

2024/25 ANNUAL REPORT SASO





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Saso annual report layout



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1. Abbreviations and acronyms

Civil Aviation Committee means a sub-sectorial committee established in terms of the SADC Protocol on Transport, Communications and Meteorology,

ATO	Aviation Training Organisation
AFCAC	African Civil Aviation Commission
AFI	Africa-Indian Ocean
AGA	Aerodromes and Ground Aids
AIG	Accident and Incident Investigation
AIR	Airworthiness
AMO	Aviation Maintenance Organisation
ANS	Air Navigation ServicesA
AOC	Air Operator Certificate
ASBU	Aviation System Block Upgrades
BAGASOO	Banjul Accord Group Aviation Safety Oversight Organisation
CAC	Civil Aviation Committee
CBE	Central Bank of Eswatini
CASSOA	Cooperative Development of Operational and Continuing Airworthiness Continuous Monitoring Approach
CMA	Common Market for Eastern and Southern Africa
COMESA	Common Market for Eastern and Southern Africa
EASA	European Union Aviation Safety Agency
ED	Executive Director
EI	Effective Implementation
ESAF	Eastern and Southern African Region
EU	Europe Union
EU-ASA	European Union - Africa Safety in Aviation
FAA	Federal Aviation Federal Aviation Administration
GASOS	Global Aviation Safety Oversight System
GSI	Government Safety Inspector
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
IFRS	International Financial Reporting Standards
IFRIC	International Financial Reporting Interpretations Committee
IPSAS	International Public Sector Accounting Standard
IPSASB	International Public Sector Accounting Standard Board
LEG	Legislation
MCAC	
NASP	NASP National Aviation Security Programme
NSI	National Safety Inspectors
OJT	On The Job
OPS	Operations
ORG	Organisation
PEL	Personnel Licensing
Pqs	Protocol Questions
RAIO	Regional Accident/Incident Investigation Organisation
RASP	Regional Aviation Safety Plans
RRAP	RS00/RAIO Assessment Program
RS00	Regional Safety Oversight Organisations
RS00-CP	Regional Safety Oversight Organisations - Cooperative Platform
SADC	Southern African Development Community
SASO	SADC Aviation Safety Organisation
SMS	Safety Management System
SSC	Significant Safety ConcernsState
SSP	Safety Programme
SZL	Swaziland Lilangeni
USD	United States Dollars
USDOT	U.S. Department of Transportation
USOAP - CMA	Universal Safety Oversight Audit Programme - Continuous Monitoring Approach
WACAF	Western and Central African Region



2. About Us

2.1 Brief Introduction

SASO is an Aviation Safety Organisation at the SADC level, whose fundamental role is to enhance civil aviation safety levels by complementing, as necessary, the certification and monitoring capabilities of SADC Member States. (MOZ)

Southern African Development Community (SADC) at its meeting of Council of Ministers meeting held in Grand Baile, Mauritius in, in August 2004 agreed to the establishment of the SADC Aviation Safety Organisation (SASO), under the Principle of Subsidiarity, is to promote the safe and efficient use and development of civil aviation within the SADC Region. A Secretariat was established to facilitate day-to-day operations. It is a legal entity hosted by the Kingdom of Eswatini and observing the laws of the hosting Kingdom.

The principle of subsidiarity, approved by the SADC Council of Ministers, was a cost-effective means that promoted accountability and sustainability. It is in line with the SADC Treaty, which provides for the involvement of the people of the SADC Region and key stakeholders in the process of regional integration.

The Southern African Development Community (SADC) is a Regional Economic Organisation consisting of sixteen (16) member states, Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, United Republic Tanzania, Zambia and Zimbabwe.

The Regional body of Southern African States recognized that aviation sector plays a vital part in contributing to the economies of the SADC Member States. Air transport is increasingly becoming the preferred mode of transport for the movement of people and goods into and out of the SADC region, and within the SADC Member States, for purposes of tourism and trade.

The SADC Protocol on Transport, Communication and Meteorology requires Member States to harmonise their policies and procedures on civil aviation and foster the development of International Civil Aviation through cooperative arrangements.

SADC Member States found it imperative to establish a regional organisation responsible for enhancing the safety of civil aviation in the regional bloc. This followed the inadequacy of skilled, qualified and competent technical experts from within Member States to fulfil their safety obligations, respectively and contribute to the safety requirements of the Region.

2.2 Regional Partnerships And Cooperation

SASO is a SADC subsidiary organisation. The SADC Protocol on Transport, Communications and Meteorology requires Member States to harmonise their civil aviation policies and procedures and promote the development of international civil aviation through cooperation agreements.



Supporting Organizations are:

International Civil Aviation Organisation (ICAO) ;

- Southern African Development Community (SADC);
- European Union (EU) / European Aviation Safety Agency (EASA);
- African Civil Aviation Committee (AFCAC) /Africa Indian Ocean Cooperative Inspectorate Scheme (AFI-CIS).
- Federal Aviation Administration (FAA) / United States Department of Transport (USDOT); and
- Regional Safety Oversight Organisations (RSOOs) / RS00 Cooperative Platform (RS00-CP) (AFI and GLOBALTH

International Safety Partners:

ICAO, Regional Organisations and International Safety Partners – SASO Participates actively in the:

- EASA activities of the EU-funded "EU-ASA" 3-year project.
- Airbus-funded Aircraft Safety projects for capacity building.
- ICAO activities as required.
- RS00-CP activities; and
- US DOT/FAA Establish additional relations at international aviation events Technical Committee Meetings and associated Specialized Sub-Committees;



Our Strategic Foundations 2.3



2.3.1 Vision

To be the successful driver behind SADC's achievement of ICAO Standards and Recommended Practices



2.3.2 Mission

To encourage economic growth in SADC by ensuring that civil aviation safety standards are harmonised and implemented consistently in the Member States through the development of effective oversight systems.



2.3.3 Core Values

The core values represent the attitudes, behaviors, and characters that will create an enabling environment for the successful implementation of the strategy as identified below:

- (a) **Accountability:** To embrace measures that can ensure responsibility, ownership, and liability.
- (b) **Transparency:** Clear and traceable business practices supported by authentic business structures.
- (c) **Learning culture:** Creating organizational practices and processes that encourage employees and organizations to develop knowledge and competence; and
- (d) **Respect for diversity:** Understanding and recognizing each individual's uniqueness and differences.



2.3.4

SASO STATE PARTIES



ANGOLA



BOTSWANA



ZIMBABWE



DEMOCRATIC
REPUBLIC OF CONGO



ESWATINI



KINGDOM OF LESOTHO



ZAMBIA



MALAWI



SOUTH AFRICA



MOZAMBIQUE



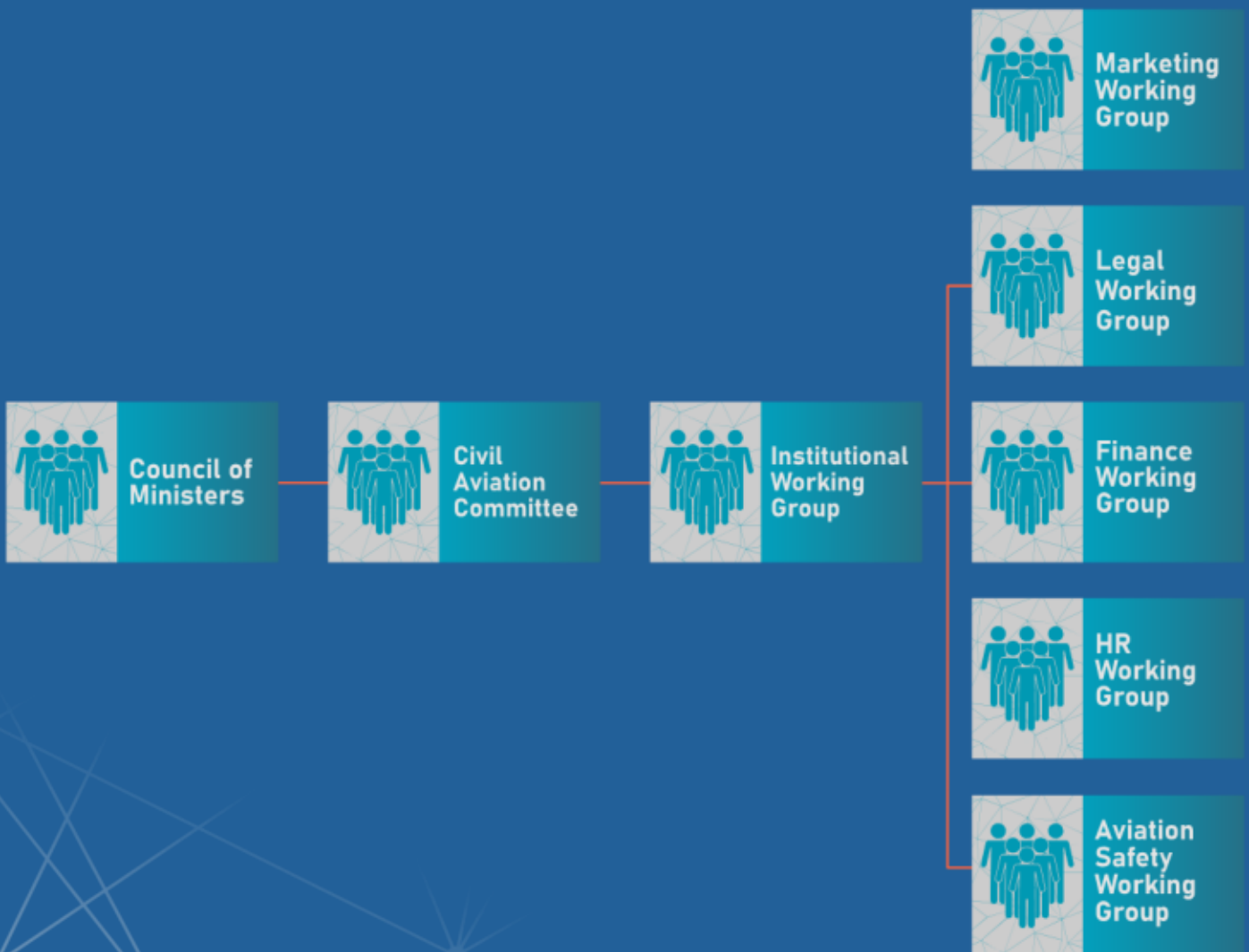
NAMIBIA



UNITED REPUBLIC
OF TANZANIA

2.3.5 ORGANISATIONAL STRUCTURE

2.4.6 Corporate Structure





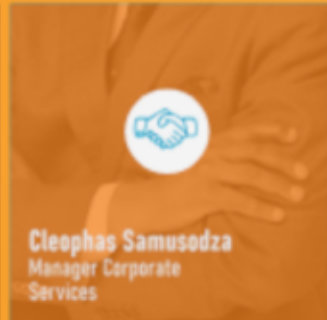
2.4.6.1 The Team



The team



Kabo Phutietsile
Executive Director



Cleophas Samusodza
Manager Corporate
Services



Edgar Dupont
Technical Coordinator
GPS/PEL




Beloved Mupfururirwa
Technical Coordinator
AIR/PEL



Ntombifuthi Ginindza
Administrative Assistance



Temalangeneni Dlamini-Mndebele
Accounts Assistant



Sifiso Shabangu
Driver/Messenger



Hlengiwe Nkonyane
Orderly





Mr. George Mashababe
Chairman

3. SADC Aviation Safety Organisation (SASO) Chairperson's Statement Reporting Period: 2024/25

It is my honour to present this Chairperson's Statement, reflecting on the SADC Aviation Safety Organisation (SASO) performance, achievements, and challenges during the 2024/25 reporting period. This year has been a testament to our collective commitment to strengthening aviation safety oversight across the SADC region, despite financial headwinds and institutional hurdles.

Overview of Key Activities and Achievements

SASO has continued to deliver on its mandate through targeted regional programmes, capacity-building initiatives, and policy development.

Through our systematic gender-responsive hiring procedures integrated into our HR procedures, we have remained dedicated to promoting gender equality, and we expect that any upcoming hiring will produce a more diverse workforce. To strengthen our regional capacity for safety supervision, all SASO employees received professional development, and more than 300 inspectors from Member States received training through SASO-led initiatives. The Civil Aviation Committee's (CAC) adoption of the Job Evaluation and Grading Policy, which would offer an open and equitable framework for personnel management and performance evaluation, was one of the year's major turning points.

The rollout of On-the-Job Training (OJT) programmes and ongoing support for State Safety Programme (SSP) implementation aligned with ICAO's Global Aviation Safety Plan, enhancing Member States' preparedness for audits and inspections.

Performance Overview

SASO recorded a strong overall performance score of 89%, a reflection of the dedication of our team and the responsiveness of our Member States. Institutional coherence improved through the alignment of key frameworks such as the Communication Strategy and Strategic Plan. Public accountability and transparency have been further enhanced by the adoption of International Public Sector Accounting Standards (IPSAS), which went into effect at the start of the 2024–2025 fiscal year.

Governance and Oversight

The CAC and its supporting committees continued to exercise sound governance, ensuring effective oversight of SASO operations. The approval of policies and strategic documents contributed to organisational accountability and performance. However, the effectiveness of some governance functions was impacted by financial unpredictability and inconsistent Member State engagement.

Challenges Faced

While SASO achieved several milestones, we were not immune to challenges:

- **Financial Constraints:** Several Member States (including Comoros, Democratic Republic of Congo (DRC), Madagascar, Mauritius, and Seychelles) did not contribute to the budget or submit payment plans, affecting SASO's ability to plan and implement activities predictably.
- **Member State Engagement:** There was slow progress in getting the remaining SADC States, namely Comoros, Madagascar, Mauritius, and Seychelles to sign the SASO Charter. Given the ICAO notion of "no country left behind", SASO will continue to engage the States to appreciate the benefits.
- **Administrative Load:** The need to track numerous payment plans added a significant administrative burden.

To address these issues, SASO has introduced quarterly reporting on Member State contributions, promoted the signing of formal MoUs during bilateral engagements, and is working toward implementing incentive- and enforcement-based approaches to enhance financial accountability.

Strategic Initiatives and Regional Progress

The Committee has focused on several strategic actions, including:

- Launching a centralized Monitoring & Evaluation dashboard;
- Supporting Member States' ICAO audit readiness;
- Advocating for flexible but structured funding arrangements;
- Promoting gender equity in recruitment and representation;
- Continuing direct country engagements that have led to measurable improvements—particularly in Namibia and Zimbabwe.

These initiatives are aligned with the broader goal of raising safety oversight levels across the SADC region.

Statistical Highlights

- 300+ inspectors trained through SASO-led initiatives;
- 100% of SASO staff received professional development training;
- One ICAO audit confirmed for 2024 (Mauritius, August), with ongoing support already initiated;
- 89% organisational performance score achieved for the period;
- 12% staff turnover, mainly due to end-of-contract exits and funding-related post freezes.

Conclusion and Outlook

Despite the challenges, SASO has shown resilience and strategic focus. Looking ahead, we will continue to prioritise safety oversight enhancement, operational efficiency through digital transformation, sustainable financing, and inclusive recruitment. Our commitment to supporting Member States—through audits, training, and policy alignment—remains unwavering. The CAC has reviewed the Organisation's financial position and has concluded that the Organisation has adequate financial resources to continue its operations for the foreseeable future as a going concern basis. The organisation made a surplus amounting to USD400 thousand during the current year and total assets exceed total liabilities by USD7.6 million.

I extend my deepest appreciation to the SASO staff, our Member States, the CAC, and our partners for their continued trust and collaboration. Together, we are building a safer, more responsive aviation system across the region.

Chairperson

SADC Aviation Safety Organisation (SASO)



Kabo Phutietsile
Executive Director



4. Executive Director's Statement

It is my privilege to reflect on a year of both progress and challenge for the SADC Aviation Safety Organisation (SASO). The 2024/25 reporting period was defined by meaningful achievements in institutional development, regional collaboration, and human capital growth—despite financial and operational constraints.

A key milestone was the approval of the Job Evaluation and Grading Policy by the Civil Aviation Committee (CAC). This sets the foundation for transparent staff management and performance tracking across SASO. While we experienced a 12% staff turnover, largely due to contract completion and funding-related post freezes, our focus on service delivery and strategic priorities remained steady.

SASO reaffirmed its commitment to the United Nations Sustainable Development Goals, particularly on gender equality, now embedded in recruitment practices to build a more inclusive workforce. On professional development, 100% of SASO staff received training, and over 300 inspectors from Member States were trained through SASO-led initiatives. Operationally, SASO achieved a strong performance score of 89%, and safety oversight performance across the SADC region showed encouraging improvement. The rollout of On-the-Job Training (OJT) programmes and State Safety Programme (SSP) support further aligned our work with ICAO's Global Aviation Safety Plan.

Challenges and Lessons Learned

SASO continues to face challenges related to financial contributions and Member State engagement. Several States (e.g., Comoros, DRC, Madagascar, Mauritius, Seychelles) neither paid dues nor submitted payment plans, affecting financial predictability. Other issues included slow progress on Charter signatures, over-reliance on external follow-up, and an administrative burden in monitoring multiple payment plans.

To address these, SASO is:

- Strengthening financial advocacy and introducing quarterly reporting on contributions;
 - Encouraging formal MoUs on payment plans during bilateral engagements;
 - Proposing enforcement and incentive-based models to promote accountability.
- Launching a centralized Monitoring & Evaluation dashboard to improve oversight and planning.

Among the key lessons learned:

Direct engagement yields results—targeted missions to Namibia and Zimbabwe led to measurable safety improvements;

- Transitioning to IPSAS accounting standards enhanced transparency and built Member State trust;
- Policy and strategy alignment, such as with the Communication Strategy and Strategic Plan, improved institutional coherence;
- Flexible contributions—like those from Malawi and Tanzania—have been effective despite not being full payments;
- Voluntary compliance lacks impact—more binding mechanisms are needed to ensure Member State participation.

Future Outlook and Work Plan

Looking forward, SASO will prioritize:

- Strengthening safety oversight and audit readiness in Member States;
- Enhancing operational efficiency through digital systems and improved financial controls;
- Promoting inclusivity and gender equity in recruitment;
- Securing sustainable financing through structured advocacy and funding agreements.

Only one ICAO audit is confirmed for 2025 (Mauritius – August 2025), and SASO has already begun providing support. Member States are encouraged to implement corrective action plans and pursue ICAO Coordinated Validation Missions (ICVMs) within the expected two-year window post-audit.

In closing, I wish to thank SASO's dedicated staff, Member States, and our strategic partners. With continued collaboration and commitment, SASO remains well-positioned to advance aviation safety across the region.

5. Our Strategy

Looking Back: Strategy Performance Review

The Strategic Plan was developed to support SASO's achievement of the aspirations of the Global Aviation Community, as enshrined in the Global Aviation Safety, contributing towards an enabling environment that facilitates the movement of goods, services, capital, and human capacity within the SADC region. This was the First Strategic Plan for SASO, aimed at providing Strategic Direction for the SASO for the fiscal years 2023–2028, and establishing synergies between the SASO's goals and priorities and the Global and Regional aviation Safety Plans. This strategic roadmap sets the foundation for strengthening aviation safety across the SADC region.

Strategic Rationale

Five key imperatives drove the formulation of this Strategic Plan:

1. SASO Work Plan

The previous SASO work plan concluded in 2023, necessitating a new roadmap to guide operations and institutional development over the next five years.

2. Strategic Direction Setting

A defined strategic direction was critical for the effective execution of SASO's mandate and for positioning the organisation to address regional and global aviation safety priorities.

3. Alignment with Global and Regional Priorities

The plan fosters coherence with the ICAO Global Aviation Safety Plan (GASP) and the Regional Aviation Safety Plans, ensuring harmonised safety objectives and practices.

4. Adaptation to Emerging Developments

Rapid transformations in the aviation industry, including digitalisation, drone integration, and post-COVID operational shifts, require agile, forward-looking strategies to ensure that the SADC can effectively address emerging developments.

5. Performance Enhancement

The plan introduces performance-driven approaches to improve SASO's institutional efficiency, stakeholder engagement, and impact across the region.

The plan's primary objective is to ensure **Improved Safety, Risk & Corporate and Governance Operational Excellence** to ensure the organization operates efficiently, complies with regulatory standards, minimizes risks, and fosters a culture of continuous improvement and accountability.

2023–2028 Strategy Map

Customer Perspective <ul style="list-style-type: none"> Strengthen states' safety oversight capabilities. Improve SSPs within the SADC region 	Financial Perspective <ul style="list-style-type: none"> Improved financial management Provide sound internal financial controls
Internal Process Perspective <ul style="list-style-type: none"> Facilitate member states to improve their EI Harmonise / review related policies & procedures Improve operational efficiency of SASO. Enhance stakeholder management 	Learning and Growth <ul style="list-style-type: none"> Improve the human resource capacity of inspectors. Improve the number of human resources in regional positions

Strategic Objectives, Themes And Priorities

The SASO Strategic themes and strategic objectives are categorized as per the figure below:

Strategic Objectives			
Strategic Theme			
Improved Safety	Strengthen states' safety oversight capabilities Improve SSPs within the SADC region		
Operational Excellence		Improved financial management	Provide sound internal financial controls
Risk & Corporate Governance	Facilitate member states to improve their EI	Harmonize/ review related policies & procedures Improve operational efficiency of SASO	Enhance stakeholder management
	Improve human resource capacity of inspectors	Improve number of human resources in regional positions	

Highlights

➤ Increased SADC EI Rate - 60.53%

There has been a gradual improvement in the Effective Implementation (EI) rate of SADC States, rising from 54.20% in 2021 to 60.53% by March 2025. However, this falls short of the 2024/25 target of 65%, and most states remain below the global average, highlighting the ongoing need to strengthen aviation safety oversight in the region.

- Notable Improvements during the year:
- Botswana: EI increased from 80.1% to 85.78%
- Zambia: EI increased from 60.04% to 72.9%
- Namibia: EI increased from 57% to 72.6%

These gains show progress, but broader, sustained efforts are still required across all member states.

➤ Improved State Safety Programmes (SSPs) within the SADC region

- Conducted SSP Gap Analysis during the assistance mission to Eswatini, Lesotho, Malawi, and Zambia, as part of the Audit mission from 20-31 May 2024 – Angola, Tanzania, Botswana

Operational Excellence

➤ Improved revenue collection

- Revenue collection improved, with SASO achieving 83% of its target, exceeding the set goal of 70%. However, despite this positive performance, collections were still adversely impacted by the lack of contributions from Member States that have not yet signed the SASO Charter. The continued non-remittance from these states has resulted in financial shortfalls, limiting the organisation's ability to implement its planned programmes and initiatives fully.
- The expected collections after Bad Debt Provision amount to USD3,506,247. As of 31 March 2025, contributions received from Member States pertaining to the current year 2024/25 amount to USD 1,053,946, which translates to a collection rate of 58%.
- Develop and implement marketing strategy -
- Funding - Develop and implement annual plans of grant fund utilisation -

➤ Enhance Stakeholder Management

- SASO executed a series of strategic missions, training programmes, and collaborative initiatives aimed at strengthening aviation safety oversight, inspector competencies, and environmental engagement across the SADC and AFI regions. These activities were delivered in partnership with ICAO, AFCAC, EASA, and other stakeholders, with a focus on capacity-building, regulatory harmonization, and technical assistance

➤ Harmonization of critical policies and procedures

- SASO continues to spearhead measures to maintain the currency of regulations and Technical Guidance Materials. The Development of regulations for unmanned aircraft systems (ToR) and the development of Environment Regulations ToR were concluded during this financial year, mapping...

➤ Improve the operational efficiency of SASO

- During the creation of a new company in SAGE 300 database, reviewed role-based access controls and reviewed sage 300c's advanced authentication and encryption protocols. Appropriate internal policies will be developed to address improved network and application security.

- Business Intelligence Report format developed and running within SAGE. Captured the annual budget into the system linked to the SASO strategic objectives to promote ease of reporting under IPSAS.
- As part of the risk management process, new risks were identified and the Register updated.

Risk & Corporate Governance

0 Achieving Financial Sustainability

- 100% compliance with accounting standards – Preparation of timely, accurate, and complete year-end financial accounts and annual financial statements.
- 2023/24 Unqualified Audit Opinion Achieved. – Demonstrating commitment to good governance.

0 Implementation of the National Safety Inspectors programme

- SASO accredited 27 NSIs with accreditation on certification during the period under review, which was against a target of 20, which signifies 135% achievement. These accredited NSIs support the state's mission through the National Safety Inspectors programme. This has yielded positive results, as reflected by the increase in effective implementation in all states that have been audited since the start of the NSI programme.

Strategic Foundations

SASO has refined its strategic foundations (vision, mission, and values) such that they are reflective of the organisation's core values.

Our strategic Intent

The core values represent the attitudes, behaviors, and characters that will create an enabling environment for the successful implementation of the strategy as identified below.

Professionalism	The team members are expected to be exceptional and in turn, contribute to the success of the organisation.
Accountability	To embrace measures that can ensure responsibility, ownership, and liability;
Transparency	Clear and traceable business practices supported by authentic business structures;
Learning culture:	Creating organizational practices and processes that encourage employees and organizations to develop knowledge and competence;
Respect for diversity	Understanding and recognizing each individual's uniqueness and differences.

SASO's Strategic Foundations – Our values

Our Strategic Themes

SASO's strategic themes serve as pillars for the strategy and present the focus for the 2023 – 2028 planning period. An explicit strategic result, or description of the desired outcome, is articulated for each strategic theme. The impact of the strategic outputs will be evidenced across the purposive themes as illustrated in the figure.

Risk & Corporate Governance

SASO aims to ensure financial sustainability and accountability by improving financial management practices and establishing robust internal financial controls to support effective resource utilisation and organisational stability

Operational Excellence

Through transformational leadership, SASO will continuously focus on building a high-performing, efficient, and sustainable organisation that can effectively support member states and align with international best practices. With the objective of strengthening internal capabilities and external partnerships to enhance aviation safety oversight across the SADC region.

Improved Safety

SASO aims to improve the ability of member states to meet international safety standards by:

- Enhancing national **safety oversight capabilities**
- Improving the implementation of **State Safety Programmes (SSPs)**
- Building the **technical capacity of aviation inspectors**

The goal is to ensure a harmonised, risk-based, and proactive safety oversight system that supports safe and secure air transport in the region.

DELIVERING ON THE STRATEGY

6. Operational Review

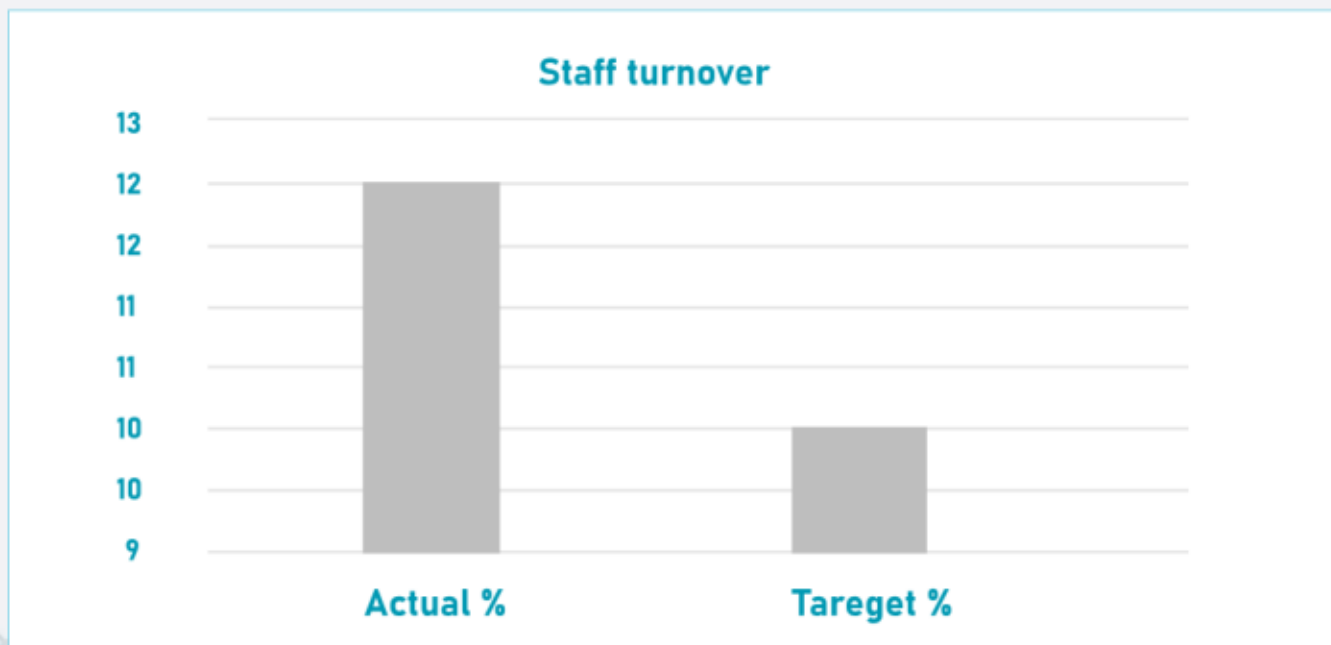
6.1 People And Welfare

Saso Job Evaluation And Grading Policy

During the year, CAC approved the SASO Job Evaluation and Grading Policy. The Job Evaluation and Grading Policy will assist SASO in conducting regular job evaluation in line with international human resource standards.

Staff Turnover

Retention and attraction of staff, SASO measure staff retention based on the staff turnover rate. Figure below shows the staff turnover rate:



The Administrative Assistant position was localized in line with the requirement with the Hosting Agreement. During the period, the contract of the Admin Assistant ended and a new Admin Assistant was recruited.

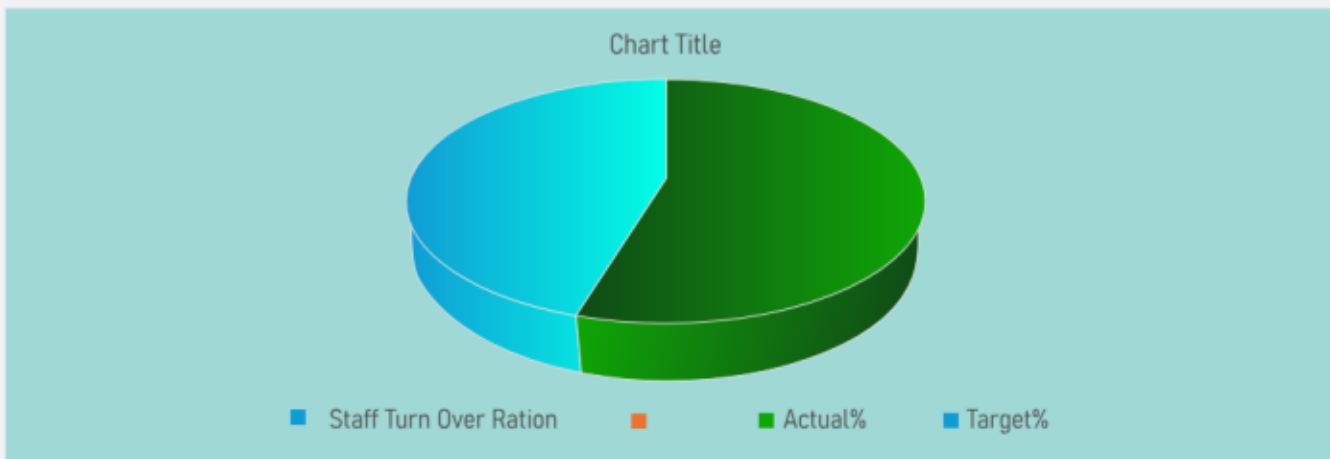
Staff turnover	
Actual %	12
Target %	10

SASO JOB EVALUATION AND GRADING POLICY

During the year under review, CAC approved the SASO Job Evaluation and Grading Policy. The Job Evaluation and Grading Policy will assist SASO in conducting regular job evaluation exercises in line with international human resource standards.

Retention and attraction of staff

SASO measure staff retention protocols based on the staff turnover rate. Figure below shows the staff turnover rate:



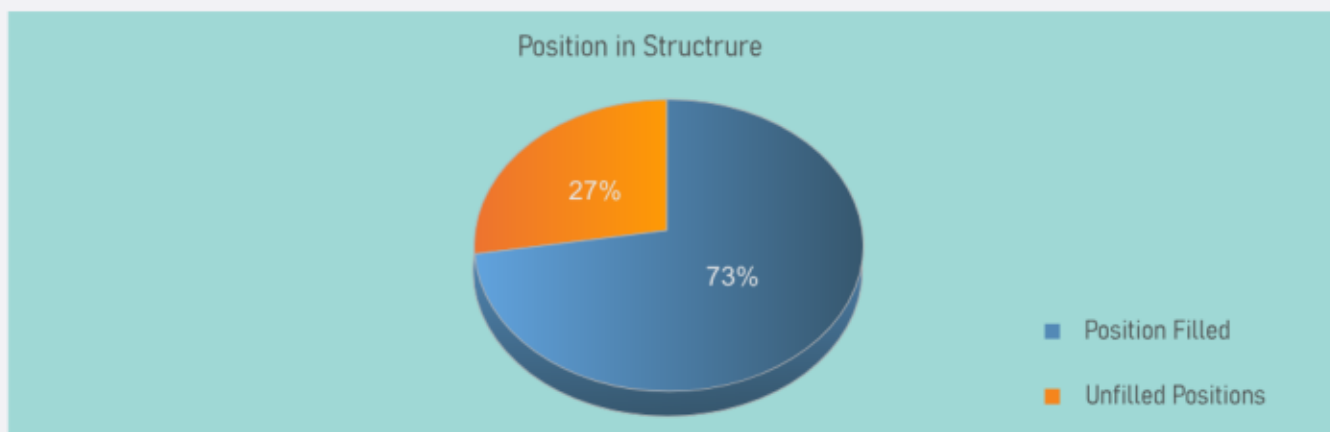
The Administrative Assistant position was localized in line with the requirement with the Hosting Agreement.

Staff Turn Over Ratio

Actual %12

Target %10

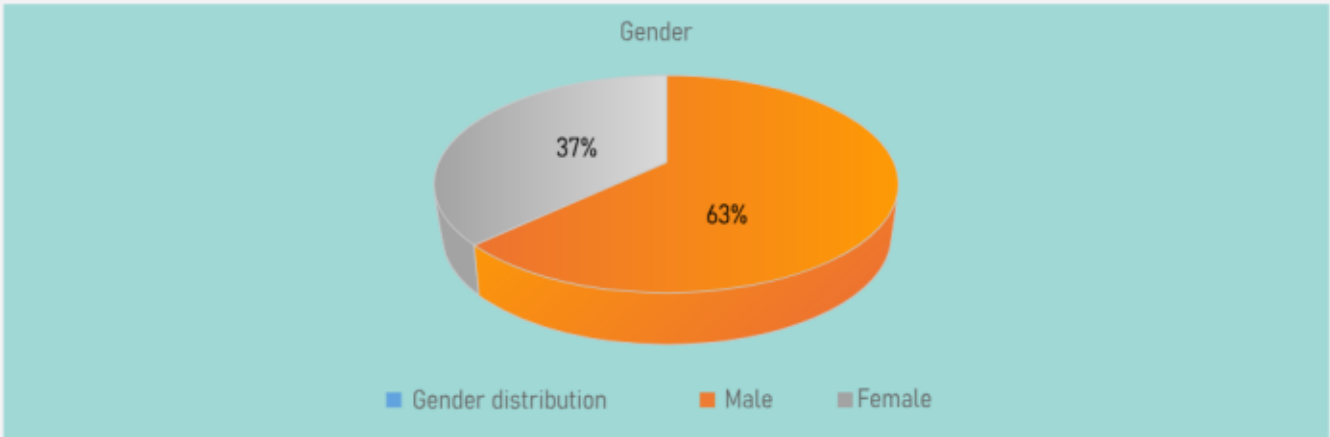
Vacancy Rate



The positions for the Deputy Executive Director, ICT Specialist and Legal Counsel are still vacant due to financial constraints.

Position in Structure	
Position Filled	8
Unfilled Positions	3
Total	11
Vacancy Rate	27%

Gender Equity



SASO recognizes the importance of equity in the workplace. People management policies are constantly being reviewed to become more inclusive. In order to address the gender equality, the recruitment policy was revised to consider recruitment from the least represented gender until equilibrium is reached

Staff Training Initiatives

In an ongoing effort to enhance staff capabilities, SASO conducted various training programs. A total of 18 staff members received specialized training, surpassing the target of 10 by 180%. Key training areas included Surveillance (2 individuals), Risk Management (7 individuals), SAGE Payroll Cloud (2 individuals), Human Resource Management (2 individuals), Virtual Classroom Instructor (2 individuals), CMA Phase 1 & 2 (1 individual) and IFRS Accounting Standards (2 individuals).

Attract and retain competent staff

SASO is committed to attracting, developing, and retaining a highly competent workforce, which is crucial for achieving our strategic objectives and ensuring operational excellence.

Staffing and Recruitment

Efforts to retain and recruit staff for critical positions have yielded positive results. There were no staff resignations during the FY 2024/2025, demonstrating success in retaining valuable talent. The timely onboarding of new recruits also maintained a 100% efficiency rate in this area.

Regarding staff recruitment, the vacancy rate remained at 27% as of the end of the reporting period. SASO is actively addressing this, with specific efforts underway to secure a Legal Counsel, currently awaiting a response for secondment from Lesotho.

In terms of gender distribution, it remained constant at 38% female and 44% male representation within the organization. This reflects that no seconded staff were recruited during the period, which would have impacted this balance.

Staff Development and Relations

Promoting good industrial relations and fostering a positive work environment are key priorities. SASO successfully organized one staff team-building retreat from November 17-19, 2023, meeting the target for staff building workshops with a 100% achievement rate. This initiative contributed significantly to team cohesion and morale.

Performance Management

SASO's commitment to continuous improvement is reflected in the implementation of the Performance Management System (PMS). The organisation conducted an annual PMS performance reviews, achieving an average of 89% of planned activities implemented by March 2024. This demonstrates an exceptional 111% achievement rate against the internal target, highlighting robust performance management across the organization.

6.2 Improved Safety

In the performance area of improved safety, SASO implemented various initiatives such as strengthening states' safety oversight capabilities, Improving SSPs within the SADC region and enhancing the human resource (technical) capacity of inspectors as discussed below:

Strengthening States' Safety Oversight Capabilities

In pursuit of the strategic objective to strengthen States' safety oversight capabilities, SASO undertook initiatives to support member States in achieving an effective implementation (EI) rate greater than 60%, or a Safety Oversight Index exceeding 1. This support included Certification, Audit Preparation and Capacity Building.

A detailed comparison of the SADC States' effective implementation rate with the global average and the Eastern and Southern Africa region is presented in Figure 1 below:

SADC States Effective Implementation Rate Analysis

- SASO assists States to improve their effective implementation rate through:
 1. Certification
 2. Audit Preparation
 3. Capacity Building
- The SADC States effective implementation rate compared to the global average and the Eastern and Southern Africa region, is detailed in Figure 1 below:

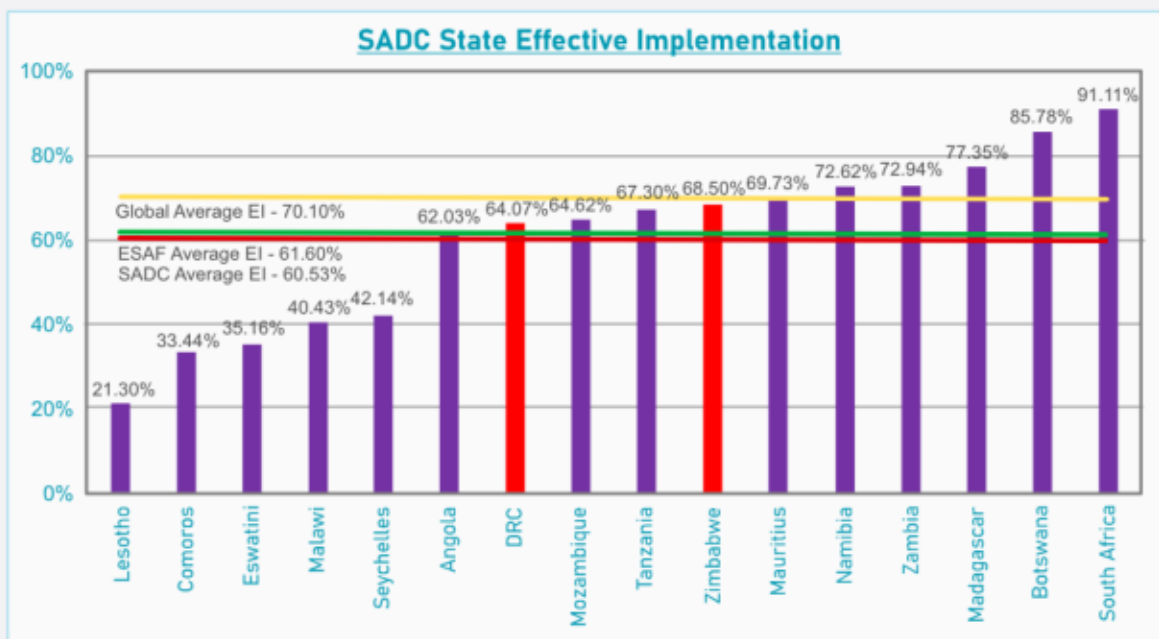


Figure 1: SADC Levels of Effective Implementation

The Figure 1, above, shows that 5 of the 16 SADC Member States have an Effective Implementation Level below 60%.

The following graph shows the SADC Member States compared to the regional and global average as at the end of financial year 2025:

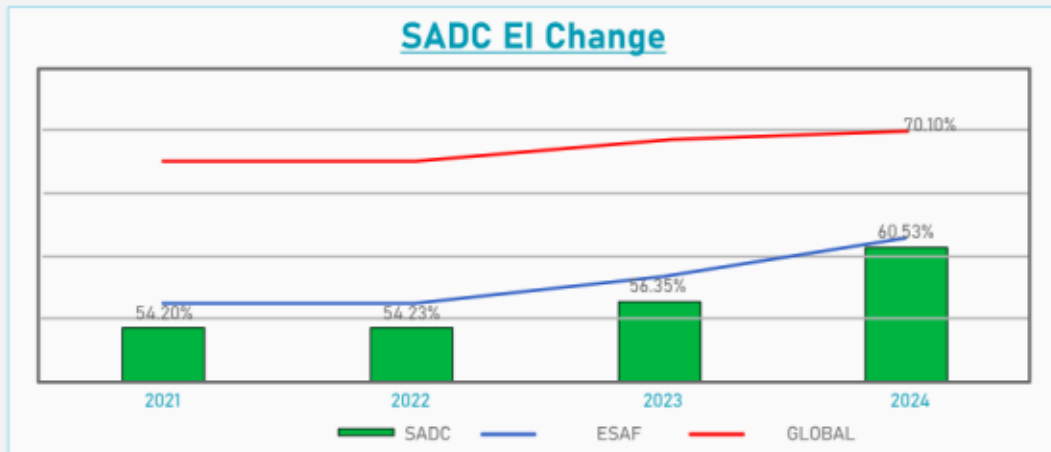


Figure 2 above illustrates the global average in Effective Implementation and the performance of SADC Member States. There has been a steady increase in the EI for SADC States from 54.20% in 2021 to 60.53% as at March 2025.

The actual EI achieved was 60.53% which was below the target of 65% in the 2024/25 FY. A visible majority of areas from the SADC Member States are below the world average emphasizing the need to improve aviation safety within the region. The SADC States EI of 60.53% is relatively closer to the ESAF States EI of 61.60%. There has been an increase in EI for SADC Member States following assistance and training initiatives from SASO as illustrated in the table below:

All planned assistance activities for the financial year, including certification, audit preparation, and capacity building, were successfully accomplished.

Technical Assistance Missions

A total of ten (10) Assistance missions were conducted in SADC Member States to improve EI as detailed below:

- a) Priority was given to States that were scheduled for ICAO audits namely: Botswana and Zambia and those with unresolved Significant Safety Concerns (SSCs) namely: Democratic Republic of Congo and Zimbabwe. The following States Namibia and Zambia also requested SASO's assistance on a cost-recovery basis

The table below shows the scope of activities undertaken during the Assistance Missions:

Beneficiary State	Scope of Activities	Participating States - NSIs	Partners
Botswana	The technical mission assisted Botswana to prepare for the ICAO audit in the areas of AGA. The audit results show the AGA EI rose from 46.23% to 80.16%. The State EI rose from 80.1% to 85.78%	Eswatini, Namibia and Zambia	EASA
Zimbabwe	The technical mission assisted Zimbabwe to resolve its SSC in the area of ANS. The specific mission activities included assisting the State to conduct approval of Instrument Flight Procedures to address the SSC. The SSC resolution is still ongoing	Tanzania	AFCAC
Zambia	The technical mission assisted Zambia to prepare for the ICAO audit in AGA, AIR, AIG, OPS, PEL and ANS. The State EI rose from 60.04% to 72.9%	Botswana, Namibia, South Africa, Tanzania and SASO	EASA
Seychelles	The technical assessment mission conducted a gap analyses, in ICAO audit areas of AGA, PEL and OPS	South Africa, SASO	SASO
Namibia	Two technical missions to assist Namibia to conduct Drone ATO certification and AME ATO approval	SASO	
Lesotho	High-level visit to the Minister of Transport to appraise him on the ICAO audit preparatory needs	SASO	
Malawi	Technical assistance mission to Malawi	South Africa, Zambia and SASO	EASA
Angola	SSP Technical assistance mission to Angola	SASO	EASA
Eswatini	ANSP certification	Zambia, SASO	

...The missions were conducted through the National Safety Inspectors programme (NSI). There has been a positive increase in the Effective Implementation in all the States that have been audited since the start of the NSI programme. There has been a positive increase in the EI as indicated below:

Improving State Safety programmes (SSPs) within the SADC region

ICAO hosted a workshop to assist States to develop a NASP and based on the AFI RASP. The workshop was attended by 17 SADC participants from Angola, Eswatini, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa and Zimbabwe.

Implementation of the National Safety Inspectors Programme

SASO accredited 27 NSIs with accreditation on certification during the period under review, which was against a target of 20, which signifies 135% achievement. These accredited NSIs support the state's mission through the National Safety Inspectors program. This has yielded positive results, as reflected by the increase in effective implementation in all states that have been audited since the start of the NSI programme.

Harmonize/Review Technical Related Policies and Procedures

SASO took measures to maintain currency of regulations and Technical Guidance Materials (TGMs) which encompassed the following:

- Regulations and TGMs were reviewed under Airworthiness domain.
- Adopted unmanned aircraft systems regulations developed by the Republic of South Africa for use by SADC Member States.
- Adopted the ICAO Model Environment Regulations and these are uploaded on the SASO Website.

Workshops & CMA Phase Completion

To sustain effective implementation (EI) for states already exceeding 60% EI, ten (10) workshops were successfully held across Botswana, Eswatini, Lesotho, Madagascar, Malawi, Namibia, South Africa, Tanzania, Zambia, and Zimbabwe. These workshops led to the completion of both Phase 1 and Phase 2 of the Continuous Monitoring Approach (CMA).

Enhancing the human resource (technical) capacity of inspectors

SASO remains committed to enhancing the capacity of its human resources, particularly in developing highly skilled National Safety Inspectors (NSIs) and internal staff. A total of 58 inspectors from various states attended training programs conducted in the FY2024/2025. 16 inspectors from various states completed surveillance training. Subsequently, 27 participants received environment training, and 15 state personnel were trained in MCIS.

NSI Training and Development

Our institutional training and development program has made significant strides in NSI development. During the FY2024/25, 38 NSI trainees against a target of 25 were successfully trained exceeding the goal by 152%. This achievement includes vital On-the-Job Training (OJT) provided to 3 NSIs in Zimbabwe, 3 NSIs in Namibia, 4 NSIs in Eswatini, 3 NSIs in Mozambique, 25 NSIs in USOAP CMA (Universal Safety Oversight Audit Programme Continuous Monitoring Approach) Phase 1.

To bolster the number of accredited National Safety Inspectors (NSIs) within the organization, SASO undertook significant training initiatives which involved training 10 individuals in Vertical Control Inspection (VCI), 2 individuals training for Technical Data Check (TDC) and 12 NSIs gained valuable Field On-the-Job Training (OJT) during various missions.

Furthermore, 25 NSIs completed USOAP CMA (Universal Safety Oversight Audit Programme Continuous Monitoring Approach) Phase 1 training, with an additional 21 NSIs completing Phase 2.

Training and Capacity Development

In line with the gaps identified in the regional analysis of safety oversight, various training courses were rolled out to the SADC Member States between April 2024 and March 2025. For the financial period to 31st March 2025, a total of at least 226 individuals have benefited from these courses organized by SASO. These courses are mandatory initial, specialized and continuation training for inspectors. They fulfil training programme requirements for inspectorate personnel.

The table below shows training courses undertaken during the period under review:

Course	Medium/ Host	No. of trainees	Beneficiary States	Course objectives	Partners
USOAP CMA Phase 1	EASA - Computer based	40	Angola, Botswana, Eswatini, Lesotho, Madagascar, Malawi, Mozambique, South Africa, Tanzania, Zambia and Zimbabwe	This course assists inspectors in preparing for USOAP audits in various areas including soft skills, key auditing principles and implementation of CMA tools which are vital elements of an effective safety oversight strategy.	EASA
USOAP CMA Phase 2	EASA - Computer based	40	Angola, Botswana, Eswatini, Lesotho, Madagascar, Malawi, Mozambique, South Africa, Tanzania, Zambia and Zimbabwe	The course equips inspectors on identifying Protocol Questions, developing related auditing techniques, and exploring key documents and guidance material within their specific audit area.	EASA
CMA Workshop	ICAO-ESAF-physical meeting	13	Madagascar, Namibia, Seychelles, South Africa and Zimbabwe (Tanzania trained 54 participants on a cost-recovery basis)	The CMA workshop provides skills to navigate the USOAP CMA system which is the primary means by which ICAO monitors the safety performance of a State.	ICAO
SMS	EASA-ICAO - Computer based	12	South Africa, Namibia, Zambia, Tanzania, Mozambique, Mauritius, Malawi and Eswatini	The course describes ICAO safety management provisions for both service providers and regulators. It is a prerequisite course before attending SSP training.	EASA, ICAO
SSP Implementation	EASA-ICAO - Virtual	11	South Africa, Namibia, Zambia, Tanzania, Mozambique, Mauritius, Malawi and Eswatini	The course is designed for senior personnel within State Aviation agencies with the competencies required to develop and implement State Safety Programmes in their States as per ICAO Annexes and applicable State's rules.	EASA, ICAO

Course	Medium/ Host	No. of trainees	Beneficiary States	Course objectives	Partners
SSP for AIG Experts	ICAO-WACAF – physical meeting	7	Zimbabwe, Zambia, South Africa, Eswatini, Mozambique, Angola, Namibia and Botswana	The training established a link between accident investigation and SSP implementation and provided participants with the knowledge of how regulatory and investigation roles complement in SSP.	EASA
NASP Development	ICAO-ESAF – physical meeting	17	Angola, Eswatini, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa and Zimbabwe	The training equips individuals from the States with the knowledge and skills to develop and implement a National Aviation Safety Plan.	ICAO
OJT Instructors (NSIs)	EASA- Virtual	10	Eswatini, Botswana, Namibia, Malawi, South Africa	The course provided the NSIs with the knowledge, skills and attitudes (KSA) to be qualified to provide on-job-training to inspectors.	EASA
IATA Dangerous Goods	AIRBUS – South Africa physical meeting	13	Eswatini, South Africa, Tanzania, Angola, DRC, Malawi, Zimbabwe	Continuation training for DG inspectors. Provided them with understanding of the regulatory framework, inspection skills and resolution of any safety concerns in DG.	AIRBUS
ICAO ASBU Workshop	SASO – Eswatini physical meeting	29	Angola, DRC, Eswatini, Kenya, Mozambique, Namibia, South Africa, Uganda, Zimbabwe		SASO
ICAO AFI Region Environment Workshop	ICAO WACAF – physical meeting	5	Malawi, Mozambique, South Africa and Comoros	The training equips experts to develop and implement aviation environmental protection systems within their States.	ICAO

Course	Medium/ Host	No. of trainees	Beneficiary States	Course objectives	Partners
ICAO SADC Region Environment Workshop	ICAO - SASO HQ physical meeting	9	Eswatini, Malawi and Zambia	The training equips experts to develop and implement aviation environmental protection systems within their States.	ICAO
Resolution of ANS related SSCs	ICAO WACAF - physical meeting	4	2 candidates each from Democratic Republic of Congo and Zimbabwe	The training covered ANS related SSCs, their root causes as well as actions to mitigate and resolve them. It was very beneficial for the two States with ANS SSCs.	ICAO
Aircraft Leasing Course	AFCAC and Singapore CAA - Eswatini physical meeting	14	Angola, Eswatini and Namibia	Special approvals training for AOC and AMO certification personnel. The course provided knowledge and skill for approving leasing operations especially when it involves participants from two different States.	AFCAC Singapore CAA
SSP Implementation Workshop	EASA - physical meeting	TBA	Angola, Namibia, Zambia, Malawi, Mozambique, Zimbabwe, Botswana, South Africa, Eswatini, Madagascar, Comoros, Tanzania	With the introduction of the 2024 PQs which will include SSP in all audit areas, the workshop provided participants with the knowledge and skill to implement this emerging area.	ICAO WACAF BAGASOO
ATO Certification OJT	Namibia - physical meeting	2	Namibia	Provided OJT to PEL Inspectors on ATO Certification	

Expanding Pool of Qualified Instructors

To further strengthen internal training capabilities, the organisation aimed to increase a pool of qualified instructors. 12 instructors were successfully against a target of 10, achieving 120% of our goal. This accomplishment includes:

- Capacitating two training developers for Aerodromes and Ground Aids (AGA) training. A workshop to develop the AGA curriculum is also planned in collaboration with CASSOA and EASA-Kenya.
- Training 10 Virtual Classroom Instructors.

These initiatives underscore SASO's dedication to building robust internal expertise and ensuring the highest standards of safety oversight across the region.

Towards a High-Performance Culture

Training & Development

- SASO is making strides towards worked towards improved competences for staff.
- During the FY2024/25 Financial Period , SASO staff were trained to acquire new skills in;

SASO recognizes the importance of equity in the workplace. People management policies are constantly being reviewed to become more inclusive. In order to address the gender equality, the recruitment policy was revised to consider recruitment from the least represented gender until equilibrium is reached.

Learning and Development

- SASO is making strides towards improved competences for staff .
- During the FY2024/25 Financial Period under review, SASO staff were trained to acquire new skills in;

Course	Objectives
Business Etiquette	To ensure efficient delivery service.
Customer Service Skills and Ethics	To ensure efficient service delivery.
GSI-PEL	To enhance the skills of Technical Coordinators.
ICAO, ATO GSI	To enhance the skills of Technical Coordinators.
ICAO Auditors Prep Course	To enable SASO officials to become ICAO certified auditors.
Team Building	To enhance teamwork with a view of boosting team performance, collaboration and fostering leadership.

- Conducted RRAP (GASOS) Self-Assessment (by 2024) - RRAP (GASOS) self-assessment conducted 3-7 March 2025 – an action plan was developed to prepare SASO for RAP (GASOS) audit under general and legal critical elements.

6.3 Operational Excellence

Improved financial management

For the FY 2024/25, remittances totaling USD 2,6166,411 were received from eight Member States: Angola, Botswana, Eswatini, Lesotho, Malawi, Namibia, South Africa, and Tanzania. This collection represents 118% of the targeted USD 2,230,464 in Member State contributions. Notably, this marks a substantial 93% increase in collections compared to the prior year's total of USD 2,457,807.

In the FY, all donor funds were fully utilized, confirming the successful and timely execution of planned activities and projects. Additionally, SASO actively engaged eight grant partners (EU-EASA, Boeing, AIRBUS, AfDB, FAA, ICAO, AFCAC, EMBRAER) to raise awareness of its funding requirements. Currently, EU-EASA, AIRBUS, and AFCAC are the organization's three primary funding partners.

In a key operational development, the new Hosting Agreement was successfully approved and implemented on September 21, 2023. This agreement enabled the Eswatini Civil Aviation Authority (ESWACAA) to officially hand over fixed assets to SASO

➤ **Achieving Financial Sustainability**

- 100% compliance with accounting standards - Preparation of timely, accurate, and complete year-end financial accounts and annual financial statements.
- 2023/24 Unqualified Audit Opinion Achieved. - Demonstrating commitment to good governance.

➤ **Improved revenue collection**

- Revenue collection improved, with SASO achieving 83% of its target, exceeding the set goal of 70%. However, despite this positive performance, collections were still adversely impacted by the lack of contributions from Member States that have not yet signed the SASO Charter. The continued non-remittance from these states has resulted in financial shortfalls, limiting the organisation's ability to implement its planned programmes and initiatives fully.
- The expected collections after Bad Debt Provision amount to USD3,506,247. As of 31 March 2025, contributions received from Member States pertaining to the current year 2024/25 amount to USD 1,053,946, which translates to a collection rate of 58%.
- Develop and implement marketing strategy -
- Funding - Develop and implement annual plans of grant fund utilisation -

➤ **Financial Management of Staff Costs**

Staff costs as a percentage of total Member States funded expenditure stood at 68% against a target of 61%. This higher percentage is primarily due to accelerated expenditure on the EU-EASA project, which resulted in relatively less Member State-funded expenditure on other programs.

Enhance Stakeholder Management

SASO, in collaboration with ICAO, AFCAC, and other Regional Safety Oversight Organizations (RSOOs), is actively involved in developing the Regional Aviation Safety Plan (RASP) Terms of Reference for the Aviation Safety Working Group (ASWG). During the fiscal year, two ASWG workshops were conducted, and SASO participated in a key RASP stakeholder engagement. A comprehensive gap analysis of the region's aviation safety oversight status was also completed, culminating in the publication of the annual safety oversight report.

SASO maintained a strong presence at crucial ICAO/AFCAC workshops throughout the fiscal year, demonstrating its commitment to regional and international aviation safety standards. These engagements included: 1 CORSIA workshop, 1 APIRG meeting, 1 Virtual RASP Workshop, 1 AFCAC Working Group session, 1 ICAO RSOO Forum, 1 AFI-Week event, 1 Infrastructure Development workshop and 1 Upper Airspace workshop.

Implemented the EASA-EU Safety Project – EASA Botswana Assistance – April 2024; Zambia Assistance – May 2024; SMS training – April 2024; SSP training – July 2024

Implemented the MoUs (ICAO, AFCAC, BAGASOO, CASSOA, AIRBUS, EASA etc) - the above-mentioned training were concluded on the dates below:

- ICAO NASP – Nairobi May 2024
- AFCAC Zimbabwe SSC resolution – July 2024
- Eswatini gap analysis – April 2024
- CASSOA Annual Symposium – Zanzibar May 2024
- Participated in the COMESA Regional Validation Workshop in Seychelles from the 1-6 June 2024.
- Participated in the EAC Aviation Symposium 15-16 May 2024.

Harmonization of critical policies and procedures

- SASO continues to spearhead measures to maintain the currency of regulations and Technical Guidance Materials. The Development of regulations for unmanned aircraft systems (ToR) and the development of Environment Regulations ToR were concluded during this financial year, mapping... To ensure member states were familiar with these changes, a workshop was then conducted.

Provide a Conducive Work

- Provided a Conducive Work Environment – Employee Risk and Medical Aid Cover and all assets insurance cover was place.
- Maintained ICT System – replaced ICT equipment and renewed ICT Licenses
- A number of Safety and IT Systems were procured and maintained during the FY. To mitigate risks in the organisation, a risk management framework was developed and implemented. This also saw risk registers being put in place and being monitored at departmental and organisational levels. Adequate insurance cover was provided during the FY.

Expanding Membership and Outreach

During FY2024/2025, SASO continued to expand its reach and secure new commitments. Two SASO charters were signed with the Democratic Republic of Congo (DRC) and Mauritius. Furthermore, a consultative session was held with Zimbabwe to highlight the benefits of SASO membership and engagement to the Member State.

6.3.1 Risk & Corporate Governance

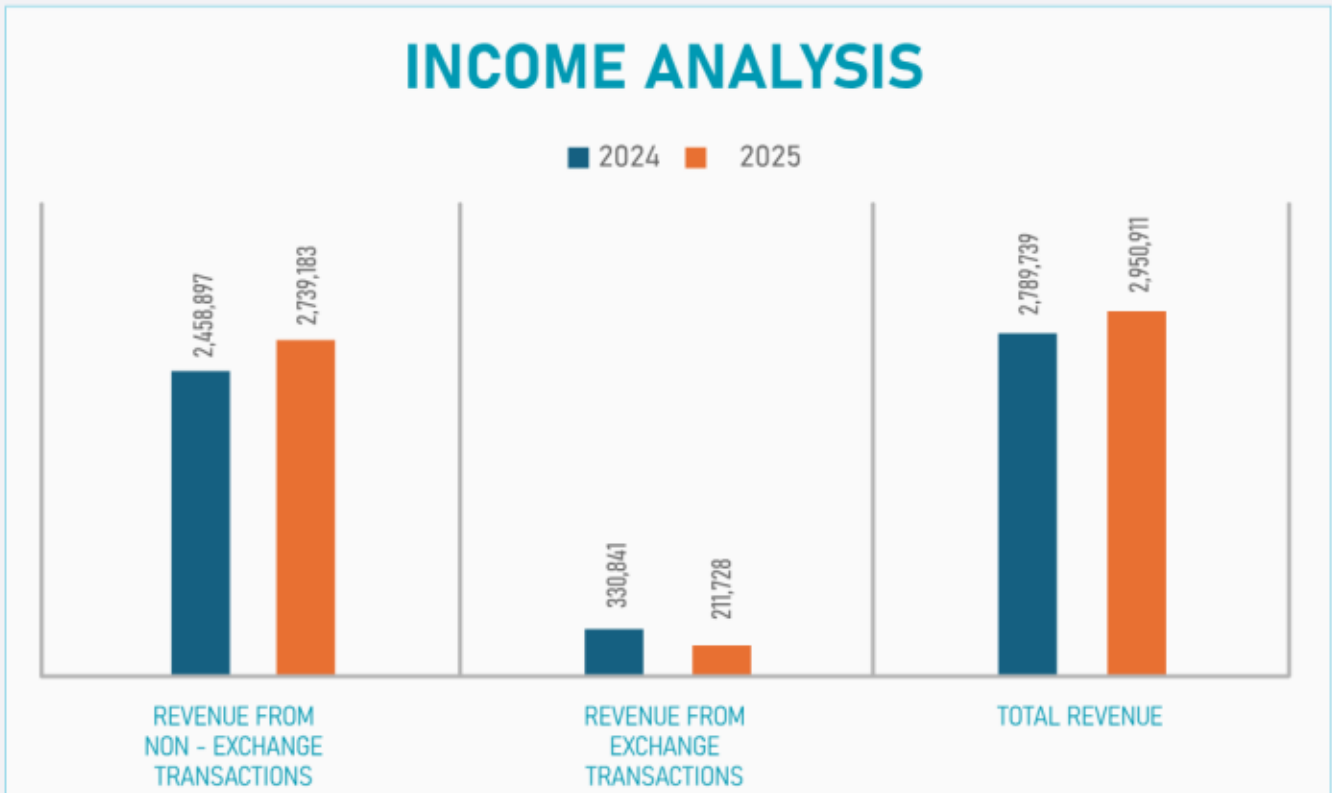
The Management Accounts and Financial Statements were prepared within stipulated times. The Audited Financial Statements were approved for 2024/25 by CAC in October 2024 and a clean audit opinion was issued.

Implemented and monitored the Risk Management Process – new risks were identified and the Risk Register updated.

7. Financial Overview

The financial statements were audited by SNG Grant Thornton Eswatini. The auditor's report on the financial statements is attached as an appendix to this annual report. The major highlights from the financial statements are summarized below:

Total Income Trends Analysis



INCOME ANALYSIS		
	2025	2024
Revenue from non - exchange transactions	2,458,897	2,739,183
Revenue from exchange transactions	330,841	211,728
Total revenue	2,789,739	2,950,911

Budget Vs Actual Report For The 2024/25 Financial Period

Description	Original/ revised Budget MS	ICP Budget	Total Budget	Actual compar able Amount MS	Actual compar able Amount ICP	Total Actual Compar able Amounts	Variance	Utilisation rate	Comments
March 2025									
Improved Safety									
Facilitate member states to improve their EI	99,920	258,220	358,140	77,077	92,640	169,717	188,423	47%	<p>Assistance missions conducted: Botswana, Tanzania, Seychelles, Namibia and Zambia</p> <p>.40 Candidates enrolled in the USDAP CMA Phases 1 & 2 training</p> <p>.Train inspectors from SADC States: SMS, Aerodrome Certification, ANS, ASBU, SSP, Dangerous Goods and NASP</p> <p>.The following ICP funded activities, totaling \$104,000 could not be conducted during the financial period and were either transferred or deferred to the year 2025/26. The execution of the activities was not in the control of SASO.</p> <p>(i)ECCAIRS Implementation - US\$74,000 - The training could not commence until EASA had signed agreements with its partners for the implementation of the project. The activity was deferred to the 1st/2nd quarter of 2025/26.</p> <p>(ii)Lesotho assistance mission - US\$20,000 - the technical mission was being arranged in collaboration with AFCAC in anticipation of the ICAO audit. A smaller high-level mission was undertaken to meet the Minister responsible for Transport.</p> <p>(iii)ICAO GSI Instructor Training - US\$10,000 - Slots to attach instructors for the GSI instructor OJT could not be obtained from ICAO. The funds were transferred to fund, in the 2025/26, a technical mission to resolve the SSC in Zimbabwe and to train NSIs in USDAP and Meteorology.</p>
Improve SSPs within the SADC region	9,426	17,300	26,726	3,054	23,944	26,999	(273)	101%	<p>.SSP Gap analysis in Lesotho and Zambia</p> <p>.Conducted SSP NASP workshop hosted by ICAO for all SADC States</p>
Strengthen states' safety oversight capabilities	141,800	12,000	153,800	131,246	12,978	144,224	9,576	94%	<p>Recruited and inducted of 20 NSIs from the SADC States in progress</p> <p>Provided OJT to 4NSIs who qualify for accreditation</p> <p>Participated in 11 AFCAC, ICAO, EASA etc. Workshops both physical and virtual</p>
Improve human resource capacity of inspectors	15,000	15,000	30,000	16,000	15,987	31,987	(1,987)	107%	<p>.22 NSIs were trained and 10 instructors trained on OJT</p>
Sub Total	266,146	302,520	568,666	227,377	145,549	372,926	195,739	66%	

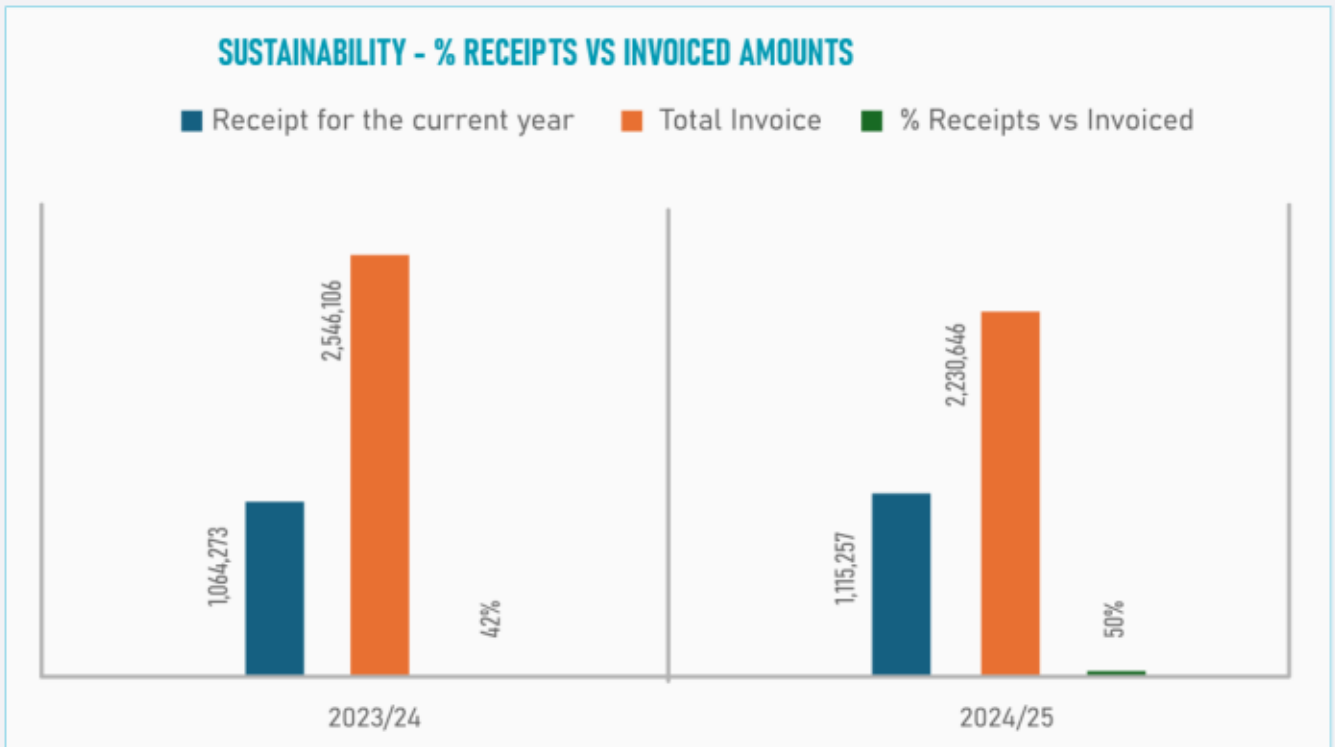
Budget Vs Actual Report For The 2024/25 Financial Period

Description	Original/ revised Budget MS	ICP Budget	Total Budget	Actual compar able Amount MS	Actual compar able Amount ICP	Total Actual Comparable Amounts	Variance	Utilisation rate	Comments
March 2025									
Improved Safety									
Operational excellence									
Improved financial management	10,200	-	10,200	-		-	10,200	0%	.Engagement with CAAs/Ministries has been done virtually, physical meeting with ministries to be scheduled in next financial year. This led to savings during the year.
Harmonize/ review related policies & procedures	8,800	2,400	11,200	6,739		6,739	4,461	60%	. SASO Hosted the SADC Regional Environment workshop . ICAD Hosted the Regional Environmental workshop held in Senegal . Environment Regulations made available to SASO by ICAD which led to savings during the year.
Improve operational efficiency of SASO	426,572	-	426,572	755,448		755,448	(328,876)	185%	Increase in provision for impairment allowance for Comoros, DRC, Madagascar, Mauritius and Seychelles which was not budgeted for as recovery of outstanding Contributions not feasible
Attract and retain competent staff	1,301,673	-	1,301,673	1,033,964		1,033,964	267,709	79%	. Recruitment and replacement of Administrative Assistance . Additional Training on IPSAS
Sub Total	1,747,245	2,400	1,749,645	1,796,151	-	1,796,151	(46,506)	105%	
Risk and corporate governance									
Provide sound internal financial controls	12,000	-	12,000	10,529		10,529	1,471	88%	2023/24 Audit completed with clean audit opinion. Additional assistance for IPSAS transitioning project.
Enhance stakeholder management	302,007	6,800	308,807	181,025		181,025	127,782	59%	Engagements with MS yet to sign charter done virtually all scheduled meeting conducted both physical and virtual
Sub Total	314,007	6,800	320,807	191,554	-	191,554	129,253	60%	
Total expenditure per statement of finance performance	12,639,118	-	2,639,118	-		2,396,337	242,781	91%	
Capital expenditure	137,000	-	137,000	-		-	137,000	47%	
Contingency budget	137,000	-	137,000			-	137,000	0%	
Total Expenditure	2,478,398	311,720	2,790,118	2,271,385	145,549	2,416,934	429,487	86%	

Status Of Cash And Bank Balances As At 31st March 2025

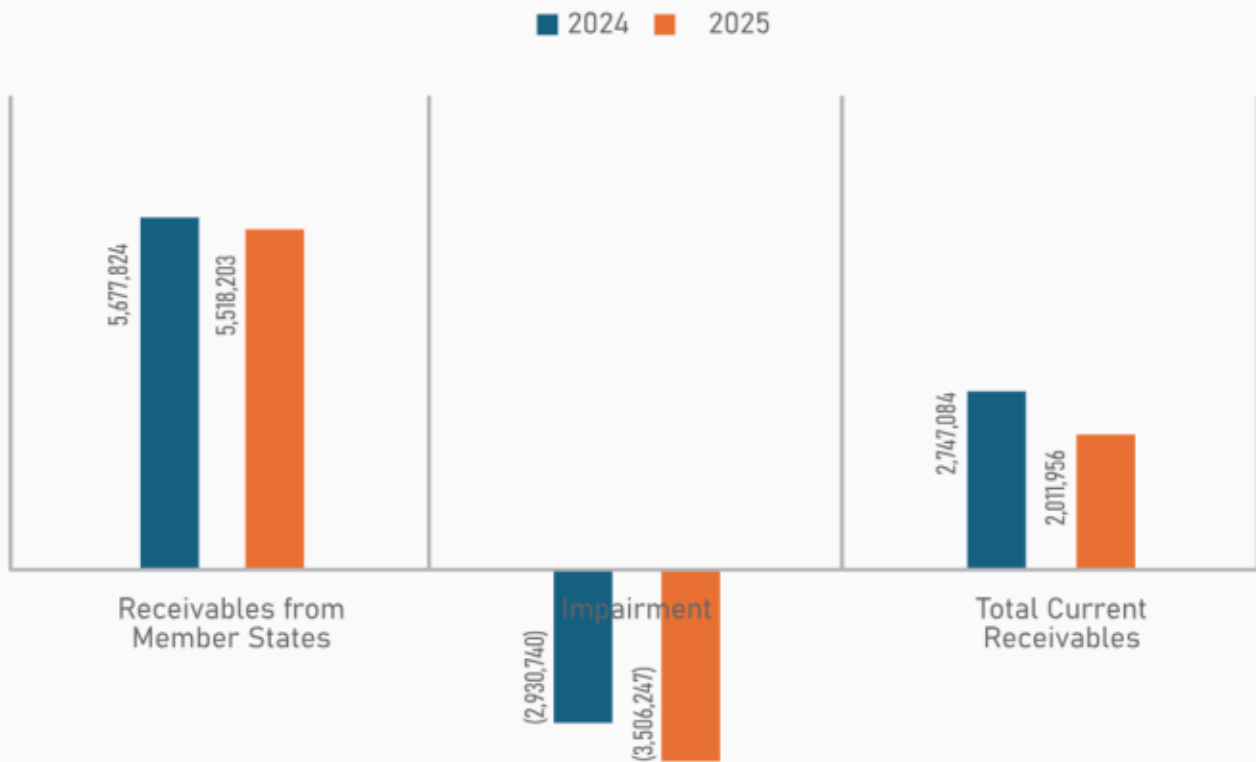
	2025	2024
	USD	USD
Cash and bank balances	1,278,070	1,307,249
Investments		
Stanlib Investment	1,730,536	1,479,313
Old Mutual Investment	1,106,328	945,852
Old Mutual Additional Investment	1,171,991	181,988
Treasury Bills	268,484	-
Sub Total	4,277,339	2,607,153
Total cash and cash equivalents	5,555,409	3,914,402

Status of invoiced member states contributions vs. Receipts as at 31st march 2025



TREND IN MEMBER STATES REMITTANCES FROM 2023/24 2024/25 FINANCIAL PERIODS

Receivables from non exchange revenue as at 31 march 2025



ROLLOUT OF THE INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)

- SASO rolled out the IPSAS Reporting Framework for preparation of annual financial statements in the current year 2024/25. This would result in SASO accruing the benefits from a reporting.
- CAC approved adoption of IPSAS as the reporting framework for the 2024/25 financial period given that the reporting framework that was more relevant to any entity with public accountability.

AUDITED FINANCIAL STATEMENTS FOR 2024/25 FINANCIAL PERIOD

- The External Audit for 2024/25 was completed. The draft 2024/25 Financial Statements were prepared in accordance to IPSAS Reporting Framework and the Auditor's Report shall be included as part of the Annual Report after CAC approval.
- The draft 2024/25 Financial Statements and the Auditor's Report are included as Appendix 1.

8. Challenges And Lessons Learned

Key Challenges

a) Delayed and Partial Contributions:

- Several Member States (e.g., Malawi, Mozambique, Tanzania, Zambia, Zimbabwe to add other member states that have have paid) have only partially paid, while others (Comoros, DRC, Madagascar, Mauritius, Seychelles) have neither paid nor submitted payment plans. This affects the predictability and stability of SASO's funding. The member states proposed payment plans shall be monitored during the 2025/26 financial period.
- Continued reliance on follow-up through letters and missions highlights weak commitment from some countries.

b) Slow Progress on Charter Signature and Policy Adoption:

- Four (4) SADC states have not yet signed the SASO charter, namely: Comoros, Madagascar, Mauritius and Seychelles.
- Engagements with Seychelles and Mauritius showed that they had challenges with outstanding invoices issued before they even joined SASO. No official responses were received from Comoros and Madagascar

9. Key Lessons Learned

a) Strong Engagement Yields Results:

- The following countries were engaged directly during technical assistance missions. Namibia, Zimbabwe showed progress in closing their safety related gaps. This is an indication of the benefits and effectiveness of targeted communication and assessment missions.
- States are invited to timeously respond with their nominations whenever
- invitations for nominations are made

b) Transparency Through IPSAS Improves Accountability:

- The shift to IPSAS suggests SASO is embracing more robust financial reporting, which will improve trust and compliance resulting in sustained future support.
- Following successful implementation of IPSAS, there is need for independent assurance assessment to insure sustainability of the transition.

c) Policy and Strategy Alignment Enhances Direction:

- The Communication Strategy and Strategic Plan alignment through MCAC indicate coordination across working groups has improved institutional coherence.

d) Staggered Financial Support Can Still Be Useful:

- Partial payments and payment plans adopted (e.g., Malawi, Tanzania) are encouraged better and are applauded, no action by Member countries are working at the detriment of SASO.
- There is need to revisit the distribution of Member States contributions to cover State Parties that have signed the SASO Charter as there is no SADC Council of Ministers decision requiring all SADC States that are no members of a subsidiary organisation to remit contributions.

e) Regional Cooperation Needs More Enforcement Tools:

- Voluntary compliance mechanisms adopted by countries has so far not benefited the Organisation because they lack no binding resolutions or incentives/penalties for failure to comply.

f) GASOS / RRAP Assessment:

- SASO should prepare an implementation plan to prepare for a voluntary independent GASOS/RRAP self-assessment.

10. ANNEXES

FINANCIAL STATEMENTS for the year ended 31 March 2025



SADC AVIATION SAFETY ORGANISATION FINANCIAL STATEMENTS

For the year ended 31 March 2025

Institutional details

Funding	:	SADC Member Sates
Hosting authority	:	Eswatini Civil Aviation Authority (ESWACAA)

Secretariat

Executive Director	:	Kabo Phutietsile
Corporate Services Manager	:	Cleophas Samusodza
Administrative Assistant	:	Ntombifuthi Ginindza
Technical Coordinators	:	Belovedone Mupfururirwa
	:	Edgar Du Pont

Business address	:	Sibekelo Building 5 th floor Mhlambanyatsi Road Mbabane
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Postal address	:	P O Box 7919 Mbabane H100
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Bankers	:	Nedbank Eswatini Limited
	:	First National Bank of Eswatini Limited

Auditors	:	SNG Grant Thornton Chartered Accountants (Eswatini) Umkhiwa House Lot 195 Kal Grant Street P O Box 331 Mbabane Eswatini
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Investment Managers	:	Stanlib Eswatini Old Mutual Investment Group Eswatini (Pty) Limited
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Approval of financial statements

The Secretariat is responsible for the preparation and fair presentation of the financial statements of the SADC Aviation Safety Organisation (SASO). These financial statements have been prepared in accordance with the requirements of the International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB) and are based on accounting policies that have been applied consistently and supported by reasonable and prudent judgments and estimates.

The Secretariat is also responsible for the maintenance of adequate accounting records, the safeguarding of the Organisation's assets, and the design, implementation and effective operation of internal financial controls. These controls are intended to provide reasonable assurance regarding the reliability of financial reporting, the prevention and detection of fraud and error, and compliance with applicable laws, regulations and the Organisation's governing regulations. Nothing has come to the attention of the Secretariat to indicate that there has been any material breakdown in the functioning of these internal controls during the reporting period.

Management has assessed the Organisation's ability to continue as a going concern, taking into account the approved budget, cash flow forecasts for the twelve months to 31st March 2026, and the current financial position. Based on this review, the Secretariat is satisfied that the Organisation has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements are prepared on a going concern basis.

In line with the SASO Charter, the Civil Aviation Committee (CAC) has reviewed and approved these financial statements, which are presented on pages 11 to 44.

These financial statements were approved and authorised for issue by the Management and the

Civil Aviation Committee on 2025, and signed on their behalf by:

.....
Executive Director (SASO)

.....
Date

.....
Chairman (SADC Civil Aviation Committee) Date



Executives' responsibility statement

Each of the executives, whose names are stated below, hereby confirms that:

- (a) The annual financial statements set out on 11 to 44 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IPSAS Accounting Standards.
- (b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading.
- (c) Internal financial controls were put in place to ensure that material information have been provided to effectively prepare the financial statements.
- (d) The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executives with primary responsibility for implementation and execution of controls.
- (e) We are not aware of any fraud involving Executives.

.....
Manager Corporate Services (SASO)

.....
Date

.....
Executive Director (SASO)

.....
Date



Independent Auditors' Report

To the Secretariat of SADC Aviation Safety Organization

Opinion

We have audited the financial statements of SADC Aviation Safety Organization (the organization) set out on pages 11 to 41 which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information set out on pages 16 to 24 and the statement of secretariat's responsibility, as set out on page 5 to 6.

In our opinion, the financial statements present fairly, in all material respects, the financial position of SADC Aviation Safety Organization as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB) and the requirements of the Eswatini Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of SADC Aviation Safety Organization in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Eswatini and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management are responsible for the other information. The other information comprises the secretariat's responsibilities and approval, the financial statements which we obtained prior to the date of this report. Other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards as issued by the IPSASB and the requirements of the Eswatini Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management responsible for assessing the organizations's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.





Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SNG Grant Thornton Chartered Accountants (Eswatini)



Statement of financial position for the year ended 31 March 2025

	Notes	2025		2024	
		USD	SZL	USD	SZL
Assets					
Current assets					
Cash and cash equivalents	7	5,555,409	101,275,671	3,914,402	75,786,346
Receivables non-exchange transactions	8	2,011,956	36,678,162	2,747,084	53,186,014
Receivables exchange transactions	9	23,307	424,885	10,743	207,999
		<u>7,590,672</u>	<u>138,378,718</u>	<u>6,672,229</u>	<u>129,180,359</u>
Non-current assets					
Property, plant and equipment	10	93,658	1,707,395	95,376	1,846,565
		<u>93,658</u>	<u>1,707,395</u>	<u>95,376</u>	<u>1,846,565</u>
		<u>7,684,330</u>	<u>140,086,113</u>	<u>6,767,605</u>	<u>131,026,924</u>
Total assets					
Liabilities					
Current liabilities					
Trade and other payables from exchange transactions	11	505,780	9,220,373	69,006	1,336,018
Trade and other payables from non-exchange transactions	12	226,172	4,123,136	56	1,084
		<u>731,952</u>	<u>13,343,509</u>	<u>69,062</u>	<u>1,337,102</u>
Long term liabilities					
Trade and other payables from exchange transactions	11	-	-	247,790	4,797,438
		<u>-</u>	<u>-</u>	<u>247,790</u>	<u>4,797,438</u>
Net assets					
Reserves	13	2,370,050	43,206,249	2,370,050	45,886,301
Accumulated surplus		4,582,328	83,536,355	4,080,703	79,006,083
		<u>6,952,378</u>	<u>126,742,604</u>	<u>6,450,753</u>	<u>124,892,384</u>
Total net assets and liabilities		<u>7,684,330</u>	<u>140,086,113</u>	<u>6,767,605</u>	<u>131,026,924</u>

Statement of financial performance for the year ended 31 March 2025

	Notes	2025		2024	
		USD	SZL	USD	SZL
Revenue from non-exchange transactions					
Member States contributions	1	2,230,646	41,643,707	2,546,106	47,889,199
Rent donation	2	82,702	1,543,956	71,442	1,343,737
International cooperating partner contributions	3	145,549	2,717,246	121,635	2,287,806
		<u>2,458,897</u>	<u>45,904,909</u>	<u>2,739,183</u>	<u>51,520,742</u>
Revenue from exchange transactions					
Other income	4	-	-	16,595	312,149
Investment revenue	5	330,841	6,176,445	195,133	3,670,214
Total revenue		<u>2,789,738</u>	<u>52,081,354</u>	<u>2,950,911</u>	<u>55,503,105</u>
Expenditure					
Operating expenditure	6	(2,396,337)	(44,736,962)	(2,779,277)	(53,710,084)
Other gains/(losses)					
(Loss)/Gain on sale of assets		108,224	2,020,430	(175,524)	(3,301,391)
(Loss)/Gain on foreign exchange transactions		7,359	137,383	-	418
		<u>100,865</u>	<u>1,883,047</u>	<u>22 (175,546)</u>	<u>(3,301,809)</u>
Net Surplus for the year		<u>501,625</u>	<u>9,364,822</u>	<u>(3,890)</u>	<u>(1,508,370)</u>

Statement of changes in net assets for the year ended 31 March 2025

	Accumulated Surplus/(Deficit)		Reserve Funs		Total	
	USD	SZL	USD	SZL	USD	SZL
Balance as at 1 April 2024	4,080,703	79,006,083	2,370,050	45,886,301	6,450,753	124,892,384
Transfers	-	-	-	-	-	-
Surplus/(deficit) for the period	501,625	9,364,822	-	-	501,625	9,364,822
Interest	-	-	-	-	-	-
Foreign exchange translations gains/(losses)	-	(4,834,550)	-	(2,680,052)	-	(7,514,602)
Balance as at 31 March 2025	4,582,328	83,536,355	2,370,050	43,206,249	6,952,378	126,742,604
Balance as at 1 April 2023	6,454,643	117,840,481	-	-	6,454,643	117,840,481
Transfers	(2,370,050)	(45,886,301)	2,370,050	45,886,301	-	-
Foreign exchange translations gains/(losses)	-	7,125,070	-	-	-	7,125,070
Surplus/(deficit) for the period	(3,890)	(73,167)	-	-	(3,890)	(73,167)
Balance as at 31 March 2024	4,080,703	79,006,083	2,370,050	45,886,301	6,450,753	124,892,384

Transfers to Reserve Fund of US\$2,370,050 for 2023/24 relates to the transfer of realised accumulated surplus to Reserve Fund in accordance with the policy governing the utilisation and creation of the Reserve Fund. This transfer was approved by Civil Aviation Committee, at its meeting in October 2024.

Statement of cashflow for the year ended 31 March 2025

	Notes	2025		2024	
		USD	SZL	USD	SZL
Cash flow from operating activities					
Cash generated from operations	14	1,221,312	17,648,778	1,248,150	23,971,099
Interest income		330,841	6,176,445	195,133	3,670,214
Net cash inflow from operations		1,552,153	23,825,223	1,443,283	27,641,313
Cash flow from investing activities					
Acquisition of property, plant and equipment		(20,597)	(375,480)	(9,189)	(177,907)
Proceeds from disposal		8,586	156,535	233	4,382
Net cash outflow from investing activities		(12,011)	(218,945)	(8,956)	(173,525)
Movement in cash and cash equivalents		1,540,142	23,606,278	1,434,327	27,395,788
Cash and cash equivalents at the beginning of year		3,914,402	75,786,346	2,655,621	48,482,876
Gain on exchange rate movement on cash balances		100,865	1,883,047	(175,546)	(92,318)
Cash and cash equivalents at the end of year		5,555,409	101,275,671	3,914,402	75,786,346

Statement of comparison of budget and actual amounts (Revenue) for the year ended 31 March 2025

Description	Appendix	Original Budget	Adjustment to contingency budget	Final budget	Actual comparable Amount	Variance	Budget utilisation
		2025	2025	2025	2025	2025	2025
Revenue from non-exchange transactions							
Member States contributions		2,230,646	-	2,093,646	2,093,646	-	100%
Rent donation		115,500	-	115,500	82,702	32,798	72%
Internation cooperating partner contributions		311,720	-	311,720	145,549	106,171	47%
Revenue from exchange transactions		2,657,866		2,520,866	2,321,897	198,969	93%
Other income		118,655	-	118,655	431,707	313,052	364%
Profit on Disposal		-	-	-	7,359	7,359	100%
Total revenue		2,776,521	-	2,776,521	2,897,963	121,441	104%

Statement of comparison of budget and actual amounts (Expenditure) for the year ended 31 March 2025

Expenditure	1						
Improved Safety							
Facilitate member states to improve their EI		358,140	-	358,140	169,717	188,423	47%
Improve SSPs within the SADC region		26,726	-	26,726	26,999	(273)	101%
Strengthen states' safety oversight capabilities		153,800	-	153,800	144,224	9,576	94%
Improve human resource capacity of inspectors		30,000	-	30,000	31,987	(1,987)	107%
Sub Total		568,666	-	568,666	372,926	195,740	66%

**Statement of comparison of budget and actual amounts
(Expenditure) for the year ended 31 March 2025 (Continues)**

Operational excellence						
Improved financial management	10,200	-	10,200	-	10,200	0%
Harmonize/ review related policies & procedures	11,200	-	11,200	6,739	4,461	60%
Improve operational efficiency of SASO	426,572	-	426,572	755,448	(325,876)	185%
Attract and retain competent staff	1,301,673	-	1,301,673	1,301,673	267,709	79%
Sub Total	1,763,645	-	1,763,645	1,796,151	(46,506)	105%
Risk and corporate governance						
Provide sound internal financial controls	12,000	-	12,000	10,529	1,471	88%
Enhance stakeholder management	308,807	-	308,807	181,025	127,782	59%
Sub Total	320,807	-	320,807	191,554	129,253	60%
Total expenditure per statement of finance performance	2,639,118	-	2,639,118	2,360,631	278,486	91%
						47%
Capital expenditure*****	14,000	30,000	44,000	20,597	19,403	0%
Contingency budget*****	137,000	-	137,000	-	137,000	
TOTAL EXPENDITURE	2,790,118	30,000	2,820,118	2,381,228	434,889	86%

- Facilitate member states to improve their EI* - The following ICP funded activities, totalling USD104,000 could not be conducted during the financial period and were either transferred or deferred to the year 2025/26. The execution of the activities was not under the control of SASO. (i) ECCAIRS Implementation - USD74,000 - The training could not commence until EASA had signed agreements with its partners for the implementation of the project. The activity was deferred to the 1st/2nd quarter of 2025/26. (ii) Lesotho assistance mission - USD20,000 - the technical mission was being arranged in collaboration with AFCAC in anticipation of the ICAO audit. A smaller high-level mission was undertaken to meet the Minister responsible for Transport. (iii) ICAO GSI Instructor Training - USD10,000 - Slots to attach instructors for the GSI instructor OJT could not be obtained from ICAO. The funds were transferred to fund, in the 2025/26, a technical mission to resolve the SSC in Zimbabwe and to train NSIs in USOAP and Meteorology.
- Improved financial management** - Engagement with CAAs/Ministries has been done virtually, physical meeting with ministries to be scheduled in next financial year. This led to savings during the year.
- Improve operational efficiency of SASO*** - The actual expenditure was higher than the budget due to the impairment expenditure as the allowance for doubtful debt was made in the current year for: Comoros, Democratic Republic of Congo, Madagascar, Mauritius, and Seychelles.
- Enhance stakeholder management**** - as part of cost saving some scheduled meetings were conducted both physical and virtual.

5. Capital expenditure***** - the capital expenditure budget adjustment relates to funds deferred from 2023/24 to the 2024/25 financial period. There were savings from the purchase of the motor vehicle, due to available of several suppliers from where vehicles were sourced.
6. Contingency budget***** - The contingency budget funds were not utilized as the project funded by AfDB did not materialize.

Significant accounting policies for the year ended 31 March 2025

1. Reporting Entity

SADC Aviation Safety Organization (SASO) is a civil aviation safety Organization responsible for enhancing the safety of civil aviation in the SADC region. The Organization is funded by the SADC Member States (16 members) in accordance to the proportion assigned to each Member State.

The aim of SASO, established by SADC Member States through a Charter and organized under the Principle of Subsidiarity, is to promote the safe and efficient use and development of civil aviation within the SADC region.

The Charter came into force on, 1st of April 2024 establishing SASO. A new Memorandum of Understanding was initiated between the Government of the Kingdom of Eswatini and SADC Secretariat on behalf of Member States. Also, the secretariat signed a new hosting agreement between itself and the kingdom of Eswatini.

2. Presentation of financial reports

2.1 First time adoption of International Public Sector Accounting Standards (IPSAS)

For the reporting period commencing on the 1st of April 2024, SASO transitioned to the IPSAS accrual basis for the first time. The financial statements comply in all material respects to the IPSAS accrual basis of reporting. The transition to IPSAS from IFRS for SMEs is expected to improve transparency and public accountability of SASO financial reporting. The adoption of IPSAS did not result in changes in net assets/equity reported in the previous IFRS for SMEs basis. The adoption of IPSAS did not result in changes in net surplus/deficit reported in the previous IFRS for SMEs basis.

2.2 Basis of preparation and presentation

The financial statements of the SASO have been prepared on an accrual basis of accounting in accordance with IPSAS, for the financial year 1st April 2024 to 31st March 2025. The financial statements have been prepared using the historical cost convention. Investments and loans, however, are recorded at fair value or amortized cost. Where a specific matter is not covered by IPSAS, the appropriate International Financial Reporting Standards (IFRS) have been applied.

These financial statements have been prepared on the basis that SASO is a going concern and will meet its mandate for the foreseeable future.

2.3 Foreign Currency

All amounts disclosed in the financial statements have been presented in both the US Dollar (USD), which is the region's functional currency and Lilangeni (SZL), which is the functional currency of the Kingdom of Eswatini where the Organization operates.

Income and expenses have been converted to the local currency at the 12-month average exchange rate of USD18.6689 from 1 April 2024 to 31 March 2025. Assets, mainly contribution receivables and bank balances are also converted at the spot rate of USD18.2301. The resulting gains or losses are accounted for in the Statement of Financial Performance.

2.4 Materiality and the use of judgments and estimates

Materiality is central to SASO's financial statements. The Organization's process for reviewing accounting materiality provides a systematic approach to the identification, analysis, evaluation, endorsement, and periodic review of decisions taken involving the materiality of information, spanning several accounting areas. The financial statements include amounts based on judgments, estimates and assumptions by management. Changes in estimates are reflected in the period in which they become known.

Significant estimates and assumptions that may result in material adjustments in future years include: actuarial measurement of employee benefits; selection of useful lives and the depreciation/amortization method for property, plant and equipment/intangible assets; impairment of assets; classification of financial instruments; valuation of investment assets; revenue recognition; and contingent assets and liabilities.

2.5 Financial statements

In accordance with IPSAS 1 (Presentation of Financial Statements), a complete set of financial statements has been prepared as follows:

- Statement of Financial Position;
- Statement of Financial Performance;
- Statement of Changes in Net Assets/Equity;
- Statement of Cash Flow;
- Statement of Comparison of Budget and Actual Amounts; and

Notes to the financial statements, comprising a description of the basis of preparation and presentation of the statements, a summary of significant accounting policies, and other relevant information.

2.6 Future accounting changes

The IPSAS Board has published the following new and amended standards:

Standard	Title	Effective date	Anticipated impact in year of adoption
IPSAS 45	Property, Plant and Equipment	1 January 2025	This standard replaces IPSAS 17, Property, Plant, and Equipment by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of heritage and infrastructure assets, and adding new guidance on how these important types of public sector assets should be recognized and measured. The objective of IPSAS 45 is to develop enhanced guidance clarifying the recognition and measurement of infrastructure and heritage assets that are Property, Plant, and Equipment.
IPSAS 46	Measurement	1 January 2025	<p>The objective of this Standard is to define measurement bases that assist in reflecting fairly the cost of services, operational capacity and financial capacity of assets and liabilities. It identifies approaches under those measurement bases to be applied through individual IPSAS to achieve the objectives of financial reporting.</p> <p>This standard provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. It brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets.</p>
IPSAS 47	Revenue	1 January 2026	<p>IPSAS 47 replaces the existing three revenue standards IPSAS 9, IPSAS 11 and IPSAS 23, and presents accounting models which will improve financial reporting and support effective public sector financial management. The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from revenue transactions. To meet the objective, the Standard:</p> <ul style="list-style-type: none"> i) Requires an entity to consider the terms of the transaction, and all relevant facts and circumstances, to determine the type of revenue transaction; and ii) Sets out the accounting requirements to account for the revenue transaction.

Standard	Title	Effective date	Anticipated impact in year of adoption
IPSAS 48	Transfer Expenses	1 January 2026	<p>IPSAS 48 provides accounting guidance for transfer expenses, which account for a significant portion of expenditures for many public sector entities. This new Standard fills a significant gap in the IPSASB's literature and provides guidance to help entities account for public sector transfer expense transactions.</p> <p>The objective of this Standard is to establish the principles that a transfer provider (an entity) shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of cash flows arising from transfer expenses. To meet the objective above, the Standard:</p> <ul style="list-style-type: none"> i) Requires an entity to consider the terms of the transaction and all relevant facts and circumstances to determine the type of transfer expense transaction; and ii) Sets out the accounting requirements for the transfer expense transactions. <p>The SASO is currently assessing the impact of the above-mentioned standards and plans to adopt them on or before the required effective date.</p>

There are no other IPSAS or International Financial Reporting Interpretations Committee (IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the SASO.

SASO continues to assess the impact of the above standards on future financial statements in advance of their effective date.

3. Accounting Policies

3.1 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and short term highly liquid investments. Cash and cash equivalents are carried in the statement of financial position at amortised cost. All investments that have a maturity of three months or less from the date of acquisition are included as cash and cash equivalents. This includes cash and cash equivalents held in the portfolios managed by external investment managers.

3.2 Investments and financial instruments

Financial instruments are recognized from the trade date when SASO becomes a party to the contractual provisions of the instrument until the rights to receive cash flows from those assets have expired or have been transferred and the Organisation has transferred substantially all the risks and rewards of ownership. Investments are classified as being:

- (i) financial assets or financial liabilities at fair value through surplus or deficit;

(ii) held-to-maturity, or (iii) bank deposits and other receivables. Examples of SASO financial assets in each category are presented in the table below:

IPSAS classification	Type of SASO financial asset
Fair value through surplus or deficit	None
Held-to-maturity	Treasury Bills with the Central Bank of Eswatini
Bank deposits and other receivables	Term deposits, accrued interest and other receivables in relation to the financial instruments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates which SASO has both the intention and the ability to hold to maturity. Held-to-maturity investments are stated at amortized cost using the effective interest rate method, with interest revenue being recognized on an effective yield basis in the Statement of Financial Performance. As at 31 March 2025, no held-to maturity investments were held by the Organisation.

Bank deposits and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Accrued revenue related to interest, dividends and pending cash to be received from investments are included herein. Bank deposits and other receivables are stated at amortized cost calculated using the effective interest rate method, less any impairments. Interest revenue is recognized on the effective interest rate basis, with the exception of short-term receivables for which the recognition of interest would be immaterial.

All categories of financial assets are assessed at each reporting date to determine whether there is objective evidence that an investment or group of investments is impaired. Evidence of impairment includes default or delinquency of the counterparty or permanent reduction in the value of the asset. Impairment losses are recognized in surplus or deficit in the Statement of Financial Performance (directly or through the use of an allowance account) in the year they arise.

Other financial liabilities include payables and accruals relating to investments and are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, with the exception of short-term liabilities for which the recognition of interest would be immaterial.

Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Organization has transferred substantially all risks and rewards of the financial asset

3.3 Receivables

Receivables from exchange transactions and **Receivables from non-exchange transactions** are the two categories into which receivables fall. Receivables from exchange transactions occur when each party gives up something almost equal in value in exchange for something of similar value. When SASO delivers value to another entity without directly obtaining about equal value in exchange, or receives value from another entity without directly receiving roughly equal value in exchange, non-exchange transaction receivables are created.

3.4 Prepayments

Prepayments relate to amounts paid to suppliers for goods or services not yet received. Prepayments are recorded at cost.

3.5 Property, plant and equipment

The estimated useful lives of organisations assets:

Motor vehicles	6-7 years
Office equipment	3 years
Furniture and fittings	6 - 7 years
Office furniture	7-8 years
Office Partition	25 years

Costs incurred subsequent to acquisition are included in the asset's carrying amount or recognised as a separate asset only when they meet the definition of an asset, and if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of that item can be reliably measured.

All items of movable property plant and equipment are tested for impairment wherever there are indications of impairment. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is the higher of fair value less cost to sell, and value in use. The impairment loss is recognised in the statement of comprehensive income.

A reversal of the impairment loss is recognised directly in the statement of comprehensive income.

The residual values and useful lives of all movable assets are reviewed at the end of each financial year.

Profit/loss on disposal of property, plant and equipment is recognised directly in the statement of comprehensive income

3.6 Intangibles

Intangible assets are stated at historical cost, less accumulated amortization and any impairment losses. Amortization is determined over the estimated useful life of the assets using the straight-line method of amortization. SASO's intangible assets are assumed to have a residual value of zero, as intangible assets are not sold or transferred at the end of their useful life. Intangible assets are reviewed annually for impairment. The estimated useful life of software acquired externally is ten (10) years.

3.7 Contributions received in advance

Contributions received in advance arise from legally binding agreements between SASO and its contributors - Member States - whereby contributions are received in advance of the amounts concerned falling due to the Organisation.

3.8 Payables from exchange transactions and Payables from non-exchange transactions

Accounts payable are liabilities for goods or services received and invoiced but not yet paid. Accrued liabilities are for goods or services received but neither paid nor invoiced. Both are recognized at cost. Exchange payables arise when SASO receives goods or services of roughly equal value in return. Non-exchange payables arise when value is given or received without directly obtaining equal value in return.

3.9 Employee benefits

SASO recognizes the following categories of employee benefits:

- employee cost;
- post-employment benefits; and
- termination benefits.

3.9.1 Employee Costs

Employee costs which the organisation had an obligation to pay, as a result of employee's services provided up to the end of the period are recognised on accrual basis, in the period when no such expenditure is made. Employee costs arise from the application of terms and conditions under which employees are contractually engaged by the SASO. The Committee of Ministers responsible for Civil Aviation under the provisions of the SASO Charter (Article 11(1) (I)) approves conditions of staff services.

3.9.2 Gratuity

The SADC Aviation Safety Organisation does not provide post-employment benefits for its employees other than the Gratuity specified below.

SASO members of staff earn 25% of salary as gratuity. This is accrued monthly and charged against surplus or deficit. The gratuity is paid to the members of staff at the end of the contract of employment.

The gratuity for SASO staff who are appointed from outside the host state is paid to the members of staff at the end of the contract of employment.

Gratuity for staff who are appointed from Host States is paid at the retirement age in accordance with provident fund rules.

3.9.3 Passage and baggage costs

Passage and baggage costs are recognized as an expense on initial appointment and termination of contract for an employee recruited from outside SASO Host State. This covers the shipment between the employee's Home State and SASO Host State, of personal effects according to the limits.

3.10 Provisions

Provisions are recognized for future liabilities and charges where SASO has a present legal or constructive obligation as a result of past events, and it is probable that the Organization will be required to settle the obligation.

3.11 Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by SASO during the year and represents an increase in net assets/equity. The Organization recognizes revenue following the established criteria of IPSAS 1 (Presentation of Financial Statements), IPSAS 9 (Revenue from Exchange Transactions) and IPSAS 23 (Revenue from Non-Exchange Transactions).

The main sources of revenue for SASO include but are not limited to:

3.11.1 Non-exchange revenue

Member States contributions. Revenue from contributions from Member States and is recorded annually at the beginning of the year.

Rent Donation. Rent donations represents revenue from non-exchange transactions line with the hosting agreement between the Host State and SASO and are recognized as revenue and expenses at the fair value of the right-to-use assets.

International cooperating partner grant. Contributions from development partners are recorded and recognised in the Financial Statements as revenue from non-exchange transactions . International cooperating partner grants are amounts recorded by the organisation associated with increases in the economic resources to its operating activities

The revenue is recognized at fair value, matching revenues with expenditures in the period in which expenditure is incurred for all its funds.

3.12 Expenses

Expenses are defined as decreases in economic benefits or service potential during the reporting period in the form of outflows, consumption of assets, or incurrences of liabilities that result in decreases in net assets/equity. SASO recognizes expenses at the point where goods have been received or services rendered (delivery principle) and accepted by SASO and not when cash or its equivalent is paid.

3.12.1 Office rent

Representing the provision of premises free of charge as per the Hosting Agreement, is recognized at fair value, as per IPSAS 23 revenue from non-exchange transactions. Thus, there is no final impact on the Performance Statement.

3.13 Fund accounting

Fund accounting is a method of segregating resources into categories (i.e. funds) to identify both the source and the use of the funds.

3.13.1 Reserve Fund

- Reserve Fund. The Reserve Fund comprise amounts the Civil Aviation Committee decides to transfer from surplus funds or from any other sources. The fund may be utilised to cover program activities pending delays in the receipt of Member States contributions Amounts borrowed shall be repaid to the Reserve Fund as and when late payments are received.

3.13.2 Contingency Budget

The Contingency Budget is set up through the appropriation of Budgets in the annual budget to cover unforeseen but necessary expenditure that occurs outside the planned annual budget.

3.14 Statement of Cash Flow

The Statement of Cash Flow is prepared using the indirect method.

3.15 Budget comparison

SASO's budget and accounting basis are the same Budgets within the Organization are approved on a modified accrual basis. In addition, budgets and the Financial Statements are both prepared on an annual basis, in line with the IPSAS 24 (Presentation of Budget Information in Financial Statements). The budget is prepared and approved in the United States Dollars (USD) and accordingly, variances are only presented in United States Dollars (USD).

Notes to the Financial Statements

1. Member States' contributions	2025		2024	
	USD	SZL	USD	SZL
Angola	167,298	3,123,274	190,958	3,591,691
Botswana	127,147	2,373,688	145,128	2,729,684
Comoros	107,071	1,998,895	122,213	2,298,680
Democratic Republic of Congo	127,147	2,373,688	145,128	2,729,684
Lesotho	107,071	1,998,895	122,213	2,298,680
Madagascar	107,071	1,998,895	122,213	2,298,680
Malawi	107,071	1,998,895	122,213	2,298,680
Mauritius	107,071	1,998,895	122,213	2,298,680
Mozambique	107,071	1,998,895	122,213	2,298,680
Namibia	107,071	1,998,895	145,128	2,729,684
South Africa	127,147	2,373,688	483,761	9,098,964
Kingdom of Eswatini	127,147	2,373,688	122,213	2,298,680
Seychelles	423,822	7,912,293	145,128	2,729,684
Tanzania	127,147	2,373,688	145,128	2,729,684
Zambia	127,147	2,373,688	145,128	2,729,684
Zimbabwe	127,147	2,373,688	145,128	2,729,684
Member States contributions recognised	2,230,643	41,643,650	2,546,106	47,889,199
Total Member States' contributions	2,230,646	41,643,707	2,546,106	47,889,199

SASO Member States make annual financial contributions to meet budgetary resource requirements of the SASO based on the distribution rates approved by Civil Aviation Committee (CAC).

2. Rent donation	2025		2024	
	USD	SZL	USD	SZL
Rent donation from Kingdom of Eswatini	82,702	1,543,956	71,442	1,343,737
	82,702	1,543,956	71,442	1,343,737

In line with the Hosting Agreement between the Kingdom of Eswatini and SASO, the Kingdom of Eswatini is responsible for providing Offices for the SASO operations. The rental amount meets the conditions of IPSAS 23 for recognition as non-exchange revenue and has been included in the financial statements.

3. International cooperating partner's contributions	2025		2024	
	USD	SZL	USD	SZL
European Union Aviation Safety Agency	145,549	2,717,246	121,635	2,287,806
Total	145,549	2,717,246	121,635	2,287,806

Contributions from ICPs controlled by the SASO are recorded and recognised in the financial statements as revenue from non-exchange transactions.

4. Other income	2025		2024	
	USD	SZL	USD	SZL
Other income	-	-	16,453	309,478
Leave provision movement	-	-	142	2,671
Assignment allowance provision movement	-	-	-	-
Total other Income	-	-	16,595	312,149

The other income in 2023/24 comprised of donations of Property, plant and equipment from ESWACAA to SASO following the operationalisation of the hosting agreement during the financial period

Notes to the Financial Statements

	2025		2024	
5. Investment revenue	USD	SZL	USD	SZL
Interest received	330,841	6,176,445	195,133	3,670,214
Total investment revenue	330,841	6,176,445	195,133	3,670,214

	2025		2024	
6. Operating expenditure	USD	SZL	USD	SZL
Impairment Allowance*	575,507	10,744,083	1,290,153	24,266,230
Bank charges**	9,051	168,977	4,283	80,555
Communication costs	138,664	2,588,710	103,426	1,945,315
Conferences, meetings, and workshops***	324,797	6,063,595	199,367	3,749,877
Depreciation****	21,089	393,715	11,088	208,548
Employee costs	806,965	15,065,147	735,214	15,263,703
Assignment allowance	40,421	754,606	40,045	753,202
Fuel	5,190	96,888	4,215	79,272
Gratuity provision	101,051	1,886,516	100,113	1,883,010
International cooperating partners expenditure	145,549	2,717,246	121,635	2,287,806
Insurance	64,130	1,197,229	63,646	1,197,108
Leave pay provision	23,435	437,507	-	-
Office expenses	12,392	231,339	11,109	208,939
Passage and baggage costs*****	9,926	185,302	-	-
Professional fees	22,122	413,000	14,021	263,722
Rent paid	82,702	1,543,956	71,442	1,343,737
Repair and maintenance	4,503	84,059	872	16,395
Utilities	8,843	165,087	8,648	162,665
Total Operating expenditure	2,396,336	44,736,962	2,779,277	53,710,084

1. Impairment Allowance* - The decrease is due to the additional allowance provided in 2023/24 to cater for prior periods, whereas, in 2024/25, allowance for doubtful debt was for current year receivables for: Comoros, Democratic Republic of Congo, Madagascar, Mauritius and Seychelles.
2. Bank charges** - following increased activities, there has been an increase in number of transactions attracting bank charges.
3. Conferences, meetings, and workshops*** - Additional activities such as the SADC Regional Environment workshop, Operationalisation of MIWG, Induction workshop of new SASO NSIs and other Annual meetings such as CAC and IWG meetings were facilitated.
4. Depreciation**** - Increase due to the impact of donated assets from The Kingdom of Eswatini, following the operationalisation of Hosting Agreement
5. Passage and baggage costs***** - The cost were incurred following the end of Contract of the previous Administrative Assistant

	2025		2024	
7. Cash and cash equivalents	USD	SZL	USD	SZL
Petty cash	111	2,025	9	175
Nedbank Eswatini Limited - current account	197,592	3,602,128	13,667	264,605
Nedbank Eswatini Limited - dollar account	719,522	13,116,952	988,410	19,136,507
First National Bank - dollar account	10,251	186,879	35,631	689,848
Nedbank Eswatini Limited - Gratuity savings USD	350,594	6,391,365	255,190	4,940,708
First National Bank - current account	-	-	14,342	277,674
Sub total	1,278,070	23,299,349	1,307,249	25,309,517
Investments				
Stanlib Investments	1,730,536	31,547,852	1,479,313	28,640,831
Old mutual investments	1,106,328	20,168,467	945,852	18,312,546
Old mutual additional investments	1,171,991	21,365,509	181,988	3,523,452
Treasury Bills	268,484	4,894,494	-	-
Sub Total	4,277,339	77,976,322	2,607,153	50,476,829
Total cash and cash equivalents	5,555,409	101,275,671	3,914,402	75,786,346

*90 days' withdrawal notice is required.

Notes to the Financial Statements

	2025		2024	
	USD	SZL	USD	SZL
8. Receivables from non-exchange contracts				
Current receivables - member states				
Receivable from member states	5,517,943	100,592,655	5,677,564	109,922,744
Less: impairment allowance	(3,506,247)	(63,919,233)	(2,930,740)	(56,741,764)
8.1 CP Recoverable	260	4,740	260	5034
Total current receivables from non-exchange	2,011,956	36,678,162	2,747,084	53,186,014

Impairment allowance has been made from the following countries: Comoros, DRC, Madagascar, Mauritius and Seychelles as they have not provided a payment plan and in addition, have not signed the SASO charter, except for DRC.

8.2 Reconciliation of allowance for impairment of non-exchange receivables:	2025		2024	
	USD	SZL	USD	SZL
Provision for bad debts on Comoros amounts receivable from Member States contributions	229,284	4,179,870	122,213	2,366,154
Provision for bad debts on DRC amounts receivable from Member States contributions	905,533	16,507,957	778,386	15,070,253
Provision for bad debts on Madagascar amounts receivable from Member States contributions	756,999	13,800,149	649,928	12,583,191
Provision for bad debts on Mauritius amounts receivable from Member States contributions	745,499	13,590,521	638,428	12,360,541
Provision for bad debts on Seychelles amounts receivable from Member States contributions	868,933	15,840,736	741,785	14,361,625
Total	3,506,247	63,919,233	2,930,740	56,741,764

9. Receivables from exchange transactions	2025		2024	
9.1 Prepayments	USD	SZL	USD	SZL
Insurance	231	4,212	454	8,790
Utilities	-	-	7,744	149,931
Software licenses	3,137	57,184	-	-
Telephone Cost	75	1,369	-	-
Air tickets	3,906	71,205	-	-
Conference fees	2,658	48,457	-	-
PAYE	4,500	82,033	-	-
		-	-	-
Total prepayments	14,507	264,461	8,198	158,721

9.2 Value added tax receivable	2025		2024	
	USD	SZL	USD	SZL
Tax Recoverable - VAT	8,800	160,425	2,545	49,278
	8,800	160,425	2,545	49,278
Total receivables from exchange transactions	23,307	424,886	10,743	207,999

SASO is exempt from taxes. Taxes included in the suppliers' invoices are claimed from Eswatini Revenue Services in the Kingdom of Eswatini.

Notes to the Financial Statements

10 Property, plant and equipment	Cost Valuation		Accumulated Depreciation		Carrying Amount	
	USD	SZL	USD	SZL	USD	SZL
2025						
Computer software	1,450	26,430	(149)	(2,731)	1,300	23,699
Office equipment	259	4,715	(61)	(1,087)	199	3,628
Motor vehicle	86,390	1,574,896	(32,436)	(591,309)	53,954	983,587
Furniture and fittings	30,475	555,559	(7,750)	(141,280)	22,725	414,279
Office Partition	7,568	137,974	(743)	(13,554)	6,825	124,420
Computer equipment	14,305	260,779	(5,650)	(102,997)	8,655	157,782
	140,447	2,560,353	(46,790)	(852,958)	93,658	1,707,395
2024						
Computer software	1,450	28,073	(12)	(232)	1,438	27,841
Office equipment	259	5,014	-	-	259	5,014
Motor vehicle	87,044	1,685,250	(37,947)	(734,688)	49,097	950,562
Furniture and fittings	30,475	590,024	(3,682)	(71,287)	26,793	518,737
Office Partition	7,569	146,543	(456)	(8,828)	7,113	137,714
Computer equipment	17,713	342,940	(7,037)	(136,243)	10,676	206,697
	144,510	2,797,844	(49,134)	(951,278)	95,376	1,846,565

Carrying Amount	Opening Balance		Additions		Disposals		Charge for the year		Exchange rate movement	Total	
	USD	SZL	USD	SZL	USD	SZL	USD	SZL		USD	SZL
2025											
Computer software	1,438	27,841	-	-	-	-	(138)	(2,572)	(1,570)	1,300	23,699
Office equipment	259	5,014	-	-	-	-	(61)	(1,147)	(239)	199	3,628
Motor vehicle	49,097	950,562	17,653	321,807	(915)	(16,687)	(11,880)	(221,793)	(50,302)	53,954	983,587
Furniture and fittings	26,793	518,737	-	-	-	-	4,068	(75,939)	(28,519)	22,725	414,279
Office Partition	7,113	137,714	-	-	-	-	(288)	(5,370)	(7,924)	6,825	124,420
Computer equipment	10,676	206,697	2,944	53,673	(312)	(5,694)	(4,654)	(86,894)	(10,000)	8,655	157,782
	95,376	1,846,565	20,597	375,480	(1,227)	(22,381)	(21,089)	(393,715)	(98,554)	93,658	1,707,395

Carrying Amount	Opening Balance		Additions		Disposals		Depreciation		Exchange rate movement	Total	
	USD	SZL	USD	SZL	USD	SZL	USD	SZL		USD	SZL
2024											
Computer software	-	-	1,450	28,073	-	-	(12)	(226)	(6)	1,438	27,841
Office equipment	-	-	259	5,014	-	-	-	-	-	259	5,014
Motor vehicle	54,402	993,203	-	-	-	-	(5,305)	(99,781)	57,140	49,097	950,562
Furniture and fittings	12,828	234,205	15,878	307,412	-	-	(1,913)	(35,981)	13,101	26,793	518,737
Office Partition	7,401	135,111	-	-	-	-	(288)	(5,417)	8,020	7,113	137,714
Computer equipment	6,401	116,858	8,056	155,973	(211)	(3,970)	(3,570)	(67,147)	4,983	10,676	206,697
	81,032	1,479,377	25,643	496,472	(211)	(3,970)	(11,088)	(208,552)	83,238	95,376	1,846,565

Notes to the Financial Statements

11. Trade and other payables from exchange transactions	2025		2024	
11.1 Trade payables and accrued expenses	USD	SZL	USD	SZL
Trade payables	58,730	1,070,651	3,167	61,316
Accrued expenses	8,556	155,973	224	4,337
Total Trade payables and accrued expenses	67,286	1,226,624	3,391	65,653
11.1.1 Accrued expenses are analysed as below:				
Fuel	432	7,872	167	3,235
Daily Subsistence Allowance (DSA)	8,124	148,102	57	1,102
	8,556	155,974	224	4,337

11.2 Provisions	2025		2024	
11.2.1. Gratuity	USD	SZL	USD	SZL
Opening Balance as at 1 April	254,189	4,633,886	154,076	2,983,050
Interest	2,485	45,302	-	-
Payments	(34,115)	(621,917)	-	-
Transfers to expenditure	101,051	1,842,174	100,113	1,938,278
Closing Balance as at 31 March	323,610	5,899,445	254,189	4,921,328
Gratuity analysis of amount due				
Due within one year (current portion)	323,610	5,899,445	28,400	549,850
Due after one year	-	-	225,789	4,371,478
Total Gratuity	323,610	5,899,445	254,189	4,921,328

Notes to the Financial Statements

	2025		2024	
	USD	SZL	USD	SZL
11.2.2 Assignment allowance				
Opening Balance as at 1 April	25,503	464,913	61,763	1,195,785
Payments	5,729	104,448	76,306	1,477,345
Transfers to expenditure	40,421	736,870	40,046	775,327
Closing balance as at 30 March	60,195	1,097,335	25,503	493,767
Assignment allowance analysis of amount due				
Due within one year (current portion)	60,195	1,097,335	3,502	67,801
Due after one year	-	-	22,001	425,960
Total assignment allowance	60,195	1,097,335	25,503	493,761
11.2.3. Leave provision				
Opening Balance as at 1 April	33,713	614,584	33,854	655,457
Payments	2,459	44,837	-	-
Transfers to expenditure	23,435	427,222	(142)	2,743
Closing balance as at 30 March	54,689	996,969	33,712	652,714
Leave analysis of amount due				
Due within one year (current portion)	54,689	996,969	33,713	652,714
Total leave	54,689	996,969	33,713	652,714
11.2.4. Trade and other payables from exchange transactions				
Due within one year				
Trade payables and accruals	67,286	1,226,624	3,391	65,653
Gratuity	323,610	5,899,445	28,400	549,850
Leave provision	54,689	996,969	33,713	652,714
Assignment allowance	60,195	1,097,335	3,502	67,7801
Total	505,780	9,220,373	69,006	1,336,018
Due within after one year				
Gratuity	-	-	225,789	4,371,478
Assignment allowance	-	-	22,001	425,960
Total	-	-	247,790	4,797,438

	2025		2024	
	USD	SZL	USD	SZL
12. Trade and other payables from non-exchange transactions				
Member states' contributions	226,116	4,122,110	-	-
Staff debtor	56	1,026	56	1,084
Total Trade and other payables from non-exchange transactions	226,172	4,123,136	56	1,084

Payables from non-exchange transactions represent contributions paid in advance by Angola for the 2025/26 financial period.

13. Reserves

These reserves are created from accumulated surplus. They are in the form of Reserve Fund, and Contingency Budget. These are set aside in accordance with the decisions of the Civil Aviation Committee

	2025		2024	
	USD	SZL	USD	SZL
Opening balance as at 1 April	2,370,050	45,886,301	-	-
Interest	-	-	-	-
Receipts / (payments)	-	-	2,370,050	45,886,301
Foreign exchange translation gain/(losses)	-	(2,680,052)	-	-
Closing balance as at 31 March	2,370,050	43,206,249	2,370,050	45,886,301

14. Notes to Cash Flow Statement		2025		2024	
		USD	SZL	USD	SZL
Surplus/ (deficit) of income over expenditure		501,625	9,364,822	(3,890)	(73,167)
Adjusted for:					
Depreciation		21,089	383,715	11,088	208,552
Investment revenue		(330,841)	(6,176,445)	(195,133)	(3,670,214)
Profit on disposal		(7,359)	(137,383)	(22)	(419)
Gain/(loss) on exchange difference		100,865	(9,295,866)	175,546	7,125,070
Asset donation		-	-	(16,454)	(309,478)
Changes in working capital					
Receivables		722,564	16,290,966	1,210,733	19,058,742
Payables		415,099	7,208,969	66,282	1,560,013
Cash Generated from Operations		1,221,312	17,648,778	1,248,147	23,971,099

15 Financial instruments □ financial risk management

Exposure to currency, interest rate, liquidity and credit risk arises in the normal course of SASO operations. This note presents information about SASO exposure to each of the above risks, policies and processes for measuring and managing risk, and SASO's management of capital. Further quantitative disclosures are included throughout these financial statements.

15.1 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the SASO financial instruments.

Financial assets	Carrying amount		Fair value	
	USD	SZL	USD	SZL
2024				
Cash and cash equivalents	3,914,402	75,786,346	3,914,402	75,786,346
Receivables from non-exchange transactions	2,747,084	53,186,014	2,747,084	53,186,014
Receivables from exchange transactions	10,743	207,999	10,743	207,999
	6,672,229	129,180,359	6,672,229	129,180,359

Notes to the Financial Statements

Financial assets	Carrying amount		Fair value	
	USD	SZL	USD	SZL
2025				
Cash and cash equivalents	5,555,409	101,275,672	5,555,409	101,275,672
Receivables from non-exchange transactions	2,011,956	36,678,162	2,011,956	36,678,161
Receivables from exchange transactions	23,307	424,885	23,307	424,885
	7,590,672	138,378,719	7,590,672	138,378,718

Financial liabilities	Carrying amount		Fair value	
	USD	SZL	USD	SZL
2024				
Payable from exchange transactions	69,006	1,336,018	69,006	1,336,018
Payables from non-exchange transactions	56	1,084	56	1,084
	69,062	1,337,102	69,062	1,337,102
2025				
Payable from exchange transactions	505,780	9,220,373	505,778	9,220,380
Payables from non-exchange transactions	226,172	4,123,136	226,172	4,123,136
	731,952	13,343,509	731,950	13,343,517

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

15.2 Credit risk

Credit risk is the risk of financial loss to SASO if customers or counterparties to financial instruments fail to meet their contractual obligations, and arises principally from SASO's receivables, and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 March 2025 was:

	2025		2024	
	USD	SZL	USD	SZL
Cash and cash equivalents	5,555,409	101,275,671	3,914,402	75,786,346
Receivables from non exchange transactions	2,011,956	36,678,162	2,747,084	53,186,014
Receivables from exchange transactions	23,307	424,885	10,743	207,999
Maximum exposure to credit risk	7,590,672	138,378,718	6,672,229	129,180,359

Credit quality

Credit quality is assessed risk of default attached to counterparties to which SASO extends credit and also those parties with whom SASO invests. As such, the credit quality assessed extends to the customers and banks of SASO.

For financial statement purposes, the investments and balances with banks are limited to the cash and cash equivalents line item in the statement of financial position. SASO determines credit quality of the investments and banks using information obtained from external rating agencies. In accordance with its financial risk management policy, SASO does not make deposits with banks with a credit rating below BBB+. Accordingly, the credit rating attached to the cash and cash equivalents line item is, as follows:

Notes to the Financial Statements

	2025	2024
	Rating	Rating
Cash and cash equivalents	BBB+	BBB+

The customer base of SASO is diverse and consists of individuals, companies, non-profit organizations and government entities. Credit ratings, from external rating agencies, are not readily available for all customers. Also, it is not financially viable to obtain external credit ratings for all customers due to the nature of the customer base. For the purpose of determining the credit quality of customers, SASO applies its past experience with customers in determining the risk of default posed by customers. In line with the methodology applied, customers are classified into the following credit quality groups:

High

This category represents those customers who have no history of defaulting on payments to SASO and only includes customers who settle their accounts in full and within the prescribed minimum period.

Medium

This category represents those customers with a history of late payments only. These customers usually arrange ahead of time with SASO in settling balances in arrears and when payments are made, the outstanding amounts (including interest) are settled in full.

Low

This category represents customers with a significant history of defaults. The balances of these customers are rarely settled in full. The recovery of outstanding balances from these customers is doubtful.

The credit quality of the balance of trade and other receivables is made up, as follows:

	2025		2024	
	USD	SZL	USD	SZL
High	-	-	-	-
Medium	2,035,263	37,103,047	2,757,827	53,394,013
Low	-	-	-	-
Total trade and other receivables at amortized cost exposed to credit risk	2,035,263	37,103,047	2,757,827	53,394,013

Receivables

Receivables are amounts owed to the SASO, and are presented net of impairment losses. SASO has a credit risk framework in place, and the exposure to credit risk is monitored on an ongoing basis. There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review.

SASO's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial performance. SASO has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographic area. The SASO establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables.

The average credit period on services rendered is 30 days from date of invoice. SASO provided fully for all receivables outstanding over 2 years where there was no evidence of expected recovery. Receivables are provided for when there is no payment plan in place.

Cash and cash equivalents

SASO limits its exposure to credit risk by investing cash and cash equivalents with only reputable financial institutions that have a sound credit rating, and within specific guidelines set in accordance with the approved Investment Policy. Consequently, SASO does not consider there to be any significant exposure to credit risk.

15.3 Liquidity risk

Liquidity risk is the risk of SASO not being able to meet its obligations as they fall due. SASO's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to SASO's reputation.

SASO ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts. Receivables are settled within 30 days after the due date, and payables are settled within 30 days of invoice.

Contractual liabilities are as follows

ON DEMAND		
2024	USD	SZL
Liabilities		
Payables from exchange transactions	69,006	1,336,018
Payables non exchange transactions	56	1,084
Total liabilities	69,062	1,337,102

ON DEMAND		
2025	USD	SZL
Liabilities		
Payables from exchange transactions	505,780	9,220,373
Payables non exchange transactions	226,172	4,123,136
Total liabilities	731,952	13,343,509

15.4 Currency risk

SASO is exposed to foreign-currency risk through the award of contracts and provision of imprest to cover payments. SASO manages any material direct exposure to foreign-currency risk by ensuring foreign currency liabilities are matched with the currency of funding.

15.5 Market risk

Market risk is the risk of changes in market prices, such as foreign-exchange rates and interest rates, affecting the SASO's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk. The weighted average interest rates and maturity profile on financial instruments as at 31 March 2025 are as follows:

Notes to the Financial Statements

	Weighted average interest rates	1 year or less	1 year or less
	USD	USD	SZL
Financial assets			
Cash and cash equivalents	7.5%	5,555,409	101,275,671
Receivables from non-exchange transactions		2,011,956	36,678,162
Exchange receivables		23,307	424,885
Total Financial Assets		7,590,672	138,378,718
Financial liabilities			
Payables from exchange transactions		505,780	9,220,373
Payables from non exchange transactions		226,172	4,123,136
Total liabilities		731,952	13,343,509

Interest rate sensitivity analysis Financial assets

If the weighted average interest rate at 31 March 2025 had been 100 basis points higher or lower the interest income and interest expense would have been affected as follows:

2025	Increase (+)/ Decrease (-) in base points	Effect on Surplus/ deficit	
		USD	SZL
Financial assets			
Cash and cash equivalents	100	3,308	61,764
	-100	(3,308)	(61,764)
2024	Increase (+)/ Decrease (-) in base points	Effect on Surplus/ deficit	
		USD	SZL
Financial assets			
Cash and cash equivalents	100	1,951	36,702
	-100	(1,951)	(36,702)

Notes to the Financial Statements

15.6 Total investments – net		2025		2024	
Description	Credit ratings	USD	SZL	USD	SZL
Investments under current AssetsCash and cash equivalent held by investment portfolio:					
Internally managed funds					
Nedbank	BB-	1,267,819	23,112,470	1,257,276	24,341,995
FNB	BB-	10,251	186,879	49,973	967,522
Sub total		1,278,070	23,299,349	1,307,249	25,309,517
Externally managed funds					
Stanlib	AA+	1,730,536	31,547,852	1,479,313	28,640,831
Old Mutual	AA+	2,278,319	41,533,976	1,127,840	21,835,998
Central Bank of Eswatini Treasury bills	B2	268,484	4,894,494	-	-
Sub total		4,277,339	77,976,322	2,607,153	50,476,829
Receivables					
Receivables non-exchange transactions		2,011,956	36,678,162	2,747,084	53,186,014
Receivables exchange transactions		23,307	424,885	10,743	207,999
Sub total		2,035,263	37,103,047	2,757,827	53,394,013
Total investments under current assets		7,590,672	138,378,718	6,672,229	129,180,359
Financial liabilities under current liabilities					
Trade and other payables from exchange transactions		505,780	9,220,373	69,006	1,336,018
Trade and other payables from non exchange transactions		226,172	4,123,136	56	1,084
Total financial liabilities under current liabilities		731,952	13,343,509	69,062	1,337,102
Total investments – net		6,858,720	125,035,209	6,603,167	127,843,257

Notes:

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