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		199,560,682	(52,087,150)
Net profit before taxation		5,882,659	127,684,057
Adjustments for:			
Depreciation		21,532,054	6,891,482
Doubtful debts		26,241,678	10,591,618
Loss on disposal of assets		280,028	-
Interest paid		4,831,370	4,757,540
Interest received		(16,319,246)	(8,307,228)
Normal Taxation		(10,252,000)	-
Provisions		10,861,149	(1,566,258)
Operating profit before working capital changes		43,057,692	140,051,211
Working capital changes		145,015,114	(195,688,049)
Decrease/(Increase) in trade and other receivables	17.1	97,064,992	(271,147,392)
Increase in trade and other payables		35,158,401	64,261,408
Increase in prepayments		12,791,721	11,197,935
Cash generated/(utilised) in operations		188,072,806	(55,636,838)
Interest paid		(4,831,370)	(4,757,540)
Interest received		16,319,246	8,307,228
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(64,384,651)	(43,625,244)
Purchase of equipment		(64,568,747)	(43,625,244)
Proceeds from Insurance claims		184,096	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		39,555,542	182,899,019
Cash proceeds from issue of shares	17.2	39,555,542	161,911,851
Cash proceeds from long term borrowings	17.3	-	20,987,168
Net increase in cash and cash equivalents		174,731,573	87,186,625
Cash and cash equivalents at beginning of year		87,186,625	-
Cash and cash equivalents at end of year	9	261,918,198	87,186,625

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting practice on the historical cost basis.The principal accounting policies are set out below and have been applied consistently, except where otherwise indicated.

1.1 Revenue recognition

Revenue

Revenue is recognised on the performance of services, net of value added tax.

Other revenue

Other revenue comprises rental from buildings and cafeteria sales and is recognised on the accrual basis in accordance with substance of relevant agreements.

1.2 Property and equipment

Land is stated at its original cost price. Property and equipment are stated at cost less depreciation. Property and equipment transferred from participating departments will be recorded at a revalued amount.

Depreciation is provided for on a straight line basis over expected useful lives of the property and equipment. No depreciation is provided on land.

The useful lives for depreciation purposes are as follows:

- Buildings	50 years
- Vehicles	5 years
- Office furniture and accessories	3 - 6 years
- Computer equipment	3 - 6 years

1.3 Deferred taxation

Deferred tax is provided for all temporary differences according to the balance sheet liability method. Deferred tax assets are raised only to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

1.4 Accounts Receivables

Accounts receivables are carried at anticipated realisable value. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

1.5 Inventories

Computer and other consumables as well as cafeteria purchases are written off in the period of acquisition as it is immaterial.

1.6 Provisions

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

Employee entitlements to annual leave and bonuses are recognised when they accrue to the employees. A provision is made for the estimated liability for annual leave and bonuses as a result of services rendered by employees up to the balance sheet date.

1.7 Retirement benefits

Retirement benefits are provided for all permanent employees via the Government Pension Fund (Defined benefit plan) and the Denel Retirement Fund (Defined contribution plan) . The contributions paid are charged against profit as incurred.

Medical benefits are provided for all permanent employees via three medical funds. All contributions paid are charged against profit as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and non trade deposits held.

	2001 R	2000 R
2. OTHER INCOME	3,653,036	7,268,053
Donor funds (refer to directors report)	-	1,613,794
Other income	3,653,036	5,654,259
3. OPERATING EXPENSES	232,058,050	117,903,365
Distributive costs	6,624,697	4,576,723
Other non recoverable operating expenses (Refer note 4)	225,433,353	113,326,642

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4. OPERATING (LOSS)/ PROFIT

	2001 R	2000 R
The following items have been charged in arriving at operating(loss)/ profit:		
Depreciation on property and equipment	21,532,054	6,891,482
- Buildings and infrastructure	980,429	988,201
- Mainframe equipment	5,361,333	1,411,109
- Computer equipment	8,775,076	3,074,640
- Network equipment	5,629,914	1,111,749
- Office furniture	722,388	263,478
- Vehicles	62,914	42,305
Non recoverable depreciation included therein	2,173,275	2,280,735
Loss on Disposal of Assets		
- Computer Equipment	280,028	-
Auditor's remuneration	768,332	652,400
- Audit fees	690,875	646,650
- Other expenses	5,500	5,750
- Under Provision prior year	71,957	-
Director's remuneration		
Executive directors		
- Salaries	1,350,280	693,527
- Pension fund contributions	55,256	33,536
	1,405,536	727,063
Non-executive directors		
- Services as director	92,726	21,385
- Other	555,614	237,522
	2,053,876	985,970
Staff costs		
- Salaries and employee costs	446,559,024	350,116,534
- Pension costs	23,640,966	14,388,649
Non recoverable staff costs included therein	120,219,622	60,649,419

5. NET FINANCE INCOME

	2001 R	2000 R
Interest income	16,319,246	8,307,228
Interest expense		
- Long term loan (Refer note 12)	(4,656,565)	(4,703,580)
- Other	(174,805)	(53,960)
	11,487,876	3,549,688

state information technology agency

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

6. TAXATION

S.A. Normal tax	2001 R	2000 R
Current	12,247,458	42,440,443
Deferred	(10,573,679)	(5,993,433)
	1,673,779	36,447,010

Tax rate reconciliation

	2001 R	2000 R
Profit before tax	5,882,659	127,684,057
Tax calculated at a rate of 30%	1,764,798	38,305,217
Permanent Differences	(91,019)	(1,858,207)
Depreciation of buildings and infrastructure (R 980,429x 30%)	294,128	296,460
Capital profit on disposal of assets (R 11 447 x 30%)	(3,434)	-
Donations, fines, interest and professional services (R 1 733 073 x 30%)	519,922	250,393
Provisions transferred from Infoplan:	(901,635)	(2,405,060)
Retrenchment cost	-	(1,110,000)
Performance bonus	-	(750,000)
Y2K project	-	(240,000)
Year 2000 Retention scheme (R 3,005,451 x 30%)	(901,635)	(305,060)
Effective tax charge	1,673,779	36,447,010

Tax rate reconciliation	%	%
Standard tax rate	30.00	30.00
Tax effect of permanent differences		
- Depreciation on buildings & infrastructure	5.00	0.23
- Capital Profits	(0.06)	-
- Donations.fines, interest and professional services	8.84	0.20
- Provisions transferred from Infoplan	(15.33)	(1.88)
Effective tax rate	28.45	28.55

7. PROPERTY AND EQUIPMENT

7.1 Land and buildings

Erf number 262, 263, 264, 677 and 1 of 492 Erasmuskloof X3 (23 730m) at a cost of R50,017 million before depreciation acquired in April 1999.

7.2 Other buildings

CCS (Centurion), CCS (Beta) and SAPS (Numerus) buildings are in the process of being transferred from the Department of Public Works to SITA (Pty) Limited. (Refer to directors report)

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	2001 R	2000 R
7.3 Property and equipment		
Land		
Carrying value at beginning of year	1,392,785	-
Additions	-	1,392,785
Carrying value at end of year	1,392,785	1,392,785
Buildings and Infrastructure		
Carrying value at beginning of year	47,635,071	-
Additions	659,446	48,623,272
Depreciation	(980,429)	(988,201)
Carrying value at end of year	47,314,088	47,635,071
Cost	49,282,718	48,623,272
Accumulated depreciation	(1,968,630)	(988,201)
	47,314,088	47,635,071
Mainframe equipment		
Carrying value at beginning of year	12,739,916	-
Additions	22,792,470	14,151,025
Depreciation	(5,361,333)	(1,411,109)
Carrying value at end of year	30,171,053	12,739,916
Cost	36,943,495	14,151,025
Accumulated depreciation	(6,772,442)	(1,411,109)
	30,171,053	12,739,916
Computer equipment		
Carrying value at beginning of year	13,557,414	-
Additions	26,045,234	16,632,201
Assets disposed	(464,125)	(147)
Depreciation	(8,775,076)	(3,074,640)
Carrying value at end of year	30,363,447	13,557,414
Cost	42,104,162	16,632,054
Accumulated depreciation	(11,740,715)	(3,074,640)
	30,363,447	13,557,414

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

Network equipment

	2001 R	2000 R
Carrying value at beginning of year	14,433,951	-
Additions	11,645,018	15,545,700
Depreciation	(5,629,914)	(1,111,749)
Carrying value at end of year	20,449,055	14,433,951
Cost	27,190,718	15,545,700
Accumulated depreciation	(6,741,663)	(1,111,749)
	20,449,055	14,433,951

Office furniture

Carrying value at beginning of year	1,759,455	-
Additions	3,194,123	2,022,933
Depreciation	(722,388)	(263,478)
Carrying value at end of year	4,231,190	1,759,455
Cost	5,217,056	2,022,933
Accumulated depreciation	(985,866)	(263,478)
	4,231,190	1,759,455

Vehicles

Carrying value at beginning of year	202,828	-
Additions	232,456	245,133
Depreciation	(62,914)	(42,305)
Carrying value at end of year	372,370	202,828
Cost	477,589	245,133
Accumulated depreciation	(105,219)	(42,305)
	372,370	202,828
TOTAL PROPERTY AND EQUIPMENT	**134,293,989**	**91,721,420**

The fixed property is bonded to Denel (Pty) Ltd as disclosed in note 12. All other assets are free-hold and have not been pledged as security for liabilities.

8. DEFERRED TAX

	Charged / (credited) to I/S	31 March 2001	31 March 2000
	R	R	R
Provision for bad debts	(7,064,297)	(9,447,411)	(2,383,114)
Wear and tear allowance	228,161	36,949	(191,212)
Provision for leave and bonus	(3,550,410)	(6,478,392)	(2,927,982)
Prepayments received	(3,837,516)	(7,196,897)	(3,359,381)
Deferred tax asset	(14,224,061)	(23,085,750)	(8,861,689)
Prepayments made	15,071	41,431	26,360
Sect 24C allowance	3,635,311	6,477,207	2,841,896
	(10,573,679)	(16,567,112)	(5,993,433)

Reconciliation between opening and closing balance		
Deferred tax asset at beginning of year	(5,993,433)	-
Income statement movement for the year	(10,573,679)	(5,993,433)
Deferred tax asset at end of year	(16,567,112)	(5,993,433)

9. CASH AND CASH EQUIVALENTS

Cash at bank	260,875,638	86,241,755
Cash on hand	156,353	58,663
Cash received from grants (Refer to the directors report)	886,207	886,207
	261,918,198	87,186,625

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

	2001 R	2000 R
10. RECEIVABLES AND PREPAYMENTS		
Trade debtors	217,237,032	322,048,596
Less: Provision for doubtful debts	(52,729,210)	(26,067,030)
Current Year Provision	(41,988,492)	(10,591,618)
Pre -1999 CCS debtors	(10,740,718)	(15,475,412)
	164,507,822	295,981,566
Prepayments	8,082,399	87,865
Other receivables	5,366,658	5,194,118
	177,956,879	301,263,549

11. SHARE CAPITAL

Authorised

1,000,000,000 Ordinary shares of R1.00 each

Issued

	2001 R	2000 R
242,175,168 Ordinary shares of R1.00 each	242,175,168	202,619,626

(Refer to directors report)

12. BORROWINGS

	2001 R	2000 R
Long term loan from Denel (Pty) Ltd	52,000,811	52,000,811

This amount represents the long term loan from Denel (Pty) Ltd in accordance with the business transfer agreement between Denel (Pty) Ltd and Sita (Pty) Ltd.

This loan is secured by a first mortgage bond of R 52,000,811 against land and buildings with a book value of R48,707 million (See note 7.3).

The interest rate is fixed at 9% per annum until 31 March 2009 where after the rate will change to the coupon rate per annum of the Government R186 Bond. The loan is repayable in annual instalments of R5,200,080 as from 1 April 2002 until 31 March 2012.

Maturity of non current borrowings:

	2001 R	2000 R
Between 1 and 2 years	5,200,080	-
Between 2 and 5 years	15,600,240	15,600,240
Over 5 years	31,200,491	36,400,571

13. TRADE AND OTHER PAYABLES

	2001 R	2000 R
Trade creditors	92,888,793	55,876,771
Other payables	6,531,014	8,384,637
	99,419,807	64,261,408

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14. PROVISION FOR LIABILITIES

	Leave R	Bonus R	Other * R	Total R
At 1 April 1999	5,044,556	3,922,270	4,022,317	12,989,143
Additional provisions during the year	11,182,213	3,175,535	-	14,357,748
Unused amounts reversed	-	-	(1,016,866)	(1,016,866)
Utilised during the year	(1,422,270)	(2,500,000)	-	(3,922,270)
At 31 March 2000	14,804,499	4,597,805	3,005,451	22,407,755
Additional provisions during the year	25,081,127	20,630,189	-	45,711,316
Utilised during the year	(17,418,236)	(14,426,479)	(3,005,451)	(34,850,166)
At 31 March 2001	22,467,390	10,801,515	-	33,268,904

Leave Pay Benefits - In terms of company policy, employees are entitled to accumulated vested leave benefits not taken during a leave cycle

Bonus Provision - In terms of company policy , employees are entitled to a 13th cheque which they may elect to receive monthly or annually.

* This was a specific retention scheme that was ceded from Infoplan to Sita (Pty) Ltd in order to retain critical staff for the potential Y2K implications on information systems.

15. EMPLOYEE BENEFITS

15.1Retirement Funds

Independent funds provide pension and other benefits for all permanent employees and their dependants. At the end of the financial year the following funds were in existence.

15.1.1The Denel Pension Fund is a closed defined benefit fund, with 98% of its members being pensioners and is governed by a Board of Trustees in terms of the Pension Funds Act of 1956 (Act no.24 of 1956). The Fund is actuarially valued at intervals of three years or as deemed necessary by the Board of Trustees. The most recent valuation, done on 31 December 1998, confirmed that the Fund was financially sound. No extraordinary events that could have impaired the solvency of the Fund have taken place since this valuation.

15.1.2 The Denel Retirement Fund is a defined contribution fund, managed by a Board of Trustees in terms of the Pension Funds Act of 1956(Act no.24 of 1956).

15.1.3 Government Employees Pension Fund is a defined benefit fund. The fund is managed by the Interim Board of Trustees as appointed in terms of Section 6A, of the Government Employees Pension Law. According to the last actuarial valuation as at 31 March 1998, the valuator reported that the Fund is 96.5% funded and it is estimated that the Fund will attain a 100% funding level within a three- year period from the date of valuation.

SITA is in the process of establishing its own retirement fund.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

15.2 Current Medical Benefits

The company contributes to three medical aid schemes for the benefit of permanent employees and their dependants. The contributions charged against income amounted to R 26,2 million.

15.3 Post Retirement Medical Benefits

The company provides retirement and medical aid benefits to all its employees. These benefits are provided by external companies to SITA. The pension funds are as described in note 15.1 above. SITA does not currently provide any post medical retirement benefits.

16. FINANCIAL RISK MANAGEMENT

The management of financial risk forms part of the total risk management model of the company. The Audit Subcommittee of the Board reviews this risk management model on a periodic basis. The following is a summary of the pertinent financial risks as well as how it is managed.

Liquidity risk
Cash flow forecasts are done on a daily, weekly and monthly basis in order to accurately predict funding needs. To ensure liquidity, a very favourable interest rate on the current account was negotiated with SITA's bankers.

Credit risk
Trade debtors mainly consist of national and provincial Government departments with which SITA have entered into contractual agreements that indicate the payment terms of the services that are rendered. In addition, these clients fall within the ambit of the Public Finance Management Act that prescribes that suppliers of products and services should be paid within thirty days.

Currency risk
Where material transactions are concluded that are subject to foreign currency fluctuations,SITA will either take foreign exchange forward cover on the transaction or ensure that the supplier takes cover on import transactions.

At 31 March 2001 the carrying amounts of cash, trade receivables, trade payables and accrued expenses approximated their fair values due to the short term maturities of these assets and liabilities.

		Carrying values R	Fair value R
Financial assets			
Accounts Receivables	- 2000	322,048,596	322,048,596
	- 2001	217,237,032	217,237,032
Financial liabilities			
Accounts Payables	- 2000	55,876,771	55,876,771
	- 2001	92,888,793	92,888,793

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17. NOTES TO THE CASH FLOW STATEMENT

17.1 Decrease/(Increase) in trade and other receivables

	2001 R	2000 R
Opening Trade and Other receivables	301,263,549	-
Trade and other receivables as per balance sheet	(177,956,879)	(301,263,549)
(Less)/Add: Doubtful debts	(26,241,678)	(10,591,618)
Less : Former CCS debtors outstanding at year end originating before 1 April 1999	-	40,707,775
	97,064,992	(271,147,392)

17.2 Cash proceeds from issue of shares

	2001 R	2000 R
Ordinary share capital as per balance sheet	242,175,168	202,619,626
Less: Non cash flow items		
Former CCS debtors outstanding at year end originating before 1 April 1999	(40,707,775)	(40,707,775)
	201,467,393	161,911,851
Opening Share Capital Balance	(161,911,851)	-
	39,555,542	161,911,851
Made up as follows:		
Transfer capital	31,040,000	110,506,000
Cash received	4,734,694	42,540,765
Net trade and other receivables	449,349	32,460,583
Net trade and other payables	(635,571)	(23,595,497)
Reversal of amount previously written off against share capital	3,967,069	-
	39,555,542	161,911,851

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001 (CONTINUED)

17.3 Cash proceeds from long term borrowings

	2001 R	2000 R
Borrowings as per balance sheet	-	52,000,811
(Less)/add: Non cash flow items		
Fixed assets	-	(54,987,657)
Provisions	-	23,974,014
	-	20,987,168
Made up as follows:		
Cash received	-	19,568,343
Inventory	-	177,940
Net trade and other receivables	-	7,803,859
Prepayments	-	(322,763)
Net trade and other payables	-	(6,240,211)
	-	20,987,168

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SHAREHOLDERS DIARY

Financial year-end	31 March 2000
Reports on annual financial statements and meetings	
• Audited results published	9 October 2000
• Annual report published	1 November 2000
• Annual General Meeting	24 October 2000
• Submission of annual report to parliament	1 November 2000

Second Financial year-end

Submission of budget to parliament (2000 – 2001)	12 April 2000
Financial year-end	31 March 2001
Reports on annual financial statements and meetings	
• Half-year interim report to be published	November 2000
• Submission of Half-year interim report to parliament	January 2001
• Annual report and Audited results to be published	June 2001
• Annual General Meeting	July 2001

Third Financial year-end

Financial year-end	31 March 2002
Submission of budget to parliament (2001 – 2002)	1 November 2000
Reports on annual financial statements and meetings	
• Half-year interim report to be published	November 2001
• Submission of Half-year interim report to parliament	January 2002
• Annual report and Audited results to be published	June 2002
• Annual General Meeting	July 2002

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