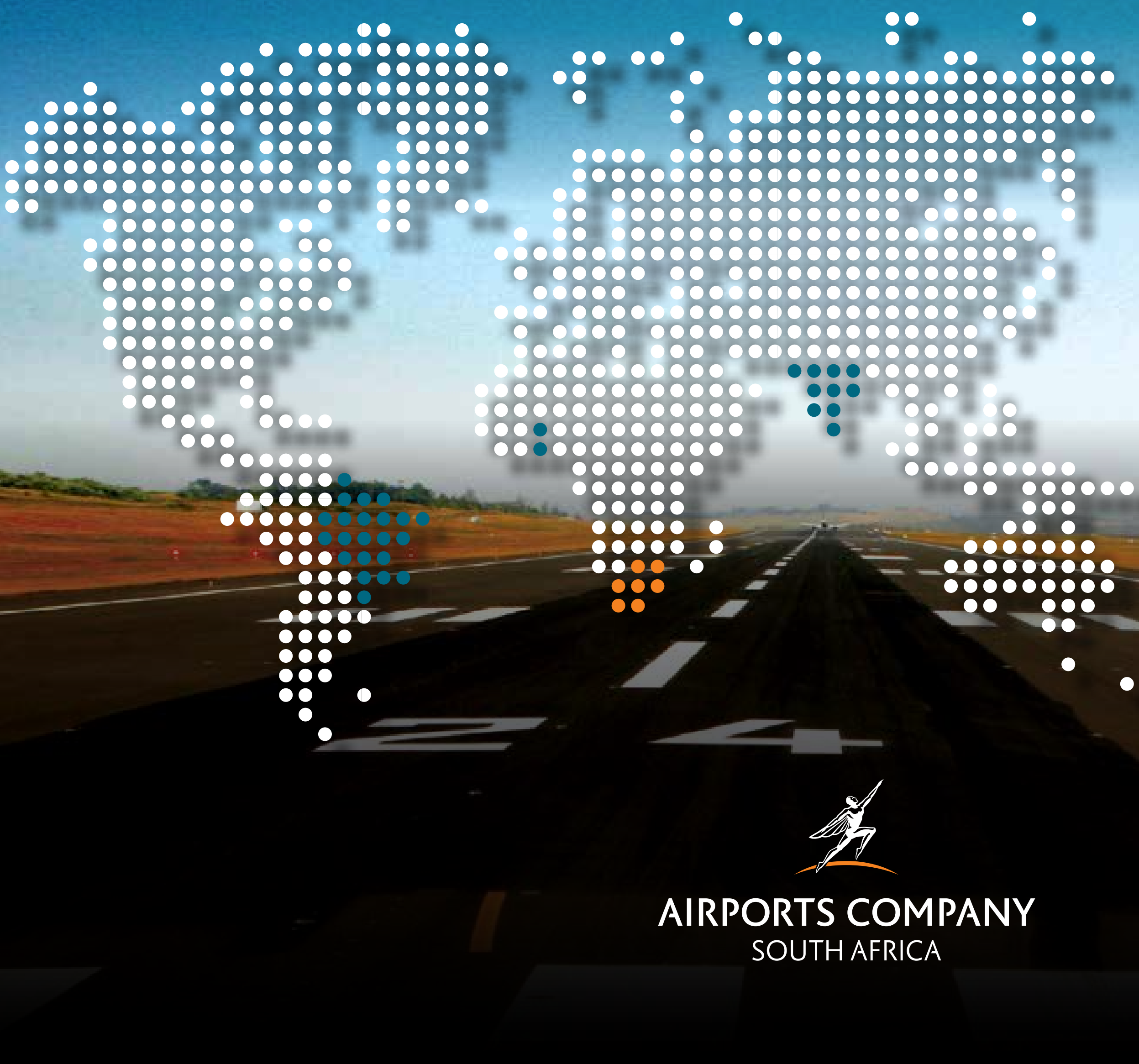
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

2015

DRIVING NEW FRONTIERS FOR SUSTAINABLE GROWTH



AIRPORTS COMPANY
SOUTH AFRICA

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Company registration number	1993/004149/30
Directors	S Macozoma# (Chairman, effective 1 March 2015) B Mabuza# (Chairman resigned 28 February 2015) R Morar# J Lamola# B Luthuli# C Mabude# P Mabelane# (resigned 31 December 2014) K Moroka# T Ramano# (resigned 28 February 2015) D Botha# M Mabela# (appointed 1 March 2015) S Simelane# (appointed 1 March 2015) M Matlou# (appointed 1 March 2015) B Maseko* M Manyama*
Registered office	The Maples Riverwoods Office Park 24 Johnson Road Bedfordview 2008
Postal address	PO Box 75480 Gardenview 2047
Bankers	Standard Bank Nedbank
Auditors	Auditor-General South Africa
Secretary	N Kekana

Non-executive director
* Executive director

CONTENTS

The reports and statements set out below comprise the consolidated annual financial statements presented to the shareholders:

These consolidated annual financial statements were prepared under the supervision of the Chief Financial Officer: Maureen Manyama CA(SA).

These consolidated annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

REPORT OF THE BOARD AUDIT AND RISK COMMITTEE

For the year ended 31 March 2015

The Board Audit and Risk Committee ("Committee") of the Airports Company South Africa consists of four non-executive directors. The skills and competencies of the members are outlined on pages 138 to 141 of the integrated report. The Committee operated under terms of reference which is approved by the Board. The Committee has carried out its duties as per the Companies Act and the Public Finance Management Act, including the special mandates that are assigned by the Board from time to time.

The Committee reports that it has discharged its responsibilities as it relates to the following, namely review of:

- The Group's policies and procedures for detecting and preventing fraud.
- The effectiveness of the Group's policies, systems and procedures.
- The controls over significant financial and operational risks.
- Any other matters referred to it by the Board of Directors.
- The Group's compliance with significant legal and regulatory provisions.
- The significant reported cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees and or Group.
- The internal audit charter to ensure internal audit function discharges its responsibilities with independence and objectivity and in accordance with the International Standards for The Professional Practice of Internal Auditing (Standards).
- The effectiveness and adequacy of the Internal Audit department and adequacy of its annual work plan.
- Considered whether the independence, objectives, organisation, resourcing plans, financial budgets, audit plans and standing of internal audit function provide adequate support to enable the Committee to meet its objectives.
- The results of the work performed by the internal audit function in relation to financial reporting, corporate governance, risk areas, internal control, significant investigation and management response.
- The independence and objectivity of external auditors.
- The external auditor's findings and reports submitted to management.
- The accounting and auditing concerns identified by internal and external auditors.
- The adequacy, reliability and accuracy of financial information provided by management and other users of such information.
- The integrated report and consolidated annual financial statements, performance and prospects of the Group and recommendation for approval to the Board of Directors.

The Committee is of the opinion that the internal financial controls are adequate to ensure that the financial records may be relied upon in the preparation of the consolidated annual financial statements, and accountability for assets and liabilities is maintained. The conclusion has been reached based on the discussions and explanations obtained from management, external and internal auditors based on the results of their audits.

No significant matters relating to the material breakdown of internal controls have come to the attention of the Committee, other than those reported in the directors' report. The Committee is satisfied that the accounting policies adopted in the preparation of the consolidated annual financial statements are appropriate, and that the judgements and estimates made in their preparation are reasonable and prudent.

The Committee reviewed the 'going concern' of the Company and is satisfied that the adoption of the going concern premise in the preparation of the consolidated annual financial statements is appropriate.

We therefore recommend that the consolidated annual financial statements, as submitted, be approved.

On behalf of the Board Audit and Risk Committee.

B Luthuli
Chairman

31 July 2015

DIRECTORS' RESPONSIBILITIES AND APPROVAL

For the year ended 31 March 2015

The directors are required in terms of the Companies Act No. 71 of 2008, Treasury Regulations and the Public Finance Management Act No. 1 of 1999 as amended (PFMA), to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards (IFRS). The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The external auditors are responsible for independently auditing and reporting on the group's consolidated annual financial statements. The consolidated annual financial statements have been examined by the group's external auditors and their report is presented on pages 5 to 9.

The consolidated annual financial statements set out on pages 12 to 68, which have been prepared on the going concern basis, were approved by the Board of Directors on 31 July 2015 and were signed on its behalf by:

S Macozoma
Chairman
31 July 2015

R Morar
Deputy Chairman
31 July 2015

COMPANY SECRETARY'S CERTIFICATION

For the year ended 31 March 2015

DECLARATION BY THE GROUP SECRETARY IN RESPECT OF SECTION 88(2)(e) OF THE COMPANIES ACT

In terms of section 88(2)(e) of the Companies Act, No. 71 of 2008, as amended, I certify that the group has lodged with the Commissioner all such returns as are required of a state owned company in terms of the Companies Act and that all such returns are true, correct and up to date.

In terms of section 8(1) of the Airports Company Act, No. 44 of 1993, I certify that, for the financial year ended 31 March 2015, Airports Company South Africa SOC Limited has lodged, with the Minister of Transport, the consolidated annual financial statements in respect of the preceding financial year.

N Kekana
Company Secretary

31 July 2015

Report of the auditor-general to Parliament on Airports Company South Africa SOC Limited

Report on the consolidated and separate financial statements

Introduction

1. I have audited the consolidated and separate financial statements of the Airports Company South Africa SOC Limited and its subsidiaries set out on pages 12 to 68, which comprise the consolidated and separate statement of financial position as at 31 March 2015, the consolidated and separate statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

The board of directors' responsibility for the consolidated and separate financial statements

2. The board of directors, which constitutes the accounting authority is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Companies Act of South Africa, 2008 (Act No. 71 of 2008), and for such internal control as the accounting authority determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

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

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

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Airports Company South Africa SOC Limited and its subsidiaries as at 31 March 2015 and their financial performance and cash flows for the year then ended, in accordance with IFRS and the requirements of the PFMA and Companies Act.

Additional matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Prior year audited by a predecessor auditor

8. The financial statements of the prior year were audited by a predecessor auditor in terms of section 4(3) of the Public Audit Act on 31 July 2014.

Report of the auditor-general to Parliament on Airports Company South Africa SOC Limited
(Continued)

Unaudited supplementary schedules

9. The supplementary information set out on page 69 (annexure 1) does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon

Other reports required by the Companies Act

10. As part of my audit of the financial statements for the year ended 31 March 2015, I have read the directors' report, the audit committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements.

    These reports are the responsibility of the respective preparers. Based on reading these reports I have not identified material inconsistencies between the reports and the audited financial statements. I have not audited the reports and accordingly do not express an opinion on them.

Report on other legal and regulatory requirements

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

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objectives presented in the annual performance report of the public entity for the year ended 31 March 2015:
    - Deliver long term profitability on page 32 of the integrated report
    - Control funding and cost of borrowing on page 32 of the integrated report
    - Entrench and deepen partner relationship on page 33 of the integrated report
    - Deliver exceptional passenger services on page 33 of the integrated report
    - Enhance returns (Identify and secure new business) on page 34 of the integrated report
    - Continually re-engineer and align business operations and processes on page 34 of the integrated report
    - Inclusive infrastructure capacity planning and development on page 35 of the integrated report
    - Leverage IT for competitive advantage on page 35 of the integrated report
    - Good governance on page 36 of the integrated report.

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

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

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

16. The material findings in respect of the selected objectives are as follows:

Objective: Entrench and deepen partner relationship

Usefulness of reported performance information

17. Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. 100% of the indicators were not well defined.

Objective: Enhance returns (Identify and secure new business)

Usefulness of reported performance information

18. Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. 50% of the indicators were not well defined.

Reliability of reported performance information

19. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. 50% of the targets were not reliable when compared to the source information or evidence provided. This was due to the indicators not being consistent with the reported performance information.

Objective: Continually re-engineer and align business operations and processes

Reliability of reported performance information

20. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Adequate and reliable corroborating evidence could not be provided for 50% of the targets to assess the reliability of the reported performance information. The system used to record the safety and security incidents is live and does not provide historical data. The auditee's records did not permit the application of alternative audit procedures.

Objective: Inclusive infrastructure capacity planning and development

Usefulness of reported performance information

21. Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. 100% of the indicators were not well defined.

Objective: Good governance

Usefulness of reported performance information

22. Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. 100% of the indicators were not well defined.

23. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following objectives:
    - Deliver long term profitability
    - Control funding and cost of borrowing
    - Deliver exceptional passenger services
    - Leverage IT for competitive advantage

Additional matters

24. I draw attention to the following matters:

Achievement of planned targets

25. Refer to the annual performance report on pages 32 to 39 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected objectives reported in paragraphs 17 to 22 of this report.

Adjustment of material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information of Good governance, Inclusive infrastructure capacity planning and development and Leverage IT for competitive advantage. As management subsequently corrected the misstatements I did not raise any material findings on the reliability of the reported performance information.

Compliance with legislation

27. I performed procedures to obtain evidence that the public entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Strategic planning and performance management

28. The corporate plan does not cover the affairs of the subsidiaries in accordance with section 52 (b) of the PFMA and practice note 4 of 2009-10 issued by the National Treasury.

Financial statements, performance and annual reports

29. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1)-(b) of the PFMA and section 29(1)-(a) of the Companies Act. Material misstatements pertaining to investment properties, fair value adjustment, capital commitments, future lease income, future lease payments and deferred taxation identified by the auditors in the submitted financial statements were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

30. The accounting authority did not take effective steps to prevent irregular expenditure and fruitless and wasteful expenditure, as required by section 51(1)-(b)-(ii) of the PFMA.

Procurement and contract management

31. Certain goods, works or services were not procured through a procurement process which is fair, equitable, transparent and competitive as required by section 51(1)-(a)-(iii) of the PFMA.

32. The procurement system did not comply with the requirements of a fair SCM (Supply chain management) system as per section 51(1)-(a)-(iii) of the PFMA, in that:
    - some invitations for competitive bidding were not advertised for a minimum period as prescribed in the SCM policy

33. Certain contracts and quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by the Preferential Procurement Regulation 14.

Internal control

34. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

Leadership

35. The corporate plan was developed within the balance score card framework instead of the National Treasury's FMPPI.

36. The corporate plan was not adequately reviewed to ensure that the reported performance information is aligned to the targets.

37. The subsidiary governance framework was developed and approved after the corporate plan had been approved by the executive authority.

Financial and performance management

38. SCM officials were not adequately trained on the implementation of the SCM policy and the relevant laws and regulations.

39. Insufficient monitoring controls by management over the procurement and contract management process.

40. The previous SCM policy was not aligned to the Preferential Procurement Regulations and the updated policy became effective on 1 September 2014.

41. Lack of effective controls to prevent and detect non-compliance with laws and regulations in the procurement and contract management environment.

42. Annual financial statements were not adequately reviewed to ensure compliance with the reporting framework before submission for audit.

Auditor-General

Pretoria

31 July 2015

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

DIRECTORS' REPORT

For the year ended 31 March 2015

GENERAL INFORMATION

The directors have pleasure in submitting their report on the consolidated annual financial statements of Airports Company South Africa SOC Limited for the year ended 31 March 2015.

The Company was established in terms of the Airports Company Act, No. 44 of 1993 as amended and the Companies Act, No. 71 of 2008 as amended.

NATURE OF BUSINESS

The principal activities of the Company are the acquisition, establishment, development, provision, maintenance, management, control and operation of airports or part of any airport or any facilities or services that are normally performed at an airport.

There have been no material changes to the nature of the Group's business from prior years.

REVIEW OF OPERATIONS

Revenue for the Group amounted to R7.8 billion (2014: R7.1 billion), including non-aeronautical revenue of R2.8 billion (2014: R2.6 billion).

Profit before income tax for the Group amounted to R2.3 billion (2014: R2.3 billion).

The profit for the year for the Group was R1.6 billion (2014: R1.7 billion) after taxation expense of R716 million (2014: R591 million).

DIVIDENDS

The Board of Directors has approved an ordinary dividend of R274 million for the 2015 financial year (2014: R300 million).

CAPITAL EXPENDITURE

During the year R826 million (2014: R928 million) was spent on capital expenditure relating to improvements, expansions and replacements by the Group. (Refer to notes B1, B2 and G1 for more details).

SHARE CAPITAL

There were no changes to the authorised and issued share capital of the company and the Group during the financial year.

GOING CONCERN

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The Group has a 100% interest in ACSA Global Ltd, a management company incorporated in Mauritius. The investment has been accounted for as a subsidiary.

Airports Company South Africa SOC Limited holds a 100% interest in JIA Piazza (Pty) Ltd. The investment has been accounted for as a subsidiary.

Airports Company South Africa SOC Limited holds a 100% interest in Precinct 2A (Pty) Ltd. The investment has been accounted for as a subsidiary.

ACSA Global Ltd holds a 10% interest in the Mumbai International Airport concession (MIAL). ACSA Global Ltd is registered in Mauritius. The investment has been accounted for as an associate.

The Group has a 50% interest in Airport Logistics Property Holdings (Pty) Ltd, which is a joint venture between the company and The Bidvest Group Ltd. The investment has been accounted for as a joint venture using the equity method of accounting.

Airports Company South Africa SOC Ltd has a 40% interest in the La Mercy JV Property Investments (Pty) Ltd, a property holding, development and letting company. The investment has been accounted for as an associate.

Airports Company South Africa SOC Ltd holds a 10% interest in Aeroporto de Guarulhos Participações S.A. Aeroporto de Guarulhos Participações S.A. is registered in Brazil. The investment has been accounted for as an associate.

Details of the assets, liabilities, revenues and expenses of the joint ventures and associates that are included in the consolidated statement of comprehensive income and the consolidated statement of financial position are set out in notes E1, E2 and E3 of the consolidated annual financial statements.

The Group's accounts include the consolidation of the Airports Management Share Incentive Scheme Company (Pty) Ltd and Lexshell 342 Investment Holdings (Pty) Ltd. These companies are consolidated in terms of International Financial Reporting Standards. The Group consolidates these entities as it is exposed to significant risks that are associated with loans extended to the entities to acquire shares of the company.

DIRECTORS AND SECRETARY

Details of the Directors and Secretary of the company are given on pages 138 to 141 of the integrated report.

INTERESTS OF DIRECTORS AND OFFICERS

No contracts were entered into in which Directors and officers of the company had an interest and which affect the business of the Group. The Directors had no interest in any third party or company responsible for managing any of the business activities of the Group. The emoluments of directors are determined by the shareholders. No long-term service contracts exist between Directors and the Group. (Directors emoluments can be found in note G11.)

INFORMATION REQUIRED IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT

In terms of the materiality framework agreed with the shareholder and as per section 55(2)(b)(i) and (ii) of the PFMA, any losses due to criminal conduct or irregular or fruitless and wasteful expenditure that individually (or collectively where items are closely related) exceed R60 million, must be disclosed separately, including any criminal or disciplinary steps taken as a consequence of such losses or irregular or fruitless and wasteful expenditure.

Fruitless and wasteful expenditure of R13 million (2014: R1.7 million) in relation to:

1 losses in relation to cancelled tenders;

2 non-compliance to the Treasury Risk Management Policy Framework and the ACSA SCM Policy and Procedure Manual, (ie by not properly managing the foreign exchange risk by taking a forward cover); and

3 Competition Commission penalty – price-fixing in the market for the supply of parking bays to car rental companies at O.R. Tambo International Airport and Gautrain stations.

Irregular expenditure of R171 million (2014: R140 million). The figure for the 2014 financial year has been adjusted to reflect incidents that led to irregular expenditure identified in the current financial year, but the expenditure was incurred in the previous financial year. (Refer to note G.13 for more details.)

The irregular expenditure incidents relate to contravention of the supply chain management policy and the Preferential Procurement Policy Framework Act (PPPFA) and regulations.

The Directors ensure that management has controls in place to monitor and report on this type of expenditure on a regular basis. This information is considered and presented to the Executive Committee (Exco) and the Audit and Risk Committee for review on a quarterly basis.

Management has controls in place to monitor and report on this type of expenditure on a regular basis. This information is considered and presented to Exco and the Audit and Risk Committee for review on a quarterly basis.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

		GROUP			COMPANY		
Figures in Rand thousand	Note	2015	2014	2013	2015	2014	2013
ASSETS							
Non-current assets							
Property and equipment	B.2	**19 142 498**	19 711 503	20 173 192	**19 105 318**	19 675 933	20 145 391
Investment property	B.1	**3 693 480**	3 275 949	2 991 127	**3 371 332**	2 923 205	2 610 053
Intangible assets	G.1	**55 657**	110 608	150 480	**55 657**	110 608	150 465
Investments in subsidiaries	E.1	**–**	–	–	**785 586**	790 006	782 750
Investments in joint ventures	E.2	**127 942**	107 383	85 078	**–**	–	–
Investments in associates	E.3	**1 348 026**	1 422 739	932 832	**296 056**	293 327	112 273
Other non-current assets	D.6	**145 850**	228 714	270 096	**145 850**	228 714	270 096
		24 513 453	24 856 896	24 602 805	**23 759 799**	24 021 793	24 071 028
Current assets							
Inventories		**1 391**	1 180	6 222	**–**	–	–
Derivative financial instruments	C.3	**701**	–	11 215	**701**	–	11 215
Current tax receivable		**4 980**	461	614	**–**	–	–
Trade and other receivables	D.1	**1 183 312**	942 765	928 599	**1 172 113**	935 034	919 267
Investments	G.4	**515 899**	1 073 569	1 204 998	**515 899**	1 073 569	1 204 998
Cash and cash equivalents	D.2	**1 226 566**	1 014 508	1 254 120	**1 198 914**	973 461	1 204 173
		2 932 849	3 032 483	3 405 768	**2 887 627**	2 982 064	3 339 653
Total assets		**27 446 302**	27 889 379	28 008 573	**26 647 426**	27 003 857	27 410 681
EQUITY AND LIABILITIES							
Equity							
Share capital – Ordinary	G.5	**500 000**	500 000	500 000	**500 000**	500 000	500 000
Share premium	G.5	**250 000**	250 000	250 000	**250 000**	250 000	250 000
Treasury share reserve		**(44 024)**	(44 024)	(44 024)	**–**	–	–
Other reserves	G.6	**67 887**	(77 467)	(204 355)	**163 709**	119 831	62 212
Retained income		**13 221 663**	11 951 507	10 336 978	**12 480 596**	11 002 535	9 563 973
		13 995 526	12 580 016	10 838 599	**13 394 305**	11 892 366	10 376 185
Liabilities							
Non-current liabilities							
Derivative financial instruments	C.3	**50 719**	48 081	226 551	**50 719**	48 081	226 551
Retirement benefit obligation	G.3	**30 831**	34 858	186 484	**30 831**	34 858	186 484
Deferred income	G.7	**62 859**	69 614	72 249	**62 859**	69 614	72 249
Deferred tax liability	G.2	**1 129 701**	1 125 960	956 461	**952 230**	948 680	847 440
Interest-bearing borrowings	C.1	**10 036 846**	11 125 401	11 880 638	**10 036 846**	11 125 401	11 880 910
		11 310 956	12 403 914	13 322 383	**11 133 485**	12 226 634	13 213 634
Current liabilities							
Derivative financial instruments	C.3	**24 304**	51 601	45 383	**24 304**	51 601	45 383
Current tax payable		**61 999**	68 644	20 437	**61 999**	67 938	20 437
Trade and other payables	D.3	**725 658**	758 599	833 876	**706 974**	740 213	808 919
Deferred income	G.7	**3 339**	2 731	2 699	**3 339**	2 731	2 699
Provisions	G.8	**184 816**	177 365	103 500	**184 816**	177 365	103 500
Interest-bearing borrowings	C.1	**1 139 704**	1 846 509	2 841 696	**1 138 204**	1 845 009	2 839 924
		2 139 820	2 905 449	3 847 591	**2 119 636**	2 884 857	3 820 862
Total liabilities		**13 450 776**	15 309 363	17 169 974	**13 253 121**	15 111 491	17 034 496
Total equity and liabilities		**27 446 302**	27 889 379	28 008 573	**26 647 426**	27 003 857	27 410 681

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

		GROUP		COMPANY	
Figures in Rand thousand	Note	2015	Restated 2014	2015	Restated 2014
Revenue	A.1	**7 761 209**	7 126 961	**7 611 704**	6 981 504
Other income	A.2	**365 426**	257 856	**405 908**	286 050
Employee costs	A.3	**(1 066 166)**	(992 804)	**(1 041 677)**	(967 268)
Operating expenses	A.4	**(1 876 360)**	(1 744 984)	**(1 813 804)**	(1 676 035)
Earnings before interest, tax, depreciation and amortisation		**5 184 109**	4 647 029	**5 162 131**	4 624 251
Depreciation, amortisation and impairments	B.2 & G.1	**(1 393 491)**	(1 412 665)	**(1 388 753)**	(1 408 391)
(Loss)/Profit from equity accounted investments	E.2 & E.3	**(155 446)**	228 582	**–**	–
Finance income	C.2	**87 098**	64 702	**141 352**	120 619
Finance costs	C.2	**(1 313 554)**	(1 380 960)	**(1 313 554)**	(1 380 960)
(Losses)/Gains on remeasurement and disposal of financial instruments	C.2	**(126 043)**	156 454	**(126 043)**	156 454
Profit before taxation		**2 282 673**	2 303 142	**2 475 133**	2 111 973
Taxation	G.9	**(716 094)**	(590 688)	**(717 072)**	(554 304)
Profit for the year		**1 566 579**	1 712 454	**1 758 061**	1 557 669
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Actuarial gain		**1 453**	43 987	**1 453**	43 987
Gains and losses on property revaluation		**–**	20 710	**–**	20 710
Income tax relating to items that will not be reclassified		**(407)**	(18 111)	**(407)**	(18 111)
Total items that will not be reclassified to profit or loss		**1 046**	46 586	**1 046**	46 586
Items that may be reclassified to profit or loss					
Exchange differences on translating foreign operations		**130 583**	86 380	**–**	–
Effects of cash flow hedges		**59 490**	15 323	**59 490**	15 323
Income tax relating to items that may be reclassified		**(45 763)**	(21 401)	**(16 657)**	(4 290)
Total items that may be reclassified to profit or loss		**144 310**	80 302	**42 833**	11 033
Other comprehensive income for the year net of taxation		**145 356**	126 888	**43 879**	57 619
Total comprehensive income for the year		**1 711 935**	1 839 342	**1 801 940**	1 615 288
Earnings per share					
Per share information					
Basic earnings per share (cents)	G.10	**317.10**	346.62	**351.61**	311.53
Diluted earnings per share (cents)	G.10	**317.10**	346.62	**351.61**	311.53

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

Figures in Rand thousand	Share capital	Share premium	Treasure share reserve	Other reserves	Retained income	Total equity
GROUP						
Balance at 1 April 2013 – previously reported	500 000	250 000	(44 024)	(204 355)	10 437 027	10 938 648
Adjustments – prior period error	–	–	–	–	(100 049)	(100 049)
Balance at 1 April 2013 – restated	500 000	250 000	(44 024)	(204 355)	10 336 978	10 838 599
Profit for the year – restated	–	–	–	–	1 712 454	1 712 454
Other comprehensive income:						
Actuarial losses on defined benefit post-retirement medical aid liability, net of tax	–	–	–	31 675	–	31 675
Gain on revaluation of investment property, net of tax	–	–	–	14 911	–	14 911
Foreign currency translation differences, net of tax	–	–	–	69 269	–	69 269
Cash flow hedge reserve on derivative financial instruments, net of tax	–	–	–	11 033	–	11 033
Dividends declared	–	–	–	–	(97 925)	(97 925)
Balance at 1 April 2014 – restated	**500 000**	**250 000**	**(44 024)**	**(77 467)**	**11 951 507**	**12 580 016**
Balance at 1 April 2014 – previously reported	**500 000**	**250 000**	**(44 024)**	**(77 467)**	**12 021 612**	**12 650 121**
Adjustments – prior period error					**(70 105)**	**(70 105)**
Profit for the year	**–**	**–**	**–**	**–**	**1 566 579**	**1 566 579**
Other comprehensive income:						
Actuarial losses on defined benefit post-retirement medical aid liability, net of tax	**–**	**–**	**–**	**1 046**	**–**	**1 046**
Foreign currency translation differences, net of tax	**–**	**–**	**–**	**101 476**	**–**	**101 476**
Cash flow hedge reserve on derivative financial instruments, net of tax	**–**	**–**	**–**	**42 832**	**–**	**42 832**
Dividends declared	**–**	**–**	**–**	**–**	**(296 423)**	**(296 423)**
Total other comprehensive income	**–**	**–**	**–**	**145 354**	**(296 423)**	**(151 069)**
Balance at 31 March 2015	**500 000**	**250 000**	**(44 024)**	**67 887**	**13 221 663**	**13 995 526**
Note	G.5	G.5		G.6		

Figures in Rand thousand	Share capital	Share premium	Other reserves	Retained income	Total equity
COMPANY					
Balance at 1 April 2013 – previously reported	500 000	250 000	(83 928)	9 487 940	10 154 012
Adjustments – prior period error	–	–	146 140	76 033	222 173
Balance at 1 April 2013 – restated	500 000	250 000	62 212	9 563 973	10 376 185
Profit for the year – restated	–	–	–	1 557 669	1 557 669
Other comprehensive income:					
Actuarial losses on defined benefit post-retirement medical aid liability, net of tax	–	–	31 675	–	31 675
Gain on revaluation of investment property, net of tax	–	–	14 911	–	14 911
Cash flow hedge reserve on derivative financial instruments, net of tax	–	–	11 033	–	11 033
Dividends declared	–	–	–	(99 107)	(99 107)
Balance at 1 April 2014 – restated	**500 000**	**250 000**	**119 831**	**11 022 535**	**11 892 366**
Balance at 1 April 2014 – previously reported	**500 000**	**250 000**	**(26 309)**	**10 953 801**	**11 677 492**
Adjustments – prior period error			**146 140**	**68 734**	**214 874**
Profit for the year	**–**	**–**	**–**	**1 758 061**	**1 758 061**
Other comprehensive income:					
Actuarial losses on defined benefit post-retirement medical aid liability, net of tax	**–**	**–**	**1 046**	**–**	**1 046**
Cash flow hedge reserve on derivative financial instruments, net of tax	**–**	**–**	**42 832**	**–**	**42 832**
Dividends declared	**–**	**–**	**–**	**(300 000)**	**(300 000)**
Total other comprehensive income		**–**	**43 878**	**(300 000)**	**(256 122)**
Balance at 31 March 2015	**500 000**	**250 000**	**163 709**	**12 480 596**	**13 394 305**
Note	G.5	G.5	G.6		

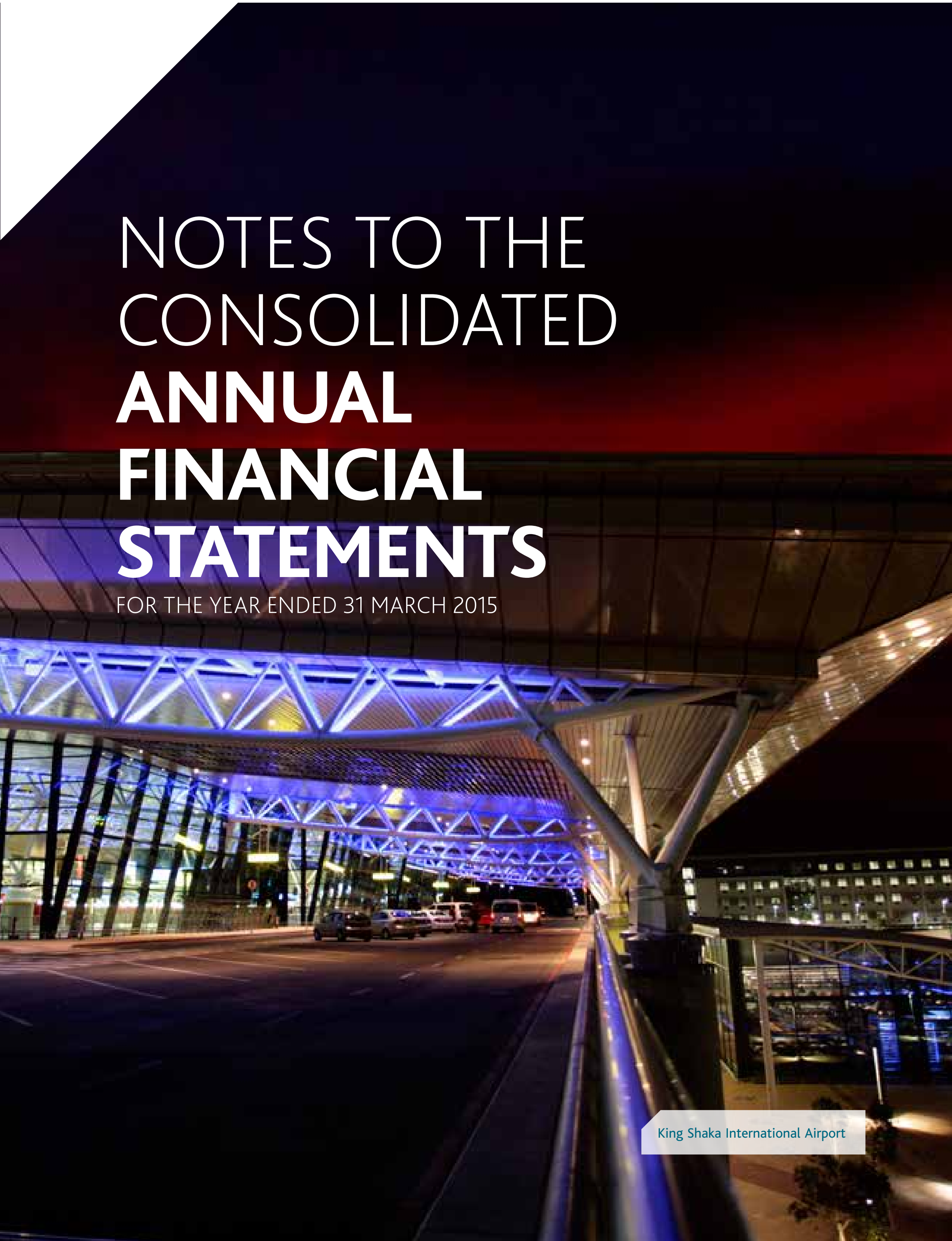
STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

		GROUP		COMPANY	
Figures in Rand thousand	Note	2015	2014	2015	2014
Cash flows from operating activities					
Cash receipts from customers		**7 520 089**	7 164 160	**7 383 937**	7 016 853
Cash paid to suppliers and employees		**(2 932 651)**	(2 760 003)	**(2 855 013)**	(2 665 689)
Cash generated from operations	D.4	**4 587 438**	4 404 157	**4 528 924**	4 351 164
Interest income	C.2	**87 098**	64 702	**141 352**	120 619
Tax paid	D.5	**(743 235)**	(429 223)	**(736 527)**	(428 044)
Net cash from operating activities		**3 931 301**	4 039 636	**3 933 749**	4 043 739
Cash flows from investing activities					
Purchase of property and equipment		**(758 334)**	(863 322)	**(751 807)**	(851 270)
Sale of property and equipment		**4 231**	2 087	**4 231**	2 088
Purchase of investment property	B.1	**(49 094)**	(16 106)	**(49 094)**	(16 106)
Purchase of other intangible assets	G.1	**(18 564)**	(48 573)	**(18 564)**	(48 573)
Loans to group companies (advanced)/repaid		**(2 729)**	–	**1 691**	(7 256)
Decrease in short-term investments		**557 670**	131 429	**557 670**	131 429
Investments in associates	E.3	**–**	(181 054)	**–**	(181 054)
Net cash from investing activities		**(266 820)**	(975 539)	**(255 873)**	(970 742)
Cash flows from financing activities					
Interest-bearing borrowings repaid		**(1 948 809)**	(1 889 951)	**(1 948 809)**	(1 889 951)
Financial instruments held for trading		**(140 356)**	(76 761)	**(140 356)**	(76 761)
Dividends paid		**(296 819)**	(97 528)	**(296 819)**	(97 528)
Interest paid		**(1 066 439)**	(1 239 469)	**(1 066 439)**	(1 239 469)
Net cash from financing activities		**(3 452 423)**	(3 303 709)	**(3 452 423)**	(3 303 709)
Total cash movements for the year		**212 058**	(239 612)	**225 453**	(230 712)
Cash at the beginning of the year		**1 014 508**	1 254 120	**973 461**	1 204 173
Total cash at the end of the year	D.2	**1 226 566**	1 014 508	**1 198 914**	973 461

NOTES TO THE CONSOLIDATED **ANNUAL FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2015



King Shaka International Airport

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act, No. 71 of 2008, as amended, and the requirements of the Public Finance Management Act No. 1 of 1999, as amended. The consolidated annual financial statements have been prepared on the historical cost basis, except for investment property and derivative financial instruments that are carried at fair value, and are presented in South African Rand.

1.2 ESTIMATES AND ASSUMPTIONS

In preparing the consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated annual financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated annual financial statements. The significant judgements have been disclosed in the applicable notes. These include:

- Accounting for investment in associate – note E.3
- Fair value of financial instruments – note C.3
- Post-retirement medical aid obligation – note G.3
- Fair value of investment property – note B.1
- Useful lives and residual values of assets – note B.2
- Contingencies – note G.17

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

There were a number of new standards and interpretations effective and adopted in the current year; none of these are considered to have a material impact on the Group.

2.2 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

There are a number of new standards and amendments which will only be effective after the 2015 year end. None of these are expected to have a significant impact on the group, except for IFRS 15 'Revenue from contracts with customers', IFRS 14 'Regulatory deferral accounts' and IFRS 9 'Financial instruments'.

2. NEW STANDARDS AND INTERPRETATIONS (continued)

2.2 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE (continued)

Topic	Key requirements	Effective date
IFRS 15 'Revenue from contracts with customers'	This is the converged standards on revenue recognition. It replaces IAS 11 'Construction contracts', IAS 18 'Revenue' and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: • Step 1: Identify the contract(s) with a customer • Step 2: Identify the performance obligations in the contract • Step 3: Determine the transaction price • Step 4: Allocate the transaction price to the performance obligations in the contract • Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation IFRS 15 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. Management is currently in the process of assessing the impact of this new standard.	1 January 2017
IFRS 14, 'Regulatory deferral accounts'	Management is currently in the process of assessing the impact of this new standard.	1 January 2016
IFRS 9, 'Financial instruments'	The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value, through profit or loss. Management is currently in the process of assessing the impact of this new standard.	1 January 2018

2. NEW STANDARDS AND INTERPRETATIONS (continued)

2.3 ACCOUNTING POLICIES

The most significant accounting policies have been moved next to the relevant notes in the consolidated annual financial statements. The remainder of the accounting policies not relating to a specific note are dealt with here. All accounting policies are consistent with the previous period.

2.4 FOREIGN CURRENCY

2.4.1 Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated to South African Rand at closing rate. The income and expenses of foreign operations are translated at the dates of the transactions using an average rate.

Differences arising upon the translation of the foreign operation into South African Rand are recognised directly in other comprehensive income and are recognised in the statement of changes in equity as part of the foreign currency translation reserve account.

2.4.2 Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities are retranslated at year end at the closing rate (exchange rate at year end). Non-monetary assets and liabilities are measured at historical cost are not retranslated at year end, while non-monetary assets and liabilities measured at fair value are retranslated at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in profit and loss.

2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of property and equipment, and intangible assets are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Assets are grouped together into the smallest groups of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the ‘cash-generating unit’).

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

3. SEGMENTAL INFORMATION

The Group's reported operating segments are based on reports reviewed by the Executive Committee (EXCO) to make strategic decisions. Five reportable segments were identified namely:

- O.R. Tambo International
- Cape Town International
- King Shaka International
- Regional Airports
- Corporate and Other

The Regional Airports segment comprises the smaller airports in South Africa which the group manages.

Information regarding the operations of each reportable segment is included below. EXCO assesses the performance of the operating segments as a measure of earnings before interest, taxation, depreciation and amortisation expense (EBITDA).

The group calculates EBITDA as follows:

Profit/(loss) before tax
Add Interest expense
Less Interest income
Add Depreciation, amortisation and any impairment
Less Income from equity accounted investments.

ITEMS NOT ALLOCATED TO SEGMENTS

Tax, derivative financial instruments and interest-bearing liabilities have not been allocated to operating segments as these are managed centrally.

Similarly interest income and expenditure are not allocated to operating segments as they are driven largely by the corporate division, which manages the cash requirements of the company. Corporate overhead expenses are not allocated to the reportable segments.

3. SEGMENTAL INFORMATION (continued)

	O.R. Tambo International		Cape Town International		King Shaka International	
Figures in Rand thousand	**2015**	2014	**2015**	2014	**2015**	2014
Revenue						
Aeronautical	**3 237 638**	3 025 212	**978 880**	882 667	**423 121**	394 413
– landing fees	**1 244 189**	1 161 118	**322 873**	289 038	**130 653**	122 513
– passenger service charges	**1 954 179**	1 826 612	**637 140**	576 293	**281 466**	262 154
– aircraft parking	**39 270**	37 482	**18 867**	17 336	**11 002**	9 746
Non-aeronautical	**1 723 992**	1 553 381	**536 537**	485 272	**244 539**	233 241
– advertising	**97 876**	84 188	**51 806**	41 511	**31 999**	31 083
– retail	**820 301**	728 011	**141 598**	131 242	**40 550**	40 633
– parking	**265 940**	259 673	**137 096**	125 930	**74 441**	70 214
– car hire	**61 152**	50 889	**61 235**	58 857	**31 504**	29 591
– property rental	**387 796**	348 714	**104 275**	96 090	**36 423**	33 193
– recoveries	**65 446**	63 359	**34 466**	27 554	**15 713**	13 982
– hotel operations	**–**	–	**–**	–	**–**	–
– other	**25 481**	18 547	**6 061**	4 088	**13 909**	14 545
Total revenue	**4 961 630**	4 578 593	**1 515 417**	1 367 939	**667 660**	627 654
EBITDA	**3 893 757**	3 781 786	**1 002 931**	954 025	**314 859**	407 630
Reportable total assets	**23 625 958**	17 531 481	**6 765 909**	5 214 892	**4 101 288**	3 778 433
Depreciation and amortisation	**492 579**	534 321	**243 110**	242 495	**398 441**	396 329
Trade receivables (credit risk)	**623 759**	489 606	**176 810**	156 329	**82 417**	89 334

Below is the reconciliation of the segmental information to that presented in the statement of financial position and statement of comprehensive income.

Figures in Rand thousand	**2015**	2014
Reportable segment assets are reconciled to total assets as follows:		
Segment assets for reportable segments	**37 345 764**	27 122 446
Corporate and other segment assets	**(9 899 462)**	766 933
Total assets per statement of financial position	**27 446 302**	27 889 379

Regional Airports		Corporate and Other		Elimination		Total	
2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
286 260	257 009	**–**	–	**–**	–	**4 925 899**	4 559 301
103 783	90 616	**–**	–	**–**	–	**1 801 498**	1 663 285
179 400	163 375	**–**	–	**–**	–	**3 052 185**	2 828 434
3 077	3 018	**–**	–	**–**	–	**72 216**	67 582
145 244	197 892	**233 364**	139 665	**(48 366)**	(41 791)	**2 835 310**	2 567 660
12 586	12 206	**–**	–	**–**	–	**194 267**	168 988
8 168	9 083	**–**	–	**–**	–	**1 010 617**	908 969
29 092	26 601	**–**	–	**–**	–	**506 569**	482 418
36 235	33 970	**–**	–	**–**	–	**190 126**	173 307
42 989	96 504	**61 799**	–	**(48 366)**	(41 791)	**584 916**	532 710
11 844	10 967	**–**	–	**–**	–	**127 469**	115 862
–	–	**124 669**	114 814	**–**	–	**124 669**	114 814
4 330	8 561	**46 896**	24 851	**–**	–	**96 677**	70 592
431 504	454 901	**233 364**	139 665	**(48 366)**	(41 791)	**7 761 209**	7 126 961
192 038	(532 970)	**(219 476)**	36 558	**–**	–	**5 184 109**	4 647 029
3 254 636	597 640	**(9 579 092)**	1 585 934	**(722 397)**	(819 001)	**27 446 302**	27 889 379
178 686	146 567	**80 675**	92 953	**–**	–	**1 393 491**	1 412 665
70 902	65 176	**76 954**	56 771	**–**	–	**1 030 842**	857 216

A. MANAGING EBITDA

A.1 REVENUE

Accounting policy

The Group and Company earn revenue from aeronautical and non-aeronautical goods and services:

Aeronautical revenue

Aeronautical revenue is recognised when the services are provided to the customer.

Type of revenue	Determination
Landing fees	Using regulated tariffs for aircraft landings based on the maximum take-off weight of landing aircrafts for each landing.
Passenger service charges	Using regulated tariffs for each departing passenger at an airport of departure.
Aircraft parking	On regulated tariffs for each aircraft parked for over four hours, based on the maximum take-off weight of aircraft parking per 24-hour period.

Non-aeronautical revenue

Non-aeronautical revenue is recognised when services are provided to the customer.

Type of revenue	Determination	Examples
Advertising	Based on the higher of a minimum guaranteed rental or a percentage of turnover.	Rental of advertising space to concessionaires.
Retail	Based on the higher of a minimum guaranteed rental or a percentage of turnover.	Rental of retail space to concessionaires.
Parking	Based on time-based tariffs.	Providing short- and long-term parking facilities.
Car hire	Rental is based on the higher of a minimum guaranteed rental or a percentage of turnover.	Concession fees and the rental of space and kiosks to car hire companies.
Property rental	Based on medium- and long-term rental agreements with tenants.	Rentals of office, air lounges, aviation fuel depots, warehousing, logistics facilities, hotels and filling stations.
Hotel operations	Accommodation income is recognised at the date the guests are invoiced.	Invoice value of accommodation and sale of food and beverages.
Recoveries	Recoveries include water, electricity and other utility charges recovered from tenants.	Water and electricity invoices.

A. MANAGING EBITDA (continued)

A.1 REVENUE (continued)

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Aeronautical				
Landing fees	**1 801 498**	1 663 286	**1 801 498**	1 663 286
Passenger service charges	**3 052 185**	2 828 434	**3 052 185**	2 828 434
Aircraft parking	**72 216**	67 581	**72 216**	67 581
	4 925 899	4 559 301	**4 925 899**	4 559 301
Non-aeronautical				
Advertising	**194 267**	168 988	**194 267**	168 988
Retail	**1 010 619**	908 970	**1 010 619**	908 970
Parking	**506 569**	482 418	**506 569**	482 418
Car hire	**190 126**	173 306	**190 126**	173 306
Property rental	**584 914**	532 710	**571 483**	511 779
Hotel operations	**124 669**	114 814	**–**	–
Recoveries[1]	**127 469**	115 863	**127 469**	115 863
Other[2]	**96 677**	70 591	**85 272**	60 879
	2 835 310	2 567 660	**2 685 805**	2 422 203
	7 761 209	7 126 961	**7 611 704**	6 981 504

1 Recoveries include water, electricity and other utility charges recovered from tenants.
2 Other includes permits and airports management services.

At the balance sheet date, the Group has contracted with tenants for the following future minimum cash lease payments in respect of advertising, retail and property leases:

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Contractual future cash lease payments (unrecognised)	**5 526 745**	3 937 668	**5 526 745**	3 937 668
Within one year	**1 270 705**	1 449 599	**1 270 705**	1 449 599
Two to five years	**3 608 907**	1 985 179	**3 608 907**	1 985 179
After five years	**647 133**	502 890	**647 133**	502 890

A.2 OTHER INCOME

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Profit on disposal of assets	**5 277**	1 311	**5 277**	1 311
Fair value gains on investment property	**360 722**	248 007	**391 318**	276 337
Other	**(573)**	8 538	**9 313**	8 402
	365 426	257 856	**405 908**	286 050

A. MANAGING EBITDA (continued)

A.3 EMPLOYEE COSTS

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Basic	**822 968**	733 360	**798 479**	707 824
Performance bonus	**112 870**	120 000	**112 870**	120 000
Medical aid – company contributions	**54 651**	48 896	**54 651**	48 896
Pension benefits	**75 677**	90 548	**75 677**	90 548
	1 066 166	992 804	**1 041 677**	967 268

A.4 OTHER OPERATING EXPENSES

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Repairs and maintenance	**300 073**	269 752	**295 522**	264 777
Security	**220 816**	199 941	**218 561**	199 024
Electricity and water	**272 302**	262 337	**263 213**	253 501
Auditors remuneration	**6 864**	7 273	**5 924**	6 959
Operating lease expense*	**28 733**	26 958	**28 308**	26 958
Impairment of trade and other receivables	**31 634**	8 500	**31 010**	7 659
Information systems expenses	**123 589**	106 910	**121 805**	106 910
Rates and taxes	**247 626**	217 938	**237 820**	209 415
Cleaning	**111 483**	98 188	**110 664**	97 979
Marketing	**68 957**	70 116	**67 642**	66 300
Managerial technical and other fees	**110 917**	120 111	**110 090**	112 540
Travel – local	**32 464**	29 780	**31 399**	29 780
Travel – oversees	**10 857**	9 895	**10 771**	9 554
Insurance	**43 958**	39 637	**43 771**	39 637
Administration	**87 374**	75 062	**68 440**	68 694
Training	**34 268**	32 218	**34 163**	32 218
Consumables	**35 765**	53 284	**25 252**	36 996
Socio-economic and enterprise development	**52 803**	56 394	**52 803**	56 394
Telephone and fax	**17 783**	14 749	**17 698**	14 397
Recruitment expenses	**11 314**	13 872	**11 314**	13 872
Legal expenses	**24 848**	14 968	**24 852**	14 968
Other expenses	**1 932**	17 101	**2 782**	7 503
	1 876 360	1 744 984	**1 813 804**	1 676 035

* At the reporting date, the Group has outstanding commitments under non-cancellable operating leases for future minimum lease payments:

GROUP AND COMPANY

Figures in Rand thousand	**2015**	2014
Contractual future cash lease payments (unrecognised)	**78 897**	38 218
Within one year	**20 098**	10 189
One to two years	**21 422**	–
Two to five years	**37 377**	28 029
After five years	**–**	–

B. ASSETS

B.1 INVESTMENT PROPERTY

Accounting policy

Investment property comprises a number of commercial properties that are leased to third parties. Investment property is carried at fair value, determined annually using discounted cash flow projections. Changes in fair values are recorded as other income.

Significant judgement, estimate and source of estimation uncertainty

The discounted cash flow analysis valuation technique, uses transactions observable in the market at the reporting date. The Group and Company use their judgement to select a variety of methods and makes assumptions relating to market yields, escalation rates and key valuation inputs that are mainly based on market conditions existing at each reporting date.

Reconciliation of Investment property

GROUP

Figures in Rand thousand	**2015**	2014	2013
Balance at 1 April 2014	**3 275 949**	2 991 127	2 696 172
Improvements/Additions	**49 094**	16 106	7 763
Change in fair value			
– Recognised in statement of comprehensive income (note A.2)	**360 722**	248 006	219 889
– Recognised in other comprehensive income*	**–**	20 710	67 303
Reclassification from property and equipment	**7 715**	–	
Balance at 31 March 2015	**3 693 480**	3 275 949	2 991 127

Reconciliation of Investment property

COMPANY

Figures in Rand thousand	**2015**	2014	2013
Balance at 1 April 2014	**2 923 205**	2 610 053	1 959 582
Prior period error (note G.15)			320 685
Improvements/Additions	**49 094**	16 106	7 763
Change in fair value			
– Recognised in statement of comprehensive income (note A.2)	**391 318**	276 336	254 720
– Recognised in other comprehensive income*	**–**	20 710	67 303
Reclassification from property and equipment	**7 715**	–	–
Balance at 31 March 2015	**3 371 332**	2 923 205	2 610 053

* Fair value changes recognised in other comprehensive income relate to properties that were previously classified as owner-occupied.

B. ASSETS (continued)

B.1 INVESTMENT PROPERTY (continued)

The amount of rental income from investment properties recognised in profit for the period was as follows:

	GROUP		COMPANY	
Figures in Rand thousand	2015	2014	2015	2014
Rental payments received	**584 914**	532 710	**571 483**	511 779
Per statement of comprehensive income	**584 914**	532 710	**571 483**	511 779

Operating expenses directly incurred in relation to investment properties amounted to R742k in the current financial year.

Fair values

Investment properties are stated at fair value, which has been determined based on valuations performed by accredited independent valuers, as at 31 March 2015 and 31 March 2014. Where there was a lack of comparable data, a valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The following main inputs have been used:

	GROUP AND COMPANY	
Figures in Rand thousand	2015	2014
Market yield of comparable properties (%)	**9 – 11**	8 – 12
Average escalation of lease rentals (%)	**8 – 10**	8 – 10
Average duration of lease (years)	**3 – 5**	3 – 5

Fair value hierarchy

The fair values of these investment properties are determined using valuation techniques which uses inputs that are directly or indirectly observable. They are therefore classified as level 2 on the fair value hierarchy.

B.2 PROPERTY AND EQUIPMENT

Accounting policy

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Property that is being constructed for future use as investment property is accounted for as work in progress in property and equipment.

Gains and losses on disposal are recognised within ‘other operating income’ in profit and loss. The costs of day-to-day maintenance are recognised in profit and loss. Depreciation is recognised on a straight-line basis to reduce the assets to their residual values over their estimated useful lives. Land is not depreciated.

The estimated useful lives are as follows:

– Equipment	3 – 12 years
– Motor vehicles	5 years
– Roads, runways and aprons	20 – 50 years
– Buildings	20 – 30 years

Impairment

The carrying amounts of property and equipment, and intangible assets are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater unit of its value in use and its fair value less costs to sell. In assessing value in use, the estimate cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Assets are grouped together into the smallest groups of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit').

An impairment loss is recognised if the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2015

B. ASSETS (continued)

B.2 PROPERTY AND EQUIPMENT (continued)

GROUP

	2015		
Figures in Rand thousand	Cost	Accumulated depreciation	Carrying value
Land	742 777	–	742 777
Buildings	13 371 778	(3 823 690)	9 548 088
Equipment	4 380 752	(3 368 576)	1 012 176
Motor vehicles	346 367	(178 361)	168 006
Roads, runways and aprons	8 649 357	(2 182 630)	6 466 727
Work in progress	1 204 724	–	1 204 724
Total	**28 695 755**	**(9 553 257)**	**19 142 498**

COMPANY

	2015		
Figures in Rand thousand	Cost	Accumulated depreciation	Carrying value
Land	742 777	–	742 777
Buildings	13 363 498	(3 819 225)	9 544 273
Equipment	4 347 527	(3 368 565)	978 962
Motor vehicles	346 367	(178 361)	168 006
Roads, runways and aprons	8 649 357	(2 182 630)	6 466 727
Work in progress	1 204 573	–	1 204 573
Total	**28 654 099**	**(9 548 781)**	**19 105 318**

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	742 777	–	742 777	742 777	–	742 777
	13 237 428	(3 259 519)	9 977 909	13 103 200	(2 697 553)	10 405 647
	4 196 118	(2 995 823)	1 200 295	3 793 557	(2 598 527)	1 195 030
	259 527	(165 753)	93 774	253 956	(145 383)	108 573
	8 355 589	(1 843 470)	6 512 119	7 836 461	(1 522 939)	6 313 522
	1 184 629	–	1 184 629	1 407 643	–	1 407 643
	27 976 068	(8 264 565)	19 711 503	27 137 594	(6 964 402)	20 173 192

	2014			2013		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	742 777	–	742 777	742 777	–	742 777
	13 229 148	(3 255 328)	9 973 820	13 093 123	(2 692 533)	10 400 590
	4 164 777	(2 995 812)	1 168 965	3 759 112	(2 586 675)	1 172 437
	259 527	(165 753)	93 774	253 956	(145 383)	108 573
	8 355 589	(1 843 470)	6 512 119	7 836 461	(1 522 939)	6 313 522
	1 184 478	–	1 184 478	1 407 492	–	1 407 492
	27 936 296	(8 260 363)	19 675 933	27 092 921	(6 947 530)	20 145 391

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2015

B. ASSETS (continued)

B.2 PROPERTY AND EQUIPMENT (continued)

GROUP

Figures in Rand thousand	Land	Buildings	Equipment
Opening balance at 1 April 2012	727 963	10 930 728	1 543 035
Additions	–	26 467	159 446
Disposals	(12)	–	(39)
Transfers	14 826	11 002	22 987
Depreciation	–	(562 550)	(530 399)
Opening balance at 1 April 2013	742 777	10 405 647	1 195 030
Additions	–	2 040	117 846
Disposals	–	(27)	–
Transfers	–	133 557	304 756
Depreciation	–	(563 308)	(417 337)
Closing balance at 31 March 2014	**742 777**	**9 977 909**	**1 200 295**
Additions	**–**	**42 614**	**76 661**
Disposals	**–**	**(2)**	**(187)**
Reclassification to investment property	**–**	**(2 978)**	**–**
Transfers	**–**	**95 739**	**119 564**
Depreciation	**–**	**(565 194)**	**(384 157)**
Closing balance at 31 March 2015	**742 777**	**9 548 088**	**1 012 176**

COMPANY

Figures in Rand thousand	Land	Buildings	Equipment
Opening balance at 1 April 2012	727 963	10 929 872	1 522 202
Additions	–	26 465	154 133
Disposals	(12)	–	–
Transfers	14 826	11 002	22 987
Reclassification to investment property	–	(4 372)	–
Depreciation	–	(562 377)	(526 885)
Opening balance at 1 April 2013	742 777	10 400 590	1 172 437
Additions	–	2 040	105 289
Disposals	–	(27)	–
Transfers	–	134 071	304 756
Depreciation	–	(562 854)	(413 517)
Closing balance at 31 March 2014	**742 777**	**9 973 820**	**1 168 965**
Additions	**–**	**42 614**	**70 134**
Disposals	**–**	**(2)**	**(8)**
Reclassification to investment property	**–**	**(2 978)**	**–**
Transfers	**–**	**95 739**	**119 564**
Depreciation	**–**	**(564 920)**	**(379 693)**
Closing balance at 31 March 2015	**742 777**	**9 544 273**	**978 962**

	Motor vehicles	Roads, runways and aprons	Work in progress	Total
	108 526	6 426 455	888 050	20 624 757
	21 810	–	737 203	944 926
	–	–	–	(51)
	–	168 795	(217 610)	–
	(21 763)	(281 728)	–	(1 396 440)
	108 573	6 313 522	1 407 643	20 173 192
	6 578	74 081	662 777	863 322
	(710)	(39)	–	(776)
	3 202	444 276	(885 791)	–
	(23 869)	(319 721)	–	(1 324 235)
	93 774	**6 512 119**	**1 184 629**	**19 711 503**
	60 052	**57 437**	**522 161**	**758 925**
	(50)	**–**	**–**	**(239)**
	–	**(4 737)**	**–**	**(7 715)**
	44 984	**241 779**	**(502 066)**	**–**
	(30 754)	**(339 871)**	**–**	**(1 319 976)**
	168 006	**6 466 727**	**1 204 724**	**19 142 498**

	Motor vehicles	Roads, runways and aprons	Work in progress	Total
	108 526	6 426 455	887 898	20 602 916
	21 787	–	737 204	939 589
	–	–	–	(12)
	–	168 795	(217 610)	–
	–	–	–	(4 372)
	(21 740)	(281 728)	–	(1 392 730)
	108 573	6 313 522	1 407 492	20 145 391
	6 578	74 081	663 291	851 279
	(710)	(39)	–	(776)
	3 202	444 276	(886 305)	–
	(23 869)	(319 721)	–	(1 319 961)
	93 774	**6 512 119**	**1 184 478**	**19 675 933**
	60 052	**57 437**	**522 161**	**752 398**
	(50)	**–**	**–**	**(60)**
	–	**(4 737)**		**(7 715)**
	44 984	**241 779**	**(502 066)**	**–**
	(30 754)	**(339 871)**	**–**	**(1 315 238)**
	168 006	**6 466 727**	**1 204 573**	**19 105 318**

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 March 2015

C. DEBT AND CASH MANAGEMENT

C.1 INTEREST-BEARING BORROWINGS

GROUP

	2015		2014	
Figures in Rand thousand	Carrying value	Fair value	Carrying value	Fair value
Unsecured				
Long-term bonds	**7 549 286**	**8 785 677**	8 239 364	8 867 641
Nedbank Bullet Loan	**750 000**	**818 535**	1 751 643	1 921 170
Infrastructure finance	**166 422**	**183 485**	185 526	202 386
Southern Sun Hotel Interests (Pty) Ltd	**1 500**	**1 500**	1 500	1 500
L'Agence Francaise de Developpement (AFD)	**764 829**	**840 491**	850 069	928 018
L'Agence Francaise de Developpement (AFD1)	**1 944 513**	**2 206 133**	1 943 808	2 172 109
	11 176 550	**12 835 821**	12 971 910	14 092 824

COMPANY

	2015		2014	
Figures in Rand thousand	Carrying value	Fair value	Carrying value	Fair value
Unsecured				
Long-term bonds	**7 549 286**	**8 785 677**	8 239 364	8 867 641
Nedbank Bullet Loan	**750 000**	**818 535**	1 751 643	1 921 170
Infrastructure finance	**166 422**	**183 485**	185 526	202 386
L'Agence Francaise de Developpement (AFD)	**764 829**	**840 491**	850 069	928 018
L'Agence Francaise de Developpement (AFD1)	**1 944 513**	**2 206 133**	1 943 808	2 172 109
	11 175 050	**12 834 321**	12 970 410	14 091 324

C. DEBT AND CASH MANAGEMENT (continued)

C.1 INTEREST-BEARING BORROWINGS (continued)

Term and debt repayment schedule

GROUP

				2015	2014
		Interest rate	Maturity date	Carrying value R'000	Carrying value R'000
Long-term bonds	**Nominal amount**				
AIR03U	R500 million	JIBAR-linked	Oct 2014	**–**	506 569
AIR03	R606 million	10.88%	Mar 2016	**635 990**	1 734 607
AIR01	R2 billion	8.85%	Mar 2019	**2 002 649**	2 002 093
AIR02	R1.712 billion	11.30%	Apr 2023	**1 829 041**	1 831 075
AIRL01	R1.191 billion	Inflation-linked	Apr 2028	**1 755 992**	1 640 184
AIR04U	R500 million	11.59%	Oct 2029	**524 836**	524 836
AIR04	R544 million	9.25%	May 2024	**560 959**	–
AIR05	R232 million	10.00%	May 2030	**239 819**	–
				7 549 286	8 239 364
Long-term loans					
Southern Sun Hotel Interests (Pty) Ltd		2%	N/A	**1 500**	1 500
Nedbank Bullet Loan		JIBAR-linked	Sep 2020	**750 000**	1 751 643
L'Agence Francaise de Developpement (AFD)		10.35%	Nov 2023	**764 829**	850 069
L'Agence Francaise de Developpement (AFD1)		10.55%	Jan 2026	**1 944 513**	1 943 808
Infrastructure Finance Corporation Limited (INCA)		JIBAR-linked	Nov 2023	**166 422**	185 526
				3 627 264	4 732 546
				11 176 550	12 971 910

The table below analyses the Group's interest-bearing borrowings in terms of their maturities. The amounts disclosed below are the contractual undiscounted cash outflows:

Figures in Rand thousand	Carrying amount	Contractual cash flows	6 months or less	Between 6 – 12 months	Between 1 – 2 years	Between 2 – 5 years	More than 5 years
2015	**11 176 550**	**13 064 417**	**552 200**	**586 003**	**1 289 149**	**3 619 625**	**7 017 440**
2014	12 971 910	19 155 510	1 143 320	703 188	1 533 049	3 702 856	12 073 097

The cash to meet these maturities will be obtained from operating activities and reserves.

C. DEBT AND CASH MANAGEMENT (continued)

C.1 INTEREST-BEARING BORROWINGS (continued)

COMPANY

The company information is similar to that of the group except for the loan from Southern Sun Hotel Interests (Pty) Ltd.

	COMPANY	
Figures in Rand thousand	**2015**	2014
Total borrowings of Group	**11 176 550**	12 971 910
Southern Sun Hotel Interests (Pty) Ltd	**(1 500)**	(1 500)
Total borrowings of Company	**11 175 050**	12 970 410

C.2 NET FINANCE INCOME AND EXPENSE

Accounting policy

Finance income comprises of interest income on funds invested and is recognised using the effective interest method in profit and loss.

Finance expenses comprise of interest expense on borrowings and are recognised using the effective interest method in profit and loss.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, are capitalised to the cost of those assets, until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Interest received	**87 098**	64 702	**141 352**	120 619
Finance income	**87 098**	64 702	**141 352**	120 619
Finance costs	**(1 313 554)**	(1 380 960)	**(1 313 554)**	(1 380 960)
(Losses)/Gains on remeasurement and disposal of trading financial instruments*	**(126 043)**	156 454	**(126 043)**	156 454
Total finance expense	**(1 439 597)**	(1 224 506)	**(1 439 597)**	(1 224 506)
Net finance expense	**(1 352 499)**	(1 159 804)	**(1 298 245)**	(1 103 887)

* Interest rate swaps

C. DEBT AND CASH MANAGEMENT (continued)

C.3 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING INFORMATION

Accounting policy

The Group and Company hold interest rate swaps to hedge its interest rate risk arising from its borrowings.

These instruments are recognised initially at fair value (transaction costs are recognised in profit and loss). Subsequent to initial recognition, the method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group and Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group and Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately within 'Gains/losses on remeasurement and disposal of financial instruments'.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

The following information relates to derivative financial instruments included in the consolidated annual financial statements:

GROUP AND COMPANY

	2015		2014	
Figures in Rand thousand	Assets	Liabilities	Assets	Liabilities
Interest rate swaps – cash flow hedges	**–**	**75 023**	–	99 682
Forward foreign exchange contracts – held for trading	**701**	**–**	–	–
	701	**75 023**	–	99 682
Current	**701**	**24 304**	–	51 601
Non-current	**–**	**50 719**	–	48 081
	701	**75 023**	–	99 682

Interest rate swaps – cash flow hedge

The Group entered into interest rate swap contracts relating to the Nedbank Bullet Loan and the INCA loan in order to fix the interest rate on these loans.

Under the interest rate swap contracts, the Group and Company agree with other parties to exchange, at specified quarterly and semi-annual intervals, the difference between fixed rates and floating rate interest amounts that are calculated by reference to the agreed notional principal amounts.

The ineffective portion recognised in profit or loss that arises from cash flow hedges amounts to a gain of R59.5 million (2014: R15.3 million) for both the Group and Company.

C. DEBT AND CASH MANAGEMENT (continued)

C.3 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING INFORMATION (continued)

The notional principal amounts of the outstanding derivative contracts were as follows (figures in Rand thousand):

Interest rate swaps	Receive	Pay	Notional amount		Fair value	
			2015	2014	**2015**	2014
30 September 2020	3 month JIBAR + 1.92%	10.980%	**750 000**	1 750 000	**(63 050)**	(90 477)
30 November 2023	3 month JIBAR + 1.90%	10.980%	**250 000**	250 000	**(11 973)**	(9 059)
					(75 023)	(99 536)

The table below analyses the Group and Company's derivative financial instruments in terms of their maturities. The amounts disclosed are the contractual undiscounted cash flows:

Figures in Rand thousand	Carrying amount	Contractual cash flows	6 months or less	Between 6 – 12 months	Between 1 – 2 years	Between 2 – 5 years	More than 5 years
2015	**75 023**	**75 023**	**13 450**	**10 853**	**16 633**	**30 561**	**3 526**
2014	99 682	99 536	30 056	21 390	26 255	13 258	8 569

D. MANAGING WORKING CAPITAL

D.1 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Trade receivables	**971 304**	807 369	**961 149**	799 617
Impairment of trade receivables	**(87 547)**	(56 795)	**(87 547)**	(56 795)
Loan to joint venture/associate	**59 538**	49 847	**59 538**	49 847
Loans and receivables	**943 295**	800 421	**933 140**	792 669
Taxation receivable	**140**	–	**–**	–
Prepayment	**15 544**	1 789	**15 182**	1 789
Insurance rent-a-captive receivable*	**97 624**	87 394	**97 624**	87 394
Lease receivables	**112 182**	43 597	**112 167**	43 577
Other receivables	**14 527**	9 564	**14 000**	9 605
	1 183 312	942 765	**1 172 113**	935 034

* The contingency policies are underwritten by Guardrisk and Centriq. The amount receivable represents the balance of the special experience account. The special experience account is payable on demand. Refer to note D.6 'Investments' for more details on the Group's investment in the cell captive fund.

The average credit period is 38 days (2014: 33 days). Trade receivables are carried at cost which normally approximates their fair value due to short-term maturity thereof. No interest is charged on trade receivables. An adjustment for impairment of receivables has been made for estimated irrecoverable amounts.

Loans to joint ventures and associates bear no interest and have no fixed repayment terms.

D. MANAGING WORKING CAPITAL (continued)

D.1 TRADE AND OTHER RECEIVABLES (continued)

The maximum exposure to credit risk for trade receivables at the reporting date before the impairment provision, guarantees and deposits held by type of customer was:

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Aeronautical	**744 347**	604 608	**744 347**	604 608
Commercial	**192 493**	155 116	**192 493**	155 116
Other	**94 002**	97 492	**83 847**	89 740
	1 030 842	857 216	**1 020 687**	849 464

2015

	GROUP		COMPANY	
Figures in Rand thousand	Trade and other receivables	Allowance for impairment	Trade and other receivables	Allowance for impairment
Not past due	**713 445**	**–**	**702 374**	**–**
Past due 0 – 30 days	**194 318**	**–**	**194 318**	**–**
Past due 31 – 60 days	**7 548**	**–**	**7 548**	**–**
Past due 61 – 90 days	**115 531**	**(87 547)**	**116 447**	**(87 547)**
Total trade and other receivables	**1 030 842**	**(87 547)**	**1 020 687**	**(87 547)**

2014

	GROUP		COMPANY	
Figures in Rand thousand	Trade and other receivables	Allowance for impairment	Trade and other receivables	Allowance for impairment
Not past due	604 714	–	596 962	–
Past due 0 – 30 days	113 463	–	113 463	–
Past due 31 – 60 days	30 075	–	30 075	–
Past due 61 – 90 days	108 964	(56 795)	108 964	(56 795)
Total trade and other receivables	**857 216**	**(56 795)**	**849 464**	**(56 795)**

Impairment

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Balance at 1 April 2014	**56 795**	215 769	**56 795**	215 702
Increase/(Decrease) in allowance	**30 752**	7 309	**30 752**	7 376
Bad debts written-off	**–**	(166 283)	**–**	(166 283)
Balance at 31 March 2015	**87 547**	56 795	**87 547**	56 795

D. MANAGING WORKING CAPITAL (continued)

D.1 TRADE AND OTHER RECEIVABLES (continued)

Credit quality of financial instruments

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about the customer. Before accepting any new customer, the Group and Company use an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically. 60% of the trade receivables that are neither past due nor impaired were recovered within one month after the reporting date. Of the trade receivables balance, for both the Group and Company, at the end of the year, R137 million (2014: R181 million) is due from one significant client, the Group and Company's largest. There are no other customers who represent more than 10% of the total balance of trade receivables. As at 31 March 2015, the Group and Company had no significant concentration of credit risk (2014: Nil).

The allowance account in respect of trade receivables is used to record impairment losses unless the Group and Company is satisfied that no recovery of the amounts owing is possible; at that point the amounts considered irrecoverable and are written off against the allowance account.

The Group and Company believe that, based on historic default rates, no other impairment allowance in respect of trade receivables not past due 90 days is required.

D.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	GROUP		COMPANY	
Figures in Rand thousand	2015	2014	2015	2014
Cash on hand	**75**	75	**75**	75
Bank balances	**920 568**	795 654	**900 566**	754 607
Money markets	**305 923**	218 779	**298 273**	218 779
	1 226 566	1 014 508	**1 198 914**	973 461

The Group and Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note F.2.

D.3 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
Figures in Rand thousand	2015	2014	2015	2014
Trade payables	**506 167**	567 868	**497 969**	552 587
VAT	**55 384**	54 159	**55 136**	52 929
Bonuses payable	**11 393**	9 816	**10 467**	9 262
Leave payable	**49 918**	44 404	**48 782**	44 404
Deposits received	**81 543**	64 579	**77 558**	63 271
Other payables*	**21 253**	17 773	**17 062**	17 760
	725 658	758 599	**706 974**	740 213

* Other payables includes lease payables and overtime accruals.

The Group and Company's exposure to liquidity risk related to trade and other payables is disclosed in the following table.

D. MANAGING WORKING CAPITAL (continued)

D.3 TRADE AND OTHER PAYABLES (continued)

The table below analyses the Group and Company's trade and other payables in terms of their maturities. The amounts disclosed are the contractual undiscounted cash outflows:

GROUP

Figures in Rand thousand	Carrying amount	Contractual cash flows	6 months or less	Between 6 – 12 months	Between 1 – 2 years	Between 2 – 5 years	More than 5 years
2015	**725 658**	**725 658**	**725 658**	**–**	**–**	**–**	**–**
2014	758 599	758 599	758 599	–	–	–	–

COMPANY

Figures in Rand thousand	Carrying amount	Contractual cash flows	6 months or less	Between 6 – 12 months	Between 1 – 2 years	Between 2 – 5 years	More than 5 years
2015	**706 974**	**706 974**	**706 974**	**–**	**–**	**–**	**–**
2014	740 213	740 213	740 213	–	–	–	–

D.4 CASH GENERATED FROM OPERATIONS

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Profit before taxation	**2 282 673**	2 303 142	**2 475 133**	2 111 973
Adjustments for:				
Depreciation and amortisation	**1 393 491**	1 412 665	**1 388 753**	1 408 391
Impairment of trade and other receivables	**31 634**	8 500	**31 010**	7 659
Profit on sale of assets	**(5 277)**	(1 311)	**(5 277)**	(1 311)
(Loss)/Income from equity accounted investments	**155 446**	(228 582)	**–**	–
Interest received – investment	**(87 098)**	(64 702)	**(141 352)**	(120 619)
Finance costs	**1 313 554**	1 380 960	**1 313 554**	1 380 960
Movements in retirement benefit assets and liabilities	**(2 574)**	(95 846)	**(2 593)**	(95 846)
Movements in provisions	**7 451**	73 865	**7 451**	73 865
Deferred income	**(6 147)**	(2 603)	**(6 147)**	(2 603)
Unrealised fair value gains and losses	**(285 804)**	(330 455)	**(309 966)**	(360 589)
	4 797 349	4 455 633	**4 750 566**	4 401 880
Changes in working capital:				
Inventories	**(211)**	5 042	**–**	–
Other non-current assets	**82 864**	41 414	**82 864**	41 414
Trade and other receivables	**(272 181)**	(22 666)	**(268 089)**	(23 629)
Trade and other payables	**(20 383)**	(75 266)	**(36 417)**	(68 501)
	4 587 438	4 404 157	**4 528 924**	4 351 164

D. MANAGING WORKING CAPITAL (continued)

D.5 TAX PAID

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Balance at beginning of the year	**(68 183)**	(19 823)	**(67 938)**	(20 437)
Current tax for the year recognised in profit or loss	**(732 071)**	(477 583)	**(730 588)**	(475 545)
Balance at end of the year	**57 019**	68 183	**61 999**	67 938
	(743 235)	(429 223)	**(736 527)**	(428 044)

D.6 OTHER NON-CURRENT ASSETS

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Lease receivable non-current portion	**127 725**	210 617	**127 725**	210 617
Investments#	**18 125**	18 097	**18 125**	18 097
	145 850	228 714	**145 850**	228 714

Investments relate to the acquisition made by the company of 100% shareholding in a cell captive with Guardrisk Life Ltd in September 2003 to fund its obligation arising from 2002, whereby the company agreed to increase the minimum pension payout to employees. Guardrisk performs a half-yearly review per individual covered to establish the present value of the company's obligation on the prescribed valuation basis (as approved by Guardrisk Life Statutory Actuaries) in order to assess the company's commitment as per the assets and expressed liabilities and ensure sufficient life funds are transferred to the non-distributable reserves.

E. INVESTMENTS

E.1 SUBSIDIARIES

Accounting policy

Subsidiaries are all entities (including structured entities) over which the Company has control.

The Company uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The Company's investments in subsidiaries are carried at cost, net of accumulated impairment losses.

The Company treats transactions with non-controlling interests that do not result in a loss of control, as equity transactions. Gains or losses on disposals to non-controlling interests are also recorded in equity.

E. INVESTMENTS (continued)

E.1 SUBSIDIARIES (continued)

	COMPANY	
Figures in Rand thousand	**2015**	2014
Indebtedness	**785 586**	790 006
Total interest in subsidiaries	**785 586**	790 006
Directors' valuation	**785 586**	790 006
Aggregate after tax (losses)/profits of subsidiary companies	**(109 885)**	124 863

Details of the company's subsidiaries at 31 March 2015 are indicated below. All subsidiaries are incorporated in South Africa except for ACSA Global Ltd which is incorporated in Mauritius.

	Principal activity	Interest held		Indebtedness	
		2015	2014	**2015**	2014
Subsidiaries					
OSI Airport Systems (Pty) Ltd	Dormant	**51%**	51%	**–**	–
Precinct 2A (Pty) Ltd	Property owning	**100%**	100%	**640 904**	634 410
JIA Piazza Park (Pty) Ltd	Hotel operations	**100%**	100%	**–**	–
ACSA Global Ltd	Management company	**100%**	100%	**81 494**	93 099
				722 398	727 509
Special purpose entities#					
Lexshell 342 Investment Holdings (Pty) Ltd	Employee share option plan	**–%**	–%	**34 137**	33 462
Airport Management Scheme Incentive Scheme Company (Pty) Ltd	Employee share option plan	**–%**	–%	**29 051**	29 035
				63 188	62 497
				785 586	790 006

The Company's accounts include the consolidation of the Airport Management Share Incentive Scheme Company Proprietary Limited and Lexshell 342 Investment Holdings Proprietary Limited. Although the Airport Management Share Incentive Scheme Company Proprietary Limited is wholly owned by the Airport Management Share Incentive Scheme Trust and Lexshell 342 Investment Holdings Proprietary Limited is wholly owned by the ACSA Kagano Trust, in terms of IFRS 10. The group consolidates these entities as it is exposed to significant risks that are associated with loans extended to entities to acquire shares of the company.

E.2 JOINT ARRANGEMENTS

Accounting policy

The Group holds a 50% interest in Airports Logistics Property Holdings (Pty) Ltd. It has been classified as a joint venture due to the decisions about the relevant activities requiring unanimous consent of the parties sharing control.

The Group accounts for its investment in the joint venture using the equity method of accounting. The equity method of accounting results in the Group's income statement reflecting its share of the entity's profit or loss after tax, the statement of comprehensive income recording the Group's share of the comprehensive income of the entity, while the Group's statement of financial position records the Group's share of the net assets of the entity plus any goodwill that arose on purchase.

E. INVESTMENTS (continued)

E.2 JOINT ARRANGEMENTS (continued)

Accounting policy (continued)

Upon acquiring a new investment in a joint venture the Group will recognise the investment initially at the amount it paid for the investment (which includes the amount paid for goodwill).

Distributions (dividends) received from the entities reduce the carrying amount of the investment. If the entity incurs losses, the Group will only recognise these losses until the carrying amount of the investment reaches zero, unless the Group has incurred obligations or made payments on behalf of the entity.

The following represents the Group's share of assets, liabilities, revenue and expenses of the joint venture:

Figures in Rand thousand	Airport Logistics Property Holdings (Pty) Ltd
Opening balance at 1 April 2013	85 078
Share of profits	22 305
Closing balance at 31 March 2014	107 383
Share of profits	20 559
Closing balance at 31 March 2015	**127 942**

	GROUP	
Figures in Rand thousand	**2015**	2014
Summarised statement of comprehensive income		
Revenue	**30 344**	64 201
Profit/(Loss) for the period	**20 559**	22 305
Total comprehensive income	**20 559**	22 305
Summarised statement of financial position		
Non-current assets	**415 400**	373 700
Current assets	**49 660**	62 125
Non-current liabilities	**208 708**	219 892
Current liabilities	**470**	1 167
Total net assets	**255 882**	214 766
Interest in joint venture at % ownership	**127 942**	107 383

E.3 INVESTMENTS IN ASSOCIATES

Accounting policy

The Group and Company account for its investments in associates using the equity method of accounting (refer to the investment in joint ventures accounting policy for more detail).

Significant judgement, estimates and sources of estimation uncertainty

The Group and Company's 10% shareholding in the Mumbai International Airport Limited through ACSA Global Limited and 10% shareholding in Aeroporto de Guarulhos Participacoes S.A. have been accounted for using the equity method as the Group and Company believe that they have the ability (and power) to participate in the financial and operating policy decisions of the entities, which gives the Group and Company significant influence over them.

E. INVESTMENTS (continued)

E.3 INVESTMENTS IN ASSOCIATES (continued)

Investment in Mumbai International Airport Private Limited

The Group and Company have a 10% equity interest, through ACSA Global Limited, in the 30-year concession (with an option for a further 30 years) to modernise the Chhatrapati Shivaji International Airport in Mumbai. Airports Company South Africa is an integral investor in the project, as well as being the designated airport operator.

Aeroporto de Guarulhos Participações S.A.

The Group and Company have a 10% equity interest, in the 20-year concession to modernise the Guarulhos International Airport. Airports Company South Africa is an integral investor in the project, as well as being the designated airport operator for a five-year period.

La Mercy Joint Venture Company (Proprietary) Limited (Dube Trade Port)

Airports Company South Africa and the Dube Trade Port Company Limited (LMJVC) has 40% and 60% interest in La Mercy Joint Venture Company (Proprietary) Limited respectively. This joint venture arrangement objective is to commercially enable land holdings in excess of 848 hectares. The vast majority of the land is zoned undetermined and the objective is to rezone and service the properties to unlock development opportunities.

Name of company

	% ownership interest		Carrying amount (Company)		Country of incorporation
	2015	2014	**2015**	2014	
Direct associates					
La Mercy JV Property Investments (Pty) Ltd	**40%**	40%	**38 173**	35 444	South Africa
Aeroporto de Guarulhos Participações S.A.	**10%**	10%	**257 883**	257 883	Brazil
			296 056	293 327	
Indirect associates					
Mumbai International Airport Private Limited	**10%**	10%	**–**	–	India

* The investment in Mumbai International Airport Private Limited is held through a 100% owned subsidiary of the Group, ACSA Global.

Guarantees issued

Equity guarantee – an Airport Operator guarantee has been issued by ACSA Global Ltd to Mumbai International Airport Private Ltd for an amount of INR3 billion (R580 million; 2014: R529 million). This guarantee is limited to ACSA Global's performance fee of USD1.2 million (2014: USD1.2 million).

E. INVESTMENTS (continued)

E.3 INVESTMENTS IN ASSOCIATES (continued)

Reconciliation of movement in investments in associates – Group

Figures in Rand thousand	La Mercy JV Property Investments (Pty) Ltd	Mumbai International Airport Private Ltd	Aeroporto de Guarulhos Participações S.A.	Total
Investment at 1 April 2013	155 700	708 711	68 421	932 832
Acquisitions	–	–	181 054	181 054
Share of profit	509	146 580	59 188	206 277
Share of OCI	–	(84 571)	187 147	102 576
Investment at 31 March 2014	**156 209**	**770 720**	**495 810**	**1 422 739**
Share of profit/(loss)	**83 178**	**(81 104)**	**(178 079)**	**(176 005)**
Share of OCI	**–**	**201 342**	**(100 050)**	**101 292**
Investment at 31 March 2015	**239 387**	**890 958**	**217 681**	**1 348 026**

Summarised financial information of associates for 2015

Figures in Rand thousand	La Mercy JV Property Investments (Pty) Ltd	Mumbai International Airport Private Ltd	Aeroporto de Guarulhos Participações S.A	Total
Summarised statement of comprehensive income				
Revenue	**248 689**	**2 274 254**	**13 285 811**	**15 808 754**
Profit/(Loss) for the period	**207 945**	**(811 040)**	**(1 780 788)**	**(2 383 883)**
Total comprehensive income	**207 945**	**(811 040)**	**(1 780 788)**	**(2 383 883)**
Summarised statement of financial position				
Non-current assets	**326 854**	**28 136 328**	**59 409 182**	**87 872 364**
Current assets	**301 135**	**3 306 409**	**1 804 935**	**5 412 479**
Non-current liabilities	**–**	**20 756 789**	**52 311 973**	**73 068 762**
Current liabilities	**29 523**	**1 799 274**	**5 289 215**	**7 118 012**
Total net assets	**598 466**	**8 886 674**	**3 612 929**	**13 098 069**
Interest in associate at % ownership	**239 387**	**888 674**	**361 293**	**1 489 354**
Translation differences	**–**	**2 284**	**(143 612)**	**(141 328)**
Investment in associate	**239 387**	**890 958**	**217 681**	**1 348 026**

E. INVESTMENTS (continued)

E.3 INVESTMENTS IN ASSOCIATES (continued)

Summarised financial information of associates for 2014

Figures in Rand thousand	La Mercy JV Property Investments (Pty) Ltd	Mumbai International Airport Private Ltd	Aeroporto de Guarulhos Participações S.A.	Total
Summarised statement of comprehensive income				
Revenue	8 412	3 849 468	13 985 916	17 843 796
Profit for the period	1 273	1 465 801	591 881	2 058 955
Other comprehensive income/(loss)	–	(845 720)	1 871 474	1 025 754
Total comprehensive income	1 273	620 081	2 463 355	3 084 709
Summarised statement of financial position				
Non-current assets	441 015	272 145 840	68 087 488	340 674 343
Current assets	10 833	37 841 460	4 034 616	41 886 909
Non-current liabilities	37 812	283 095 860	59 447 521	342 581 193
Current liabilities	23 514	19 184 250	6 934 470	26 142 234
Total net assets	390 522	7 707 190	5 740 113	13 837 825
Interest in associate at % ownership	156 209	770 719	574 011	1 500 939
Translation differences	–	–	(78 201)	(78 201)
Investment in associate	156 209	770 719	495 810	1 422 738

E.4 COMMITMENTS

Capital commitments

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Contracted for:				
– within one year	**105 031**	237 739	**105 031**	238 224
– two to five years	**258 147**	79 985	**258 147**	79 985
– after five years	**–**	373 285	**–**	366 285
Not yet contracted for:				
– not yet contracted for and authorised by directors	**129 124**	211 740#	**129 124**	211 740#
	492 302	902 749	**492 302**	896 234

Commitments authorised by directors not yet contracted for, relate to the partnership investment with Investimentos E Participacoes EM INFRA-ESTRUTURA S.A. ('Invepar'), (51% of Guarulhos International Airport concession), with Airports Company South Africa acquiring an additional 10% interest in the concession. The Group and Company have committed an initial investment of R450 million.

F. FINANCIAL INSTRUMENTS AND FINANCIAL INSTRUMENT RISK MANAGEMENT

F.1 FINANCIAL INSTRUMENTS

F.1.1 Classification

The Group holds the following categories of financial assets and financial liabilities:

Financial assets

		Loans and receivables	
	Note(s)	2015	2014
Investment in associates	E.3	**1 348 026**	1 422 739
Other non-current assets	D.6	**145 850**	228 714
Derivative financial instruments	C.3	**701**	–
Trade and other receivables	D.1	**1 183 312**	942 765
Investments	G.4	**515 899**	1 073 569
Cash and cash equivalents	D.2	**1 226 566**	1 014 508
		4 420 354	4 682 295

Financial liabilities

		Financial liabilities at fair value through profit or loss	
	Note(s)	2015	2014
Interest-bearing borrowings	C.1	**11 176 550**	12 971 910
Derivative financial instruments	C.3	**75 023**	99 682
Trade and other payables	D.3	**725 657**	758 599
		11 977 230	13 830 191

The Company holds the following categories of financial assets and financial liabilities:

Financial assets

		Loans and receivables	
	Note(s)	2015	2014
Investments in subsidiaries	E.1	**785 586**	790 006
Investment in associates	E.3	**296 056**	293 327
Other non-current assets	D.6	**145 850**	228 714
Derivative financial instruments	C.3	**701**	–
Trade and other receivables	D.1	**1 172 113**	935 034
Investments	G.4	**515 899**	1 073 569
Cash and cash equivalents	D.2	**1 198 914**	973 461
		4 115 119	4 294 111

Financial liabilities

		Financial liabilities at fair value through profit or loss	
	Note(s)	2015	2014
Interest-bearing borrowings	C.1	**11 175 050**	12 970 410
Derivative financial instruments	C.3	**75 023**	99 682
Trade and other payables	D.3	**706 973**	740 213
		11 957 046	13 810 305

F. FINANCIAL INSTRUMENTS AND FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

F.1 FINANCIAL INSTRUMENTS (continued)

F.1.2 Initial recognition and measurement

The Group and Company initially record both financial assets and financial liabilities at fair value. Where transaction costs are incurred they are recognised as part of the initial cost of the financial instrument as the group does not have any financial instruments classified as fair value through profit or loss.

F.1.3 Subsequent measurement

All of the Group and Company's financial assets are categorised as 'loans and receivables' and are therefore subsequently measured at amortised cost. Amortised cost is the basis of moving the initial amount of the financial instrument (fair value of the instrument) to the maturity value of the instrument on a systematic basis using a fixed interest rate (effective interest rate) taking into account repayment dates and initial premiums or discounts. The carrying amount of amortised cost financial assets is adjusted for impairments.

The majority of the Group and Company's financial liabilities are classified as 'financial liabilities at amortised cost' and are therefore subsequently measured at amortised cost. The derivative financial instruments are, however, classified as 'financial liabilities at fair value through profit or loss' and are subsequently measured at their fair values. Fair value is the amount for which a liability could be settled between knowledgeable willing parties in an arm's length transaction.

F.1.4 Impairment of financial assets

Financial assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. Impairment is normally determined based on a realistic assessment of future cash flows discounted using the original effective interest rate compared with contractual amounts. For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment. Impairment losses are recognised in profit or loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reviewed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit and loss.

F.1.5 Fair value measurement

The fair value of financial instruments may require some judgement or may be derived from readily available sources. The degree of judgement involved is reflected in the fair value measurements section below, although this does not necessarily indicate that the fair value is more or less likely to be realised.

Financial assets

The Group and Company's financial assets are all classified as 'loans and receivables' and are carried at amortised cost. Due to their short-term natures the carrying values of the financial assets approximate their fair values.

F. FINANCIAL INSTRUMENTS AND FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

F.1 FINANCIAL INSTRUMENTS (continued)

F.1.5 Fair value measurement (continued)

Financial liabilities

Financial liabilities at amortised cost

The fair value of the Group and Company's financial liabilities carried at amortised cost, which includes trade and other payables and interest-bearing borrowings approximates their fair value.

Financial liabilities at fair value through profit or loss

The Group and Company's financial liabilities carried at fair value consist are its derivatives which includes forward exchange contracts and interest rate swaps.

The fair values of forward foreign exchange contracts are determined using forward exchange rates at the balance sheet date. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows based on observable yield curves.

The fair values of these derivatives are therefore determined using valuation techniques which uses inputs that are directly or indirectly observable. They are therefore classified as level 2 on the fair value hierarchy.

Recurring fair value measurements (for both Group and Company)

Figures in Rand thousand	2015	2014
Financial assets designated at fair value through profit or loss		
Foreign exchange contracts	**701**	–
Interest rate swaps	**(75 023)**	(99 682)
	(74 322)	(99 682)

F.2 FINANCIAL RISK MANAGEMENT

The Group's comprehensive risk management process involves identifying, understanding and managing the risks associated with each of the Group's business units. Risk awareness, control and compliance are embedded in the Group's day-to-day activities. The Group Risk Management unit independently monitors, manages and reports risk as mandated by the Board of Directors through the Audit and Risk Committee, and the Economic Regulations Committee. Exco and business units are ultimately responsible for managing risks that arise.

Sound financial risk management framework is in place at the Group, based on a best-practice Enterprise Risk Management Framework, built on rigorous governance structures.

Credit risk

Credit risk is the risk of loss to the Group as a result of the failure by a customer or counterparty to meet its contractual obligations. This is mitigated by the guarantees held for the exposure at a given period. Credit risks can also arise from cash and cash equivalents, accounts receivable and derivative financial instruments. These risks are effectively managed in terms of the Board approved financial risk management framework that specifies the investment and counterparty policies.

F. FINANCIAL INSTRUMENTS AND FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

F.2 FINANCIAL RISK MANAGEMENT (continued)

Trade and other receivables

The Group's exposure is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default rate of the industry and country in which customers operate, has less of an influence on credit risk. Approximately 29% (2014: 23%) of the Group's aeronautical revenue is attributable to transactions with a single customer. The main concentration of credit risk is in the Johannesburg region, which approximates 65% (2014: 61%) of the trade receivables of the Group.

Each new customer is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. The Group's review includes external ratings, where available, and in some cases bank references. Credit limits are established for each customer, which represents the maximum open amount, and these limits are reviewed on an ongoing basis. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment/cash basis.

More than 60% of the Group's customers have been transacting with the Group for over 15 years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are aeronautical, commercial or retail customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Customers that are graded as 'high risk' are placed on a restricted customer list, and future transactions are made on a prepayment basis with approval of the Credit Committee. Customers are considered to be 'high risk' when they have not met the credit terms as stipulated in their trading contracts.

Investments, cash and cash equivalents

In complying with the Treasury Regulation, the Group's Financial Risk Management Framework limits the Group to investments in "A" short-term rated instruments or "AAA" rated instruments and counterparts.

For banks and financial institutions, only independently rated parties with a minimum rating of A- are accepted with respect to cash and cash equivalents.

Market risk

Market risk is the risk that the Group's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, foreign exchange rates and commodity prices.

Interest rate risk

The Group's interest rate risk arises from its borrowings. The Group's is to maintain a mix of fixed to floating rate debt within the Board-approved parameters.

As at 31 March 2015, the Group's fixed to floating rate profile after hedging, on net debt was 76% (2014: 69%) fixed.

At the reporting date, the interest profile of the Group's interest-bearing financial instruments was:

	Carrying amount					
	Fixed-rate instruments		Variable-rate instruments		Total	
	2015	2014	**2015**	2014	**2015**	2014
Interest-bearing borrowings	**8 504 136**	8 887 988	**2 672 414**	4 083 922	**11 176 550**	12 971 910
	76%	69%	**24%**	31%		

F. FINANCIAL INSTRUMENTS AND FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

F.2 FINANCIAL RISK MANAGEMENT (continued)

Tariff risk

Aeronautical revenues contributing 63% (2014: 64%) of the Group's revenue is regulated by an independent economic regulator using a price cap methodology. The regulated tariff is linked to the CPI index. A change in CPI has a positive or a negative impact on the revenue earned by the Group. However, the Group is allowed to adjust the difference between actual and forecast CPI in future tariffs. The tariff is determined for a five-year period every three years with a two-year overlap. The Board has approved a regulatory strategy which seeks to proactively influence the regulatory approach in line with best practice. In this regard, the Group proactively manages the economic regulatory risk while balancing the interests of both the Group and the customers.

Price risk

The Group is exposed to price risk on the Stanlib Income Fund, which is based on quoted prices.

A 5% increase in the quote price of the Stanlib Income Fund as at 31 March 2015 would have had the effect of increasing profit for the period by R26 million (2014: R53 million).

Foreign exchange risk

The Group has two foreign investments that give rise to limited exposure to foreign currency risk, arising primarily with respect to the Brazilian Real and Indian Rupee. All foreign debt instruments are issued in Rand and the Group also uses foreign exchange contracts to hedge material expenditure once the project or purchase cash flows are certain – refer to note C3.

In order to manage risks from fluctuations in currency rates, the Group makes use of forward exchange contracts to manage exposure to fluctuations in foreign currency rates on importation of equipment.

The Group's exposure to foreign currency risks was as follows, based on notional amounts:

Figures in thousands of Dollars	2015 USD	2014 USD
Trade receivables	**7 095**	267
Cash and cash equivalents	**1 180**	1 224
Trade payables	**(205)**	(359)
Foreign exchange contracts	**2 000**	(5 000)
Gross balance sheet exposure	**10 070**	(3 868)

Figures in thousands of Euros	2015 EUR	2014 EUR
Foreign exchange contracts	**620**	–
Gross balance sheet exposure	**620**	–

	Average rate		Reporting spot rate	
	2015	2014	**2015**	2014
The following significant exchange rates applied during the year:				
EURO	**13.994**	14.959	**13.111**	N/A
USD	**11.050**	10.724	**12.092**	10.569
INR	**0.016**	0.178	**0.160**	0.177
BRS	**4.492**	4.658	**3.7133**	4.664

F. FINANCIAL INSTRUMENTS AND FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

F.2 FINANCIAL RISK MANAGEMENT (continued)

Sensitivity analysis

A 10% weakening of the Rand against the following currencies at 31 March would have increased/(decreased) equity, and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

	Equity		Profit or loss	
Figures in Rand thousand	**2015**	2014	**2015**	2014
USD	**(87 029)**	(46 974)	**(4 893)**	(12 897)
INR	**(80 789)**	(38 944)	**(16 514)**	(5 173)
BRS	**(9 567)**	(247 515)	**(115 289)**	(52 198)
	(177 385)	(333 433)	**(136 696)**	(70 268)

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

Liquidity risk

Liquidity risk is the risk of not being able to generate sufficient cash to honour financial commitments. From a Group's perspective, this would include the Group not being able to advance funds for capital expenditure, redeem and service loans, finance operational costs and service unanticipated financial commitments.

The objective of the Financial Risk Management Framework is to ensure continuity of funding and flexibility, ensuring debt maturities are spread over a range of dates to manage refinancing risks. The Group is not exposed to excessive refinancing risk in any one year.

As at 31 March 2015, the Group had facilities of R4.25 billion and (2014: R5.5 billion), of which R2.3 billion has been utilised for both years.

	Facility amount	
Figures in Rand thousand	**2015**	2014
Total facilities	**4 250 000**	5 500 000
Utilised facilities	**(2 250 000)**	(2 250 000)
Total unutilised	**2 000 000**	3 250 000

Uncommitted facilities represent undrawn lines of credit where the bank has an agreement with the Group entity to make available an amount (up to the maximum specified) in loans on demand from the Group. The Group is under no obligation to actually take out a loan at any particular time. Committed facilities are those lines of credit where the Group and the bank have clearly defined terms and conditions which bind the bank to lend the Group up to the amounts stated in the agreement.

Please refer to the following notes for details on the Group and Company's financial liabilities in terms of their maturities:

Unsecured borrowings – note C.1

Trade and other payables – note D.3

Derivative financial instruments – note C.3

F. FINANCIAL INSTRUMENTS AND FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

F.2 FINANCIAL RISK MANAGEMENT (continued)

Capital risk management

The Group's capital management strategy is designed to ensure that the Group is adequately capitalised in a manner consistent with the Group's risk profile, economic regulatory requirements and maintaining an investment rating level.

The Group monitors capital adequacy through the gearing ratio, as represented by net interest-bearing debt to total capital. Net debt is calculated as total interest-bearing borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents plus short-term investments. Total capital is calculated as 'equity' as shown in the consolidated balance sheet, plus net debt.

The Group's maximum gearing ratio is up to 60% (2014: up to 60%). The gearing ratio is determined by the Treasury department and approved by ACSA's Board. The objective is to minimise the weighted average cost of debt. The gearing ratios as at 31 March 2015 and 2014 were as follows:

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Total borrowings	**11 176 550**	12 971 910	**11 175 050**	12 970 410
Less: cash and cash equivalents plus short-term investments	**(1 742 465)**	(2 088 077)	**(1 714 813)**	(2 047 030)
Net debt	**9 434 085**	10 883 833	**9 460 237**	10 923 380
Total equity	**13 995 526**	12 580 016	**13 394 305**	11 892 366
Total capital	**23 429 611**	23 463 849	**22 854 542**	22 815 746
Gearing ratio (net debt divided by total capital) (%)	**40**	46	**41**	48

G. OTHER

G.1 INTANGIBLE ASSETS

Accounting policy

Intangible assets comprise of computer software and are measured initially at cost and are carried at cost less accumulated amortisation and impairment losses.

Amortisation is provided to write down the computer software on a straight line basis to its residual value over three to five years.

GROUP AND COMPANY

	2015			2014		
Figures in Rand thousand	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer software	**603 627**	**(547 970)**	**55 657**	585 063	(474 455)	110 608

Amortisation expense of R73 million (2014: R88 million) has been included in the statement of comprehensive income. No disposals of computer software were made during 2015 (2014: R15 thousand) has been disposed of in the current year. Additions of R19 million (2014: R49 million) have been made in the current year.

G. OTHER (continued)

G.2 DEFERRED TAX LIABILITY

Accounting policy

Deferred tax assets and liabilities represent amounts of tax that will become recoverable and payable in future accounting periods. They generally arise as a result of temporary differences, where the time at which profits and losses are recognised for tax purposes differs from the time at which the relevant transaction is recorded in the accounts. A deferred tax asset represents a tax reduction that is expected to arise in a future period. A deferred tax liability represents taxes which will become payable in a future period as a result of a current or an earlier transaction. In respect of deferred tax assets, the group only recognises a deferred tax asset when the availability of future profits necessary to support the deferred tax asset is probable.

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Deferred tax liability				
Property and equipment	**353 329**	634 595	**353 329**	478 980
Investment property	**640 628**	401 364	**606 471**	464 296
Intangible assets	**6 768**	18 838	**6 768**	18 838
Lease receivables	**67 170**	71 174	**67 170**	71 174
Investments in associates	**186 362**	90 447	**5 850**	5 850
Impairment of trade and other receivables	**(18 385)**	(11 927)	**(18 385)**	(11 927)
Other assets	**(33 190)**	5 067	**3 469**	5 067
Prepayments	**3 853**	106	**3 853**	106
Provisions	**(56 023)**	(55 793)	**(55 485)**	(55 793)
Derivative financial instruments	**(20 810)**	(27 911)	**(20 810)**	(27 911)
	1 129 701	1 125 960	**952 230**	948 680

The deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement.

Reconciliation of deferred tax liability

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
At beginning of year	**1 125 960**	943 625	**948 680**	814 286
Movements during the year:				
Prior period error (note G.15)	**–**	12 535	**–**	33 153
Change in estimate (note G.16)	**(36 447)**	–	**–**	–
– recognised in the statement of comprehensive income	**(15 977)**	113 482	**(13 516)**	78 835
– recognised directly in other comprehensive income	**56 165**	56 318	**17 066**	22 406
	1 129 701	1 125 960	**952 230**	948 680
Deferred tax liabilities expected to be recovered after more than 12 months	**1 181 871**	1 193 574	**1 003 862**	1 016 294
Deferred tax liabilities expected to be recovered within the next 12 months	**(52 170)**	(67 614)	**(51 632)**	(67 614)
	1 129 701	1 125 960	**952 230**	948 680

G. OTHER (continued)

G.3 RETIREMENT BENEFITS

GROUP AND COMPANY

Figures in Rand thousand	2015	2014
Post-retirement medical benefit – defined benefit plan	**12 515**	16 699
Life fund – defined contribution plan	**18 316**	18 159
Total retirement benefit obligation	**30 831**	34 858

Post-retirement medical benefit

The company makes contributions to a defined benefit plan that provides medical benefits to employees upon retirement. The employees eligible for the post retirement benefit are those who were in employment at 1 August 2007. The plan entitles retired employees to receive a reimbursement of certain medical costs.

The following is a reconciliation of the present value of the defined benefit plan:

GROUP AND COMPANY

Figures in Rand thousand	2015	2014
Present value of liability at 1 April 2014	**16 698**	168 514
Actuarial gains	**(1 611)**	(44 177)
Settlement	**–**	(127 485)
Benefits paid	**(982)**	(1 763)
Change in valuation basis	**312**	(11 635)
Net expense recognised in profit and loss	**1 837**	33 244
Present value of liability at 31 March 2015	**16 254**	16 698
Less:* fair value of plan assets at 31 March 2015	**3 739**	–
Net present value of plan liability at 31 March 2015	**12 515**	16 698

* An insured annuity policy was purchased from Sanlam Life, in the Company's name, to fund the contribution subsidies paid to current pensioners. The policies will pay a level amount each month to the relevant medical schemes on behalf of the Company, for as long as the pensioners and/or the pensioners' spouses are still alive. The insured annuity policy can only be used to fund medical aid contributions, and is not available as an asset to the Company's creditors.

The Company has also set aside an amount of R12.8 million (as at 31 March 2015) as a funding vehicle. As this amount is not protected against its creditors, it has not been included as a Plan asset but rather as cash and cash equivalents in note D.2.

Net expense recognised in profit or loss

GROUP AND COMPANY

Figures in Rand thousand	2015	2014
Current service cost	**317**	19 072
Interest cost	**1 520**	14 172
	1 837	33 244

G. OTHER (continued)

G.3 RETIREMENT BENEFITS (continued)

Expense recognised in other comprehensive income

GROUP AND COMPANY

Figures in Rand thousand	2015	2014
Balance at 1 April 2014	**(27 964)**	(71 957)
Actuarial gain recognised during the year	**1 611**	43 993
Balance at 31 March 2015	**(26 353)**	(27 964)

Principal assumptions at the reporting date

GROUP AND COMPANY

Figures in Rand thousand	2015	2014
Discount rates used (%)	**8.20**	9.10
Healthcare cost inflation (%)	**7.50**	8.10
Average retirement age (years)	**60**	60

The assumptions used by actuaries are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Assumed healthcare cost trend rates have a significant effect on the amounts recognised. A one percentage point change in assumed healthcare cost trend would have the following effects:

GROUP AND COMPANY

	1% increase		1% decrease	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Effect on the aggregate current service and interest cost	**(311)**	(324)	**247**	259
Interest cost	**(2 728)**	(2 689)	**2 205**	2 186
	(3 039)	(3 013)	**2 452**	2 445

Expected contributions to post-employment benefit plans for the year ended 31 March 2016 are R3.4 million.

Life Fund

GROUP AND COMPANY

Figures in Rand thousand	2015	2014
Balance at 1 April 2014	**18 159**	17 970
Actuarial loss recognised during the year	**157**	189
Balance at 31 March 2015	**18 316**	18 159

The company acquired a 100% shareholding in a cell captive with Guardrisk Life Ltd in September 2003 to fund its obligation arising from 2002, whereby the company agreed to increase the minimum pension pay-out to employees. Guardrisk performs a half yearly review per individual covered to establish the present value of the company's obligation on the prescribed valuation basis (as approved by Guardrisk Life Statutory Actuaries) in order to assess the company's commitment as per the assets and expressed liabilities and ensure sufficient life funds are transferred to the non-distributable reserves.

G. OTHER (continued)

G.4 INVESTMENTS

GROUP AND COMPANY

Figures in Rand thousand	2015	2014
Current investments		
Stanlib Income Fund	**515 899**	1 073 569
	515 899	1 073 569

G.5 SHARE CAPITAL

Authorised – Group and Company

1 000 000 000 Ordinary shares of R1 par value each

Issued – Group and Company

Figures in Rand thousand	2015	2014
Ordinary	**500 000**	500 000
Share premium	**250 000**	250 000
	750 000	750 000

G.6 OTHER RESERVES

GROUP

Figures in Rand thousand	Total	Fair value	Foreign currency translation reserve	Actuarial losses
Balance at 1 April 2013	(204 355)	(32 118)	(120 428)	(51 809)
Actuarial losses, net of tax	31 675	–	–	31 675
Gain on revaluation of investment property	14 911	14 911	–	–
Loss on remeasurement of financial instruments	11 033	11 033	–	–
Foreign currency translation differences, net of tax	69 269	–	69 269	–
Balance at 31 March 2014	**(77 467)**	**(6 174)**	**(51 159)**	**(20 134)**
Actuarial losses, net of tax	**1 046**	**–**	**–**	**1 046**
Loss on remeasurement of financial instruments	**42 832**	**42 832**	**–**	**–**
Foreign currency translation differences, net of tax	**101 476**	**–**	**101 476**	**–**
Balance at 31 March 2015	**67 887**	**36 658**	**50 317**	**(19 088)**

G. OTHER (continued)

G.6 OTHER RESERVES (continued)

COMPANY

Figures in Rand thousand	Total	Fair value	Actuarial losses
Balance at 1 April 2013	(83 928)	(32 119)	(51 809)
Restatement – prior period	146 140	146 140	
Actuarial losses, net of tax	31 675	–	31 675
Gain on revaluation of investment property	14 911	14 911	–
Loss on remeasurement of financial instruments	11 033	11 033	–
Balance at 31 March 2014	**119 831**	**139 965**	**(20 134)**
Actuarial losses, net of tax	**1 046**	**–**	**1 046**
Loss on remeasurement of financial instruments	**42 832**	**42 832**	**–**
Balance at 31 March 2015	**163 709**	**182 797**	**(19 088)**

G.7 DEFERRED INCOME

Deferred income is made up of the following balances (for both Group and Company):

Figures in Rand thousand	2015	2014
Dube Trade Port rentals	**27 060**	28 149
Gautrain development	**10 457**	11 147
Government grants	**28 628**	32 982
Other	**53**	67
	66 198	72 345

Gautrain Development relates to a grant received by the group in the 2009 financial year from the Gautrain operator. Assets belonging to the Group, located at the O.R. Tambo International Airport's central terminal building are being used by the Gautrain operator. The assets will become the property of the Group at the end of the 34-year term of the agreement with the operator.

Government grants

The Group and Company have been awarded a government grant. The grant of R35.1 million was received in the 2010 financial year. The grant was used for the construction of the road within the Cape Town International Airport precinct.

G.8 PROVISIONS

Accounting policy

A provision is recognised when the Group and Company has a present legal or constructive obligation and it is probable that an outflow of economic benefits will be required to settle the obligation. Currently the Group and Company provide for staff incentive bonuses. The provision for bonuses is payable within three months of finalisation of the audited consolidated annual financial statements.

G. OTHER (continued)

G.8 PROVISIONS (continued)

Reconciliation of provisions – Group and Company

Figures in Rand thousand	Long-term incentive	Staff incentive bonus	Environmental rehabilitation	Total
Opening balance at 1 April 2013	–	103 500	–	103 500
Additions	–	120 000	66 082	186 082
Utilised during the year	–	(103 500)	(8 717)	(112 217)
Closing balance at 31 March 2014	**–**	**120 000**	**57 365**	**177 365**
Additions	**9 463**	**112 870**	**–**	**122 333**
Utilised during the year	**–**	**(112 870)**	**(2 012)**	**(114 882)**
Closing balance at 31 March 2015	**9 463**	**120 000**	**55 353**	**184 816**

The staff incentive bonus represents the liability at year-end provided for the planned employee incentive bonus payment. The provision for bonuses is payable within three months of finalisation of the audited financial statements.

The long-term incentive represents the liability at year-end provided for in terms of a performance and incentive scheme for executive employees. The incentives are payable upon the finalisation of the Company's and individuals' performance against specific objectives, which were approved by the Board towards year-end. The scheme has been wound up and no further amounts will be provided for going forward.

The environmental provision is in terms of a Record of Decision issued by the Minister of Environmental Affairs Tourism in 2008 to rehabilitate the property at the farm La Mercy No. 15124 in Durban at King Shaka International Airport, as follows:

- Rehabilitation and maintenance of the wetlands in terms of a long-term phased plan; and
- Implementation of a waste water management plan, including the decommissioning of a package plant used during construction of the Airport.

G.9 TAXATION

Accounting policy

The Group's foreign subsidiary ACSA Global, is fully tax resident in South Africa, and therefore ACSA Global and other company's within the group will therefore pay taxes according to the rates applicable in South Africa. Most taxes are recorded in the statement of comprehensive income and relates to taxes payable for the reporting period (current tax). The charge also includes benefits and charges relating to when income and expenses are recognised in a different period for tax and accounting purposes (deferred tax).

G. OTHER (continued)

G.9 TAXATION (continued)

Major components of the tax expense (income)

	GROUP		COMPANY	
Figures in Rand thousand	**2015**	2014	**2015**	2014
Current				
Current year	**709 110**	498 057	**707 627**	496 019
Prior period	**22 961**	(20 474)	**22 961**	(20 474)
	732 071	477 583	**730 588**	475 545
Deferred				
Current year	**(15 977)**	113 105	**(13 516)**	78 759
	716 094	590 688	**717 072**	554 304

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

	GROUP		COMPANY	
Figures in %	**2015**	2014	**2015**	2014
Applicable tax rate	**28.00**	28.00	**28.00**	28.00
Non-deductible expenses	**0.14**	0.07	**0.12**	0.26
Resolution on certain tax positions	**–**	–	**–**	–
CGT tax differential	**–**	(3.89)	**–**	(2.97)
Prior year adjustments	**0.90**	(0.98)	**0.93**	(0.98)
Other	**2.33**	2.45	**(0.08)**	1.94
	31.37	25.65	**28.97**	26.25

The CGT rate differential is attributable to the taxes on the equity accounted profits.

G.10 EARNINGS PER SHARE AND DIVIDEND PER SHARE (GROUP ONLY)

Accounting policy

Basic earnings per share

Earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the net profit attributable to ordinary shareholders. For the purpose of calculating earnings per share, treasury shares are deducted from the number of ordinary shares in issue.

Diluted earnings per share

Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares. The effects of anti-dilutive potential ordinary shares are ignored in calculating diluted EPS.

Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares.

G. OTHER (continued)

G.10 EARNINGS PER SHARE AND DIVIDEND PER SHARE (GROUP ONLY) (continued)

Dividends per share

Dividends per share is calculated by using the total dividends paid out over an entire year (including interim dividends but not including special dividends) divided by the number of outstanding ordinary shares issued.

Figures in Rand thousand	2015	2014
Earnings per share		
Total comprehensive income attributable to shareholders	**1 566 579**	1 712 454
Weighted average number of ordinary shares in issue	**494 038**	494 038
Basic earnings per share (c per share)	**317.10**	346.62
Dividend per share		
Final dividend declared	**296 423**	97 925
Weighted average number of ordinary shares in issue	**494 038**	494 038
Dividend per share (c per share)	**60.00**	19.82

G.11 RELATED PARTIES

Airports Company South Africa Ltd is one of the 21 Schedule 2 major public entities in terms of the Public Finance Management Act (Act No. 1 of 1999 as amended) and therefore falls within the national sphere of government. As a consequence, Airports Company South Africa SOC Ltd has a significant number of related parties that are public entities. In addition, the company has a related party relationship with its subsidiaries, associates and with its directors and executive officers (key management). Unless specifically disclosed, these transactions are concluded on an arm's length basis and the Group and Company are able to transact with any entity.

Related party transactions

	Services rendered		Services received		Amounts due from		Amounts due to	
Figures in Rand thousand	2015	2014	2015	2014	2015	2014	2015	2014
National departments	**32 110**	35 140	**5 321**	278	**2 312**	1 364	**–**	(48)
Constitutional institutions	**–**	–	**93**	35	**–**	–	**–**	(32)
Major public entities	**2 216 721**	2 118 499	**77 357**	68 051	**314 595**	250 835	**(157)**	(694)
Other national public entities	**18 629**	17 865	**446 302**	404 072	**1 479**	1 543	**(2 339)**	(16 550)
Subsidiaries and joint ventures	**105 943**	44 480	**–**	–	**844 943**	839 853	**(3 577)**	–

G. OTHER (continued)

G.11 RELATED PARTIES (continued)

Remuneration

All executive directors and executive management are eligible for an annual performance bonus payment linked to appropriate targets. During the current year, a liability for incentive bonus of R9 million (2013: Rnill) was raised in terms of the performance management system for executive directors and executive management. The structure of the individual bonus plans and awards is decided by the Board through the Remuneration and Nomination Committee.

Executive

	Salary		Other benefits*		Total	
Figures in Rand thousand	**2015**	2014	**2015**	2014	**2015**	2014
B Maseko[1]	**3 404**	2 947	**1 636**	3 386	**5 040**	6 333
M Manyama[2]	**2 749**	2 149	**1 593**	233	**4 342**	2 382
	6 153	5 096	**3 229**	3 619	**9 382**	8 715

1 Appointed 15 May 2013.
2 Appointed 1 April 2013.
* Other benefits comprise of retirement, medical benefits and cash bonuses.

Non-executive

			Directors' fees	
Figures in Rand thousand	Appointment date	Resignation date	**2015**	2014
S Macozoma (Chairman, effective 1 March 2015)	1 March 2012		**393**	426
B Mabuza (resigned Chairman)	1 March 2012	28 February 2015	**739**	746
R Morar	1 January 2012		**437**	483
D Botha (fees payable to the PIC)	1 August 2013		**471**	285
BP Mabelane	1 August 2012	31 December 2014	**247**	212
T Ramano	1 March 2012	28 February 2015	**357**	358
J Lamola	1 December 2012		**410**	463
K Moroka	1 December 2012		**260**	325
B Luthuli	1 December 2012		**333**	335
C Mabude	1 December 2012		**452**	464
E Masilela	1 January 2012	31 July 2013	**–**	112
			4 099	4 209

G. OTHER (continued)

G.11 RELATED PARTIES (continued)

Prescribed officers

	Emoluments		Other benefits*		Total	
Figures in Rand thousand	**2015**	2014	**2015**	2014	**2015**	2014
DA Cloete	**2 020**	1 659	**986**	2 043	**3 006**	3 702
PM du Plessis	**1 992**	1 688	**818**	2 026	**2 810**	3 714
H Jeena	**2 251**	1 917	**973**	2 268	**3 224**	4 185
TS Mekgoe	**2 594**	1 679	**912**	991	**3 506**	2 670
B Mbomvu (appointed 1 September 2013)	**2 071**	1 027	**533**	139	**2 604**	1 166
T Delomoney	**1 873**	1 567	**943**	1 677	**2 816**	3 244
JR Neville	**160**	2 130	**939**	2 368	**1 099**	4 498
G Vracar	**35**	1 488	**734**	1 583	**769**	3 071
YE Schoeman	**1 758**	1 496	**823**	968	**2 581**	2 464
A Vermeulen	**2 274**	1 608	**929**	1 226	**3 203**	2 834
S Mmakau (Chief information officer, appointed 1 October 2014)	**1 000**	–	**7**	–	**1 007**	–
B Pityi (General manager: O.R. Tambo International Airport, appointed 1 August 2014)	**1 300**	–	**–**	–	**1 300**	–
R Shinners (Group executive: Corporate Affairs, appointed 2 February 2015)	**333**	–	**–**	–	**333**	–
	19 661	16 259	**8 597**	15 289	**28 258**	31 548

* Other benefits comprise of retirement, medical benefits and cash bonuses.

G.12 EVENTS AFTER THE REPORTING PERIOD

Equity injections (Aeroporto de Guarulhos Participações S.A.)

The group has made a further equity injection to the amount of R41.1 million to the Brazil investment on 7 May 2015.

G.13 IRREGULAR EXPENDITURE

Irregular expenditure, defined in section 1 of the Public Finance Management Act (PFMA), 1999 as "expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-

(a) this Act; or

(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of that Act; or

(c) any provincial legislation providing for procurement procedures in that provincial government.

G. OTHER (continued)

G.13 IRREGULAR EXPENDITURE (continued)

GROUP AND COMPANY

Figures in Rand thousand	2015	2014
Opening balance	**140 906**	32 832
Add: irregular expenditure – adjustment	**–**	58 811
Add: irregular expenditure – current year	**171 220**	82 095
Less: amounts not recoverable (not condoned)	**–**	(32 832)
Irregular expenditure awaiting condonation	**312 126**	140 906
Current year	**171 220**	82 095
Prior years	**82 095**	–
Irregular expenditure – adjustment	**58 811**	58 811
Total	**312 126**	140 906

Details of irregular expenditure

Current year

The irregular expenditure identified in the current year relates to various incidents reported. These incidents relate to contravention of the Supply Chain management policy and the Preferential Procurement Policy Framework Act (PPPFA) and Regulations.

Prior year

R82 million in respect of goods and services whereby invoices were dated prior to the purchase order dates. The matter is currently under investigation.

Irregular expenditure adjustment

The amount of R58 million relates to incidents that lead to irregular expenditure identified in the current financial year, but the expenditure was incurred in the prior years. The prior opening balance has been adjusted to reflect this amount.

G.14 FRUITLESS AND WASTEFUL EXPENDITURE

Section 1 of the PFMA defines fruitless and wasteful expenditure as "expenditure which was made in vain and would have been avoided had reasonable care been exercised".

Group and Company

Figures in Rand thousand	2015	2014
Opening balance	**1 718**	13 625
Add: fruitless and wasteful expenditure – current year	**11 396**	547
Add: fruitless and wasteful expenditure – adjustment	**–**	1 171
Less: amounts recovered/written-off	**–**	(13 625)
Fruitless and wasteful expenditure not yet closed (awaiting appropriate action)	**13 114**	1 718
Current year	**11 396**	547
Prior years	**547**	–
Add: fruitless and wasteful expenditure – adjustment	**1 171**	1 171
Total	**13 114**	1 718

G. OTHER (continued)

G.14 FRUITLESS AND WASTEFUL EXPENDITURE (continued)

Details of fruitless and wasteful expenditure

Current year

The fruitless and wasteful expenditure identified in the current year relates to seven incidents reported. These mainly related to;

1 losses in relation to cancelled tenders;

2 non-compliance to the Treasury Risk Management Policy Framework and the ACSA SCM Policy and Procedure Manual, (ie by not properly managing the foreign exchange risk by taking a forward cover); and

3 Competition Commission penalty – price-fixing in the market for the supply of parking bays to car rental companies at O.R. Tambo International Airport and Gautrain stations.

Prior year

R0.5 million in respect of not returning and/or demanding a refund on non-functional equipment. A disciplinary hearing was held and a final written warning issued to the employee in question.

Forfeiture of deposit of R0.05 million for conferencing facilities due to cancellation of booking.

The R1.1 million relates to interest on the underpayment of provisional tax.

G.15 PRIOR PERIOD ERRORS

G.15.1 Depreciation

In the 2015 financial year, it was discovered that the financial accounting system was not correctly configured to pro-rate depreciation and amortisation on assets acquired during the course of the current and prior financial years. The restatement indicated below has been done to correct that error. The system configuration has since been corrected during April 2015.

The correction of this prior period error affects both the Group's and Company's results, and has been applied retrospectively.

G.15.2 Deferred tax

Deferred tax relating to equity accounted earnings for associates and Joint ventures had been omitted from the Group consolidation, resulting in an understatement of the deferred tax expense and liability.

The correction of this prior period error affects both only Group's results, and has been applied retrospectively.

G.15.3 Investment properties

One of the Company's investment properties at O.R. Tambo International Airport was incorrectly classified as property and equipment.

The correction of this prior period error affects only the Company's results, and has been applied retrospectively.

G. OTHER (continued)

G.15 PRIOR PERIOD ERRORS (continued)

G.15.3 Investment properties (continued)

The prior year adjustments for both depreciation and deferred tax is outlined on the table below:

	GROUP		COMPANY	
Figures in Rand thousand	2014	2013	2014	2013
Depreciation				
Previously stated	1 402 510	1 411 433	1 398 510	1 407 473
Restatement due to error	10 155	9 526	10 155	9 526
Restatement due to investment properties	–	–	(274)	(274)
Restated amount	1 412 665	1 420 959	1 408 391	1 416 725
Retained earnings				
Previously stated	12 055 313	10 437 027	10 930 489	9 487 940
Restatement due to depreciation error	(70 104)	(62 789)	(70 104)	(62 794)
Restatement due to investment properties	–	–	162 150	138 827
Restatement due to associates	(33 702)	(37 260)	–	–
Restated amount	11 951 507	10 336 978	11 022 535	9 563 973
Deferred tax liability				
Previously stated	1 119 446	943 926	913 011	814 286
Restatement due to depreciation	(27 263)	(24 419)	(27 263)	(24 419)
Restatement due to error – associates	33 777	36 954	–	–
Restatement due to error – investment properties	–	–	62 932	57 573
Restated amount	1 125 960	956 461	948 680	847 440
Income tax expense				
Previously stated	597 086	649 970	551 864	654 928
Tax effect of restatements	(6 398)	22 208	2 440	(2 591)
Restated amount	590 688	672 178	554 304	652 337
Investment properties				
Previously stated	3 275 949	2 991 127	2 547 959	2 263 137
Restated	–	–	375 246	346 916
	3 275 949	2 991 127	2 923 205	2 610 053

G. OTHER (continued)

G.16 CHANGE IN ESTIMATE

The results of Airports Company South Africa Global Limited, a 100% owned subsidiary of the Group, were finalised after those of the Group in the financial years up to and including 31 March 2013. As a result, the effects of finalisations of that entity's results were not consolidated in the relevant year. The effect of this has been adjusted for prospectively in the 2015 consolidated annual financial statements, as a change in estimate, as the prior year consolidated annual financial statements were prepared using information that was available at the time.

The effect of the change in estimate had an impact on the following line items:

	GROUP
Figures in Rand thousand	2015
Deferred tax expense	39 741
Other income	(9 904)
Operating expenses	(620)
Impact on profit before tax	29 217
Foreign currency translation reserve	(27 715)
Income tax liabilities	(4 796)
Deferred tax liabilities	3 294
Impact on net assets	(29 217)

G.17 CONTINGENCIES

Contingent assets

An amount of R15 million for penalties is currently being disputed by a customer with Airports Company South Africa. The recoverability of the amount is more likely to occur than not to occur pending the outcome of negotiations with the customer, and at the date of this report it was not resolved. Legal proceedings have been instituted against the customer.

Contingent liabilities

Nedbank has provided guarantees of R14.6 million to Airports Company South Africa SOC Limited.

Contingencies relating to interests in joint ventures

There are no contingencies relating to interests in joint ventures.

ANNEXURE 1

Reconciliation of Regulatory asset base (RAB) to IFRS asset carrying amount

The property and equipment values used by the Regulator in determining the tariffs which the group may charge for aeronautical services are not based on IFRS principles, and as such are lower due to different recognition principles such as opportunity cost of assets, work-in-progress and some historical disallowances. This however does not give rise to the property and equipment items being impaired due to the permanent nature of those differences not having a material impact on returns.

	2015			2014		
Figures in Rand thousand	**Cost/ fair value**	**Accumulated depreciation**	**Carrying amount**	Cost/ fair value	Accumulated depreciation	Carrying amount
Property and equipment	**28 695 755**	**(9 553 257)**	**19 142 498**	27 976 068	(8 264 565)	19 711 503
Investment property	**3 693 480**	**–**	**3 693 480**	3 275 949	–	3 275 949
Intangible assets	**603 627**	**(547 970)**	**55 657**	585 063	(474 455)	110 608
Total IFRS carrying amount	**32 992 862**	**(10 101 227)**	**22 891 635**	31 837 080	(8 739 020)	23 098 060
Regulatory asset base (RAB)						
IFRS restatement of specialised assets	**(2 558 366)**	**1 244 000**	**(1 314 366)**	(2 642 990)	1 088 000	(1 554 990)
Work in progress exclusion	**(1 205 000)**	**–**	**(1 205 000)**	(1 185 000)	–	(1 185 000)
Disallowed capex	**(1 076 000)**	**297 000**	**(779 000)**	(1 076 000)	234 000	(842 000)
Revaluation of investment properties exclusion	**(1 939 000)**	**–**	**(1 939 000)**	(1 494 000)	–	(1 494 000)
Dube Tradeport sale of land	**540 000**	**–**	**540 000**	540 000	–	540 000
Restatement	**–**		**–**	–	98 000	98 000
Total adjustments for RAB	**(6 238 366)**	**1 541 000**	**(4 697 366)**	(5 857 990)	1 420 000	(4 437 990)
Regulatory asset base	**26 754 496**	**(8 560 227)**	**18 194 269**	25 979 090	(7 319 020)	18 660 070

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