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STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

for the year ended 31 March 2006

The report is presented in terms of Treasury Regulation 28.1.1 of the Public Finance Management Act, Act No. 1 of 1999, as amended and is focused on the financial results and financial position of Airports Company South Africa Limited. The prescribed disclosure of emoluments in terms of Treasury Regulation 28.1.1 is reflected in note 32.2 and 32.3 of the annual financial statements.

The Directors are responsible for the preparation, integrity and fair presentation of the financial statements of Airports Company South Africa Limited and its subsidiaries. The financial statements presented on pages 53 to 97 have been prepared in accordance with International Financial Reporting Standards (IFRS), and include amounts based on judgments and estimates made by management. The Directors also confirm the other information included in the annual report and are responsible for both its accuracy and its consistency with the financial statements.

In order for the Board to discharge its responsibilities, as well as those bestowed on them in terms of the Public Finance Management Act, management has developed and continues to maintain a system of internal control. The Board has ultimate responsibility for the system of internal control and reviews its operation, primarily through the Audit Committee and various other risk-monitoring committees.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute, assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Group's policies and procedures. These controls are implemented by trained, skilled personnel with an appropriate segregation of duties, are monitored by management and include a comprehensive budgeting and reporting system, operating within strict deadlines and an appropriate control framework.

As part of the system of internal control, the Group Internal Audit function conducts operational, financial and specific audits and co-ordinates audit coverage with the external auditors. The external auditors are responsible for reporting on the financial statements.

The going concern basis has been adopted in preparing the financial statements. The Directors have no reason to believe that the Group, or any other material Company within the Group, will not be going concerns in the foreseeable future based on forecasts and available cash resources. These financial statements reflect the viability of the Company and the Group.

The financial statements have been audited by the independent auditing firms, KPMG Inc and SAB&T Inc, which were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Directors and committees of the Board. The Directors believe that all representations made to the independent auditors during their audit are valid and appropriate. KPMG Inc and SAB&T Inc's audit report is presented on page 52.

The financial statements were approved by the Board of Directors on 27 June 2006 and are signed on its behalf.

F. A. Sonn

Dr Franklin Sonn
Non-Executive Chairman

Monhla Hlahla
Managing Director

CERTIFICATE BY COMPANY SECRETARY

In my opinion as Company Secretary, I hereby confirm, in terms of the Companies Act, 1973, that for the year ended 31 March 2006, the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

Tinka Wiswe
Company Secretary

ACSA
Airports Company South Africa

INFORMATION PRESENTED IN TERMS OF SECTION 55(2) OF THE PUBLIC FINANCE MANAGEMENT ACT, NO.1 OF 1999

SECTION 55 (2)(A)

The annual financial statements for the year ended 31 March 2006 fairly present the state of affairs of Airports Company South Africa Limited (ACSA) and its subsidiaries, its business, its financial results and its financial position as at 31 March 2006, as confirmed by the reference to the following:

THE BUSINESS OF ACSA

The principal activities of the Company are the acquisition, development, provision, maintenance, management and operation of airports or parts of airports or any facilities or services that are normally performed at an airport. Other operations in the Group mainly comprise the installation and integration of computer systems and hotel operations.

The performance of ACSA against predetermined objectives:

Financial performance

- The Company exceeded its budgeted profit for the year of R570 million, by R50 million (8,8%).

Capital expenditure

- The Company spent 97,8% of its capital expenditure budget. Delays in commencement of certain projects and the effect of inclement weather in the last quarter of the financial year, impacted on the delivery of projects and capital expenditure. The Company achieved the capital expenditure programme as set by the Regulating Committee in terms of the permission.

Infrastructure

- The following major developments took place:

Johannesburg International Airport:

- Completion of ramp staff processing facility
- Completion of pavement rehabilitation works
- Completion of upgrade of service roads
- Ongoing echo apron development
- Ongoing central terminal building demolitions and enablement works
- Ongoing fuel line upgrade and fuel tank installations

Cape Town International Airport:

- Completion of multi-storey parkade
- Commencement of main runway rehabilitation
- Commencement of fuel tank installation

Durban and Domestic Airports:

- Commencement of Durban International Airport multi–storey parkade
- Commencement of George terminal extension

Procurement

- As part of its procurement policies ACSA supports small, medium and micro enterprises and large black businesses by the procurement and supply of goods and services from black businesses, thereby contributing to BEE.
- The Company procured 42% of its targeted 50% in supplies from BEE companies, including parastatal spend.
- 41% spent on consultants were made to BEE companies, including parastatal spend.

Employment equity

- By year-end 100% of the Company's Executive Directors were historically disadvantaged individuals against a target of 50%, 64% of executive management were historically disadvantaged individuals against a target of 70% and 70% of senior management were historically disadvantaged individuals, including white females, against a target of 60%.

Service levels

- Service levels at ACSA are measured through two studies, namely a passenger perception study (The Airport Service Quality Programme – "ASQ") and a multi-modular quality management system of services (The Airport Service Quality Monitor Programme – "ASQM").

  The ASQM takes cognisance of all service providers rendering a service at ACSA airports. These are consequently reflective of the end-to-end passenger experience as well as the commercial experience that the passenger is offered.

  The ASQ has indicated that ACSA's international airports achieve service excellence ratings between "good" and "very good", whilst domestic airports attain service excellence closer to "very good".

INFORMATION PRESENTED IN TERMS OF SECTION 55(2) OF THE PUBLIC FINANCE MANAGEMENT ACT, NO.1 OF 1999 (CONTINUED)

SECTION 55 (2)(B)

(i) Particulars of material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year:
There were no such instances where the Company sustained material losses.

(ii) Particulars of any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure:
There were no such instances where the Company sustained material losses.

(iii) Particulars of any losses recovered or written off:
No losses were recovered or written off other than in the ordinary course of business, none of which was material.

(iv) Particulars of any financial assistance received from the State and commitments made by the State on behalf of ACSA:
No material financial assistance was received.

SECTION 55 (2)(C)

The financial results and financial position of the subsidiaries have been included in the consolidated annual financial statements of ACSA, set out on pages 53 to 97.

REPORT OF THE INDEPENDENT AUDITORS TO THE MINISTER OF TRANSPORT AND OTHER SHAREHOLDERS OF AIRPORTS COMPANY SOUTH AFRICA LIMITED

for the year ended 31 March 2006

We have audited the annual financial statements and Group annual financial statements of Airports Company South Africa Ltd that are set out on pages 53 to 97 for the year ended 31 March 2006 in terms of section 188 of the Constitution of the Republic of South Africa, 1996, read with section 28 of the Public Audit Act, 2004 and the Companies Act in South Africa. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

The audit was completed in terms of General Notice 544 of 2006, issued in Government Gazette no. 28723 of 10 April 2006.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the Company and the Group at 31 March 2006 and the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Public Finance Management Act, 1999 and the Companies Act in South Africa.

In our opinion, the performance information is fair in all material respects with the guidance set out in General Notice 544 of 2006.

KPMG Inc.

KPMG Inc
Registered Auditor
27 June 2006

KPMG Crescent
85 Empire Road
Parktown
Johannesburg

SAB+T Inc.

SAB&T Inc
Registered Auditor
27 June 2006

119 Witch-Hazel Avenue
Centurion

The Directors present their 13th annual report, which forms part of the audited financial statements of the Company and the Group for the year ended 31 March 2006.

The Company was established in terms of the Airports Company Act of 1993 as amended and the Companies Act of 1973 as amended.

NATURE OF BUSINESS

The principal activities of the Company are the acquisition, development, provision, maintenance, management and operation of airports or parts of airports or any facilities or services that are normally performed at an airport. Other operations in the Group mainly comprise the installation and integration of computer systems and hotel operations.

REVIEW OF OPERATIONS

Revenue for the Group amounted to R2 175 million (2005: R1 941 million) including non-aeronautical revenue of R985 million (2005: R871 million).

Profit before taxation for the Group amounted to R928 million (2005: R709 million).

The profit for the year for the Group was R620 million (2005: R474 million) after making provision for taxation of R308 million (2005: R234 million).

During the year R1 259 million (2005: R492 million) was spent on capital expenditure relating to improvements, expansions and replacements.

Current liabilities exceed current assets by approximately R1 billion. This is primarily as a result of short-term bridging finance used for capital projects as well as the clawbacks for the period 2002 – 2004 which will be repaid during the 2007 financial year. This position does not in any way affect ACSA's ability to meet its obligations. The Company is in the process of exploring various long-term borrowing options and will secure long-term facilities to further fund capital developments. This will be done in a manner that attempts to match assets with the liabilities.

DIVIDENDS

The ordinary dividend proposed amounts to R310 million (2005: R295 million), which has not been raised as a liability at 31 March 2006 in accordance with International Financial Reporting Standards. Further to the ordinary dividend proposed, the Company proposes an once off special dividend of R895 million.

SHARE CAPITAL

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

GOING CONCERN

The Directors have no reason to believe that the Group or any material Company within the Group will not be going concerns in the foreseeable future based on forecasts and available cash resources.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

The Directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report not otherwise dealt with in the financial statements which could significantly affect the financial position of the Company and the Group or the results of their operations.

SUBSIDIARIES AND JOINT VENTURES

The following information relates to the Company's financial interests in its subsidiaries and joint ventures. The nature of the subsidiaries businesses is information technology, airport management and hotel operations.

Report of subsidiaries and joint ventures:

	Issued share capital	% Holding		Cost of shares		Loans less impairments		After tax profit/(loss)	
		2006	2005	2006	2005	2006	2005	2006	2005
	R	%	%	R'000	R'000	R'000	R'000	R'000	R'000
OSI Airport Systems (Pty) Ltd	1 000	51	51	**	**	2 000	2 500	1 962	(1 676)
Pilanesberg International Airport (Pty) Ltd	1 000	100	100	**	**	3 562	654	(1 954)	(3 292)
Precinct 2A (Pty) Ltd *	1	100	100	**	**	–	–	–	–
JIA Piazza Park (Pty) Ltd	100	100	100	**	**	9 284	6 125	3 743	3 534
Airport Logistics Property Holdings (Pty) Ltd	2	50	50	**	**	3 686	–	446	–
Guardrisk Life Ltd (cell captive)	40	100	100	225	225	–	–	4 176	3 956
Lexshell 342 Investment Holdings (Pty) Ltd	100	–	–	–	–	13 851	13 851	1 195	995
Airport Management Share Incentive Scheme Company (Pty) Ltd	100	–	–	–	–	30 098	30 098	2 624	2 097
ACSA Global Ltd	6	100	100	**	–	58	–	(54)	–
				225	225	62 539	53 228	12 138	5 614

* Dormant

** Amounts below R1 000

The Group has a 50% interest in e.Airports Ltd, a joint venture between OSI Airport Systems (Pty) Ltd and SITA. e.Airports Ltd provides airport software and services to the airport industry worldwide.

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.

Details of the assets, liabilities, revenues and expenses of the joint ventures that are included in the consolidated income statements and balance sheets are set out in note 8 of the annual financial statements.

The Group's accounts include the consolidation of the Airport Management Share Incentive Scheme Company (Pty) Ltd and Lexshell 342 Investment Holdings (Pty) Ltd. Although the Airport Management Share Incentive Scheme Company (Pty) Ltd is wholly owned by the Airport Management Share Incentive Scheme Trust and Lexshell 342 Investment Holdings (Pty) Ltd is wholly owned by the Kagano Trust, in terms of SIC-12 , Consolidation of Special Purpose Entities, the Company controls the Airport Management Share Incentive Scheme Company (Pty) Ltd and Lexshell 342 Investment Holdings (Pty) Ltd.

ACSA Global Ltd was formed during the course of the financial year and registered in Mauritius. This company currently holds ACSA's 10% interest in the Mumbai International Airport concession.

ORDINARY SHAREHOLDING ANALYSIS

An analysis of shareholders extracted from the register of ordinary shareholders at 31 March 2006 is as follows:

	Number of shares	% of share capital
SA Government – National Department of Transport	372 994 884	74,60
ADR International Airports SA (Pty) Ltd (refer below)	100 000 000	20,00
Staff Share Incentive Schemes	5 962 452	1,19
Empowerment Investors:		
G10 Investments (Pty) Ltd	6 042 664	1,21
African Harvest Strategic Investments (Pty) Ltd	7 000 000	1,40
Pybus Thirty Four Investments	2 000 000	0,40
Telle Investments	4 000 000	0,80
Upfront Investments 64 (Pty) Ltd	2 000 000	0,40
	500 000 000	100,00

The Government has granted options (exercisable on the initial listing of ACSA) representing 7,8% of the share capital to management and employees at a 10% discount to the price per share paid by ADR International Airports SA (Pty) Ltd, escalated by CPI.

The Public Investment Corporation Ltd (PIC), via one of its subsidiaries, acquired Aeroporti di Roma's interest in ADR International Airports SA (Pty) Ltd during December 2005. ADR International Airports SA (Pty) Ltd is ultimately a wholly owned subsidiary of PIC.

DIRECTORS AND SECRETARY

Details of the Directors and Secretary of the Company are given on page 103 of this annual report.

INTERESTS OF DIRECTORS AND OFFICERS

During the financial year, no contracts were entered into in which Directors and officers of the Company had an interest and which significantly affected 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 Human Resource, Transformation and Remuneration Committee. No long-term service contracts exist between Directors and the Company. (Directors' emoluments can be found in note 32.2 and 32.3).

AUDITORS

KPMG Inc & SAB&T Inc will continue in office in accordance with Section 270 (2) of the Companies Act.

BALANCE SHEETS
as at 31 March 2006

		GROUP		COMPANY	
	Note	**2006 R'000**	2005 R'000	**2006 R'000**	2005 R'000
ASSETS					
Property, plant and equipment	5	**7 534 930**	6 634 349	**7 493 895**	6 612 033
Investment property	6	**430 935**	454 198	**430 935**	454 198
Investment in subsidiaries	7	**–**	–	**59 078**	53 453
Investment in joint ventures	8	**2 104**	2 054	**–**	–
Other investments	9	**2 297**	267	**–**	–
Deferred tax assets	20	**112 029**	85 427	**110 640**	82 696
Total non-current assets		**8 082 295**	7 176 295	**8 094 548**	7 202 380
Inventories	11	**1 795**	1 450	**1 491**	1 247
Trade and other receivables	12	**456 132**	459 383	**452 461**	456 098
Cash and cash equivalents	13	**1 351 817**	80 797	**1 332 048**	58 041
Total current assets		**1 809 744**	541 630	**1 786 000**	515 386
Total assets		**9 892 039**	7 717 925	**9 880 548**	7 717 766
EQUITY AND LIABILITIES					
Equity					
Share capital	14	**500 000**	500 000	**500 000**	500 000
Share premium	14	**250 000**	250 000	**250 000**	250 000
Non-distributable reserves	15	**174**	177	**–**	–
Treasury share reserve	16	**(44 024)**	(44 024)	**–**	–
Retained earnings		**5 465 323**	5 140 056	**5 449 239**	5 124 638
Total equity attributable to equity holders		**6 171 473**	5 846 209	**6 199 239**	5 874 638
Debentures	17	**6 000**	6 000	**–**	–
Minority interest		**35**	2 897	**–**	–
Total equity		**6 177 508**	5 855 106	**6 199 239**	5 874 638
Non-current liabilities					
Interest-bearing borrowings	18	**77 339**	270 449	**56 815**	268 267
Retirement benefit obligations	19	**38 824**	31 122	**38 824**	31 122
Deferred tax liabilities	20	**773 789**	799 219	**773 637**	799 099
Total non-current liabilities		**889 952**	1 100 790	**869 276**	1 098 488
Current liabilities					
Trade and other payables	21	**785 326**	491 793	**774 119**	474 832
Provisions	22	**31 792**	27 200	**31 792**	27 200
Current tax liabilities		**13 583**	36 870	**12 723**	36 442
Current portion of interest-bearing borrowings	18	**1 721 565**	20 780	**1 721 086**	20 780
Deferred revenue	23	**272 313**	185 386	**272 313**	185 386
Total current liabilities		**2 824 579**	762 029	**2 812 033**	744 640
Total liabilities		**3 714 531**	1 862 819	**3 681 309**	1 843 128
Total equity and liabilities		**9 892 039**	7 717 925	**9 880 548**	7 717 766

INCOME STATEMENTS
for the year ended 31 March 2006

	Note	GROUP 2006 R'000	GROUP 2005 R'000	COMPANY 2006 R'000	COMPANY 2005 R'000
Revenue	24	**2 174 845**	1 941 292	**2 116 487**	1 886 494
Other operating income		**8 623**	2 600	**4 149**	4 230
Operational expenses		**(1 206 016)**	(1 189 360)	**(1 151 459)**	(1 137 306)
Operating profit	25	**977 452**	754 532	**969 177**	753 418
Financial income	26	**69 375**	38 661	**72 262**	37 803
Financial costs	26	**(118 618)**	(84 663)	**(116 026)**	(82 392)
Net financial costs	26	**(49 243)**	(46 002)	**(43 764)**	(44 589)
Profit before taxation		**928 209**	708 530	**925 413**	708 829
Income tax expense	27	**(308 446)**	(234 437)	**(305 812)**	(235 957)
Profit for the year		**619 763**	474 093	**619 601**	472 872
Attributable to:					
Equity holders of the parent		**618 802**	474 914	**619 601**	472 872
Minority interest		**961**	(821)	**–**	–
Profit for the year		**619 763**	474 093	**619 601**	472 872
Earnings and dividends per share					
Basic (cents)	28	**123,76**	94,98	**123,92**	94,57
Dividend per share (cents)	28	**58,37**	45,11	**59,00**	45,60

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 March 2006

	GROUP									
	Note	Share capital R'000	Share premium R'000	Retained earnings R'000	Treasury share reserve R'000	Non-distri-butable reserves R'000	Attri-butable to equity holders of the parent R'000	Minority interest R'000	Deben-tures R'000	Total R'000
As at 1 April 2004	*	500 000	250 000	4 894 339	(44 024)	(367)	**5 599 948**	3 196	6 000	**5 609 144**
Net income recognised directly in equity		–	–	(3 916)	–	544	**(3 372)**	522	–	**(2 850)**
Transfer between reserves		–	–	(3 916)	–	3 916	**–**		–	**–**
Translation reserve adjustment						544	**544**	522		**1 066**
Transfer against Life Fund Investment						(3 916)	**(3 916)**			**(3 916)**
Profit for the year	40	–	–	474 914	–	–	**474 914**	(821)	–	**474 093**
Dividend paid	40	–	–	(225 281)	–	–	**(225 281)**	–	–	**(225 281)**
Balance at 1 April 2005	#	500 000	250 000	5 140 056	(44 024)	177	**5 846 209**	2 897	6 000	**5 855 106**
Net income recognised directly in equity		–	–	(2 053)	–	–	**(2 053)**	–	–	**(2 053)**
Transfer between reserves		–	–	(2 053)	–	2 053	**–**		–	**–**
Transfer against Life Fund Investment						(2 053)	**(2 053)**			**(2 053)**
Total recognised income and expense for the year		–	–	618 802	–	(3)	**618 799**	961	–	**619 760**
Profit for the year		–	–	618 802	–		**618 802**	961	–	**619 763**
Translation reserve adjustment						(3)	**(3)**	–		**(3)**
Dividend paid		–	–	(291 482)	–	–	**(291 482)**	(3 823)	–	**(295 305)**
Balance at 31 March 2006		**500 000**	**250 000**	**5 465 323**	**(44 024)**	**174**	**6 171 473**	**35**	**6 000**	**6 177 508**

* Reconciliation of equity as at 1 April 2004 and an explanation of transition to IFRS is set out in notes 35 and 36.
# Reconciliation of equity as at 1 April 2005 and an explanation of transition to IFRS is set out in notes 35 and 38.

	COMPANY				
	Note	Share capital R'000	Share premium R'000	Retained earnings R'000	Total R'000
As at 1 April 2004	*	500 000	250 000	4 879 766	**5 629 766**
Profit for the year	41	–	–	472 872	**472 872**
Dividend paid	41	–	–	(228 000)	**(228 000)**
Balance at 1 April 2005	#	500 000	250 000	5 124 638	**5 874 638**
Profit for the year		–	–	619 601	**619 601**
Dividend paid		–	–	(295 000)	**(295 000)**
Balance at 31 March 2006		**500 000**	**250 000**	**5 449 239**	**6 199 239**

* Reconciliation of equity as at 1 April 2004 and an explanation of transition to IFRS is set out in notes 35 and 37.
# Reconciliation of equity as at 1 April 2005 and an explanation of transition to IFRS is set out in notes 35 and 39.

		GROUP		COMPANY	
	Note	**2006 R'000**	2005 R'000	**2006 R'000**	2005 R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		**2 187 309**	1 900 477	**2 134 770**	1 842 000
Cash paid to suppliers and employees		**(453 586)**	(636 273)	**(411 334)**	(600 701)
Cash generated from operations	33.1	**1 733 723**	1 264 204	**1 723 436**	1 241 299
Interest received		**39 549**	13 702	**38 458**	12 844
Interest paid less capitalised		**(100 010)**	(72 271)	**(97 418)**	(70 000)
Dividends received		**29 826**	24 959	**33 804**	24 959
Dividend paid		**(291 482)**	(225 281)	**(295 000)**	(228 000)
Dividend paid to minority shareholders		**(3 823)**	–	**–**	–
Taxation paid	33.2	**(383 765)**	(271 217)	**(382 937)**	(270 249)
Cash inflow from operating activities		**1 024 018**	734 096	**1 020 343**	710 853
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase)/decrease in investments		**(4 133)**	(3 784)	**(952)**	2 128
Proceeds on disposal of property, plant and equipment and investment property		**2 818**	2 625	**2 689**	3 190
Additions to property, plant and equipment and investment property		**(1 259 355)**	(491 783)	**(1 236 927)**	(485 485)
Cash outflow from investing activities		**(1 260 670)**	(492 942)	**(1 235 190)**	(480 167)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in interest bearing borrowings		**1 507 675**	94 001	**1 488 854**	94 005
Increase in cash and cash equivalents		**1 271 023**	335 155	**1 274 007**	324 691
Cash and cash equivalents at beginning of year		**80 797**	(254 902)	**58 041**	(266 650)
Effect of foreign exchange rate changes on cash held		**(3)**	544	**–**	–
Cash and cash equivalents at end of year	13	**1 351 817**	80 797	**1 332 048**	58 041

Airports Company South Africa Limited is a Company domiciled in South Africa. The consolidated financial statements of the Company for the year ended 31 March 2006 comprise those of the Company and its subsidiaries (referred to as the "Group") and the Group's interest in jointly controlled entities.

The financial statements were authorised for issue by the directors on 27 June 2006.

1. STATEMENT OF COMPLIANCE

The 2006 financial statements and the consolidated financial statements are prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and its interpretations issued by the International Accounting Standards Board (IASB) as well as the requirements of the South African Companies Act and the requirements of the Public Finance Management Act (Act 1 of 1999, as amended).

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has transitioned to IFRS for the first time from 1 April 2004 and adopted all of the new and revised Standards and Interpretations issued by the IASB and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2005.

The adoption of these new and revised Standards and Interpretations has resulted in changes to the Group's accounting policies as reflected in the prior year annual financial statements, which were prepared under South African Statements of Generally Accepted Accounting Practice (SA GAAP). This has affected the amounts and disclosure reported for the current or prior years of:

- Property, plant and equipment (IAS 16)
- Related parties (IAS 24)
- Employee share option schemes (SIC-12)

The impact of these changes on the amounts reported in the prior years is disclosed in notes 35 to 42, while the impact of these changes, on the accounting policies, is discussed in detail in note 3. The impact on basic earnings per share is disclosed in note 28.

The Group has adopted the following exemptions in accordance with IFRS 1 First Time Adoption ("IFRS 1"):

(a) Business combinations

The Group has elected to apply IFRS 3 Business Combinations ("IFRS 3") to all business combinations occurring on or after 1 April 2004 (the date of transition to IFRS).

In July 1999, ACSA created employee and management share schemes to incentivise and retain ACSA management and staff. The ACSA Kagano Trust and the ACSA Management Share Incentive Scheme Trust were established for the benefit of staff and management of ACSA, respectively. These trusts are special purpose entities and have been consolidated, along with their subsidiaries, in ACSA's Group annual financial statements for the year ended 31 March 2006.

(b) Fair value or revaluation as deemed cost

The Group has elected to measure certain items of property, plant and equipment at fair value and to use these fair values as the items' deemed cost as at 1 April 2004. These items relate mainly to land and buildings.

(c) Compound financial instruments

The Group has issued debentures to the North West Government. Since the debentures are zero coupons, no cash flows will be received by them in this regard. Therefore the full amount received should be allocated to equity (refer note 17).

(d) Share-based payment transactions

Through its subsidiaries, the Trusts hold shares in ACSA, as well as options to acquire shares in ACSA from the Minister of Transport. These options are only exercisable upon the event of an initial public offering. No shares or share options have been granted by the Trusts to management or staff, and therefore no IFRS 2 Share-based Payment ("IFRS 2") expense has been recognised in the annual financial statements.

The Group has applied the following exceptions from retrospective application in accordance with IFRS 1:

(a) Derecognition of financial assets and liabilities

The Group applied the IAS 39 derecognition criteria prospectively from 1 April 2004.

(b) Estimates

Estimates under IFRS at 1 April 2004 are consistent with the estimates made at the same date under SA GAAP. ACSA therefore did not adjust any estimates it had made under SA GAAP for information it received subsequent to the date of transition to IFRS.

(c) Assets held for sale and discontinued operations

The Group has applied IFRS 5 Non-current Assets Held for Sale and Discontinued Operations ("IFRS 5") prospectively from 1 April 2005 to all non-current assets held for sale or discontinued operations.

3. BASIS OF PREPARATION

The financial statements are presented in Rands, rounded to the nearest thousand. They are prepared on the historical cost basis, except for financial instruments that are carried at fair value.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Management considers that in the application of IFRS there will be no significant material adjustment to the financial statements and estimates in the next year.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and in preparing the opening IFRS balance sheet at 1 April 2004 for the purpose of transition to IFRS. The accounting policies have been applied consistently to Group entities.

Impact of standards, interpretations and amendments that are not yet effective

At the date of authorisation of the financial statements of ACSA for the year ended 31 March 2006, the following standards and interpretations were in issue but not yet effective:

Standard/Interpretation		Effective date
IFRS 6	Exploration for and Evaluation of Mineral Resources	Annual periods commencing on or after 1 January 2006
IFRS 7	Financial Instruments: Disclosures (including amendments to IAS 1, Presentation of Financial Statements: Capital Disclosures)	Annual periods commencing on or after 1 January 2007
IAS 19 amendment	Employee Benefits (December 2004)	Annual periods commencing on or after 1 January 2006
IAS 39 amendment	Financial Instruments: Recognition and Measurement (April 2005) – Cash flow hedge accounting of forecast intra Group transactions	Annual periods commencing on or after 1 January 2006
IAS 39 amendment	Financial Instruments: Recognition and Measurement (June 2005) – Fair value option	Annual periods commencing on or after 1 January 2006
IAS 39 and IFRS 4 amendment	Financial Instruments: Recognition and Measurement (August 2005) Insurance Contracts – Financial Guarantee Contracts	Annual periods commencing on or after 1 January 2006
IAS 21 amendment	The Effects of Changes in a Foreign Operation (December 2005)	Annual periods commencing on or after 1 January 2006
IFRIC 4	Determining whether an Arrangement contains a Lease	Annual periods commencing on or after 1 January 2006
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	Annual periods commencing on or after 1 January 2006
IFRIC 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	Annual periods commencing on or after 1 December 2005
IFRIC 7	Applying the Restatement Approach under IAS 29 *Financial Reporting in Hyperinflationary Economies*	Annual periods commencing on or after 1 March 2006
IFRIC 8	Scope of IFRS 2	Annual periods commencing on or after 1 May 2006

* All standards will be adopted at their effective date (except for the effect of those standards that are not applicable to the entity). The possible impact of application of the new standards and interpretations on the financial statements in the period of initial application are not yet known, but these standards will be adopted at the effective date.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are not consolidated from the date of disposal. The Group financial statements incorporate the assets, liabilities and results of the operations of the Company and its subsidiaries. All inter-company transactions, balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated.

A listing of the Company's subsidiaries is set out in the Directors' Report.

Investments in subsidiaries

The Company's investment in subsidiaries are carried at cost.

Interests in joint ventures

Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement. The consolidated financial statements include the Group's proportionate share of the entities assets, liabilities, income, expenses and cash flows with items of similar nature on a line by line basis, from the date the joint control commences until the date the joint control ceases. When the investment is classified as held for sale, it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a subsidiary. Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.

4.2 Discontinued operations and non-current assets held for sale

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operation or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

4.3 Revenue recognition

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer (upon delivery of products and customer acceptance, if any.) Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. All revenue is recognised net of value added taxes and discounts, and after eliminating sales within the Group. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs, the possible return of goods, or continuing management involvement with the goods.

Interest and dividend income

Interest income is recognised on a time proportion basis, taking into account the principal amount and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the Group unless collectability is in doubt. Dividends are recognised when the shareholders' right to receive payment is established.

Other income

Other income is any income that accrued to the Group from activities that are not part of the normal operations and is recognised as earned.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Revenue recognition (continued)

Rental income

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern of the users' benefits. Lease incentives granted are recognised as an integral part of the total rental income.

Government grants

Government grants towards staff re-training costs are recognised as income over the periods necessary to match them with the related costs and are deducted in reporting the related expense.

Government grants relating to property, plant and equipment are treated as deferred income and recognised as revenue in the income statement on a systematic basis over the expected useful lives of the assets concerned.

4.4 Accounting for leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Combined leases with land components and building components are to be considered separately for classification purposes. At inception of the lease, the minimum lease payments are allocated to the components in proportion to the relative fair values of the leasehold interests in the land element and buildings element of the lease at the inception of the lease. If this cannot be measured reliably, then the lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amounts of the leased assets and recognised over the lease term on the same basis as the lease income. Initial direct costs incurred in negotiating and arranging finance leases are included in the initial measurement of finance lease receivables.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Property and equipment acquired under finance leasing contracts are depreciated over the useful life of the assets. (Refer to the property, plant and equipment accounting policy).

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

4.5 Foreign currencies

Financial statements of foreign operations

Income statements of foreign operations are translated into the Group's reporting currency at average exchange rates for the year and the assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated at exchange rates ruling at year end. Exchange differences arising from the translation of the net investment in foreign subsidiaries are taken to the "Translation reserve" in shareholders' equity. On disposal of the foreign entity, such translation differences are recognised in the income statement as part of the gain or loss on disposal.

The Group has elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRS as Rand denominated assets and liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Foreign currencies (continued)

Foreign currency transactions

Foreign currency transactions by Group companies are accounted for at the foreign exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Such balances are translated at year-end exchange rates. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Rands at foreign exchange rates ruling at the dates the fair value was determined.

The Group does not apply hedge accounting, however in order to economically hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts (see below for details of the Group's accounting policies in respect of such derivative financial instruments).

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. 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 in profit or loss in the period in which they are incurred.

4.7 Pension and other post-employment obligations

The Group's contribution to the defined contribution pension plans and medical aid schemes are recognised as an expense in the income statement in the year to which they relate.

For defined benefit post-employment medical funds, the cost of providing benefits is determined using the projected unit credit method. Under this method, the cost of providing benefits is charged to the income statement to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plan on an annual basis. The benefits are measured as the present value of the estimated future cash outflows using interest rates of government securities, with the discount rate determined by actuarial assumptions, that have terms of maturity approximating the terms of the related liability.

Actuarial gains and losses are recognised in the income statement immediately. Any liability for post-employment medical benefits arising from past service is recognised with effect from 1 April 2000 over five years in terms of IAS19. Valuations of these obligations are carried out by independent qualified actuaries.

Short-term benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

The accruals for employee entitlements to wages, salaries, annual and sick leave represent the amount which the Group has a present obligation to pay as a result of employees' services provided up to the balance sheet date. The accruals have been calculated at undiscounted amounts based on current wage and salary rates.

4.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4.9 Property, plant and equipment

Vehicles and equipment

All vehicles and equipment are shown at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Land and buildings

Land is stated at deemed cost/cost, less accumulated impairment losses.

Buildings are stated at deemed cost/cost, less accumulated depreciation and accumulated impairment losses.

Interest costs on borrowings to finance the construction of capital projects are capitalised during the period of time that is required to complete and prepare the property for its intended use, as part of the cost of the asset. The cost of capital projects includes the cost of materials and direct labour.

Subsequent expenditure

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when the cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Derecognition

The carrying amount of an item of property, plant and equipment shall be derecognised at the earlier of:
(a) disposal; or
(b) when no future economic benefits are expected from its use or disposal.

Depreciation

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its current estimated useful life as follows:

- Equipment 3 – 12 years
- Motor vehicles 5 years
- Buildings 30 years

Land is not depreciated as it is deemed to have an indefinite life.

Capital work in progress is not depreciated until such time as the asset is ready for its intended use.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Certain items of property, plant and equipment that had been revalued to fair value on or prior to 1 April 2004, the date to transition to IFRS, are measured on the basis of deemed cost, being the revalued amount at the date of transition.

Gains and losses on disposal of vehicles and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

4.10 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are shown at deemed cost/cost, less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on the straight-line method to write off the cost of each property to their residual values over their current estimated useful lives of 30 years. Land is not depreciated as it is deemed to have an indefinite life.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Negative goodwill arising on an acquisition is recognised directly in profit or loss.

4.12 Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment. If there is any indication that an item of assets may be impaired, its recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of other assets in the unit (group of units) on a *pro rata* basis.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount is the greater of an asset's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows from the asset 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.13 Inventories

Inventory is stated at the lower of cost or net realisable value, whichever is the lower. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is determined by using the first in first out method and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition.

4.14 Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial instruments carried on the balance sheet include cash and bank balances, investments, trade receivables, trade payables and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial instruments are initially measured at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs. Subsequent to initial recognition these instruments are measured as follows:

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Financial instruments (continued)

Trade receivables

Trade receivables are stated at their amortised cost less impairment losses. An estimate is made for the impairment of receivables based on a review of all outstanding amounts at the year-end. The impairment recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Bad debts are written off during the year in which they are identified.

Investments

Unlisted investments are shown at fair value, unless their fair value cannot be reliably determined, in which case they are shown at cost less accumulated impairment losses. Gains and losses arising from a change in the fair value of financial instruments are included in net profit or loss in the period in which the change arises.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at balance sheet date.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Bank borrowings

Interest-bearing bank loans and overdrafts are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Trade payables

Trade payables are subsequently measured at amortised cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. The Group uses derivative financial instruments (primarily foreign currency forward contracts) to economically hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Interest rate risk arises from bank loans and is managed through a combination of fixed rate and floating rate funding. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes. Derivative financial instruments are subsequently remeasured to fair value through profit and loss.

Derecognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired;
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Financial instruments (continued)

Offset

A financial asset and financial liability are offset and the net amount reported in the balance sheet when the Group both:

- Has a current legally enforceable right to set off the recognised amount; and
- Intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.15 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts.

4.16 Provisions

Provisions are recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of past events for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

4.17 Related parties

ACSA operates in an economic environment currently dominated by entities directly or indirectly owned by the South African Government. As a result of the constitutional independence of all three spheres of government in South Africa, only parties within the national sphere of Government will be considered to be related parties.

Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. We regard all individuals from the level of General Manager up to the Board of Directors as key management per the definition of the standard.

Close family members of key management personnel are considered to be those family members who may be expected to influence, or be influenced by key management individuals in their dealings with the entity.

Other related party transactions are also disclosed in terms of the requirements of the standard. The objective of the standard and the financial statements is to provide relevant and reliable information and therefore materiality is considered in the disclosure of these transactions.

4.18 Insurance contracts

An insurance contract is a contract that transfers significant insurance risk from policy holder to insurer. An assessment of whether recognised insurance liabilities are adequate is performed at each reporting date, using current estimates of future cash flows under insurance contracts. If the assessment shows that the carrying amount of insurance liabilities (less related deferred acquisition costs and related intangible assets) is inadequate in light of the estimated future cash flows, the entire deficiency is recognised in profit or loss.

	GROUP 2006 R'000	GROUP 2005 R'000	COMPANY 2006 R'000	COMPANY 2005 R'000
5. PROPERTY, PLANT AND EQUIPMENT				
5.1 Vehicles and equipment				
Cost				
Equipment	**670 926**	509 399	**653 870**	492 499
Owned	**614 451**	457 577	**597 395**	440 677
Leased	**56 475**	51 822	**56 475**	51 822
Vehicles	**76 931**	49 560	**76 746**	49 435
Capital work in progress	**123 133**	69 121	**120 381**	69 121
	870 990	628 080	**850 997**	611 055
Accumulated depreciation				
Equipment	**262 281**	137 124	**258 448**	134 955
Owned	**221 725**	112 354	**217 892**	110 185
Leased	**40 556**	24 770	**40 556**	24 770
Vehicles	**14 316**	8 187	**14 224**	8 167
	276 597	145 311	**272 672**	143 122
Carrying amount				
Equipment	**408 645**	372 275	**395 422**	357 544
Owned	**392 726**	345 223	**379 503**	330 492
Leased	**15 919**	27 052	**15 919**	27 052
Vehicles	**62 615**	41 373	**62 522**	41 268
Capital work in progress	**123 133**	69 121	**120 381**	69 121
	594 393	482 769	**578 325**	467 933
Movement for the year				
Carrying amount at beginning of year	**482 769**	457 421	**467 933**	442 743
Movement in cost				
Additions/reclassification	**248 997**	172 020	**244 529**	168 894
Equipment				
Owned	**139 087**	122 703	**134 790**	120 289
Leased	**–**	703	**–**	–
Vehicles	**33 635**	6 482	**33 635**	6 473
Capital work in progress	**76 275**	42 132	**76 104**	42 132
Disposals	**6 065**	12 462	**4 563**	11 724
Equipment				
Owned	**4 816**	12 247	**3 314**	11 509
Leased	**–**	215	**–**	215
Vehicles	**1 249**	–	**1 249**	–
Movement in accumulated depreciation				
Depreciation	**137 167**	145 643	**134 060**	143 413
Equipment				
Owned	**113 980**	112 625	**110 945**	110 416
Leased	**15 028**	24 831	**15 028**	24 830
Vehicles	**8 159**	8 187	**8 087**	8 167
Disposals	**5 859**	11 433	**4 486**	11 433
Equipment				
Owned	**4 611**	11 279	**3 238**	11 279
Leased	**–**	154	**–**	154
Vehicles	**1 248**	–	**1 248**	–
Carrying amount at end of year	**594 393**	482 769	**578 325**	467 933

	GROUP		COMPANY	
	2006 R'000	2005 R'000	**2006 R'000**	2005 R'000
5. PROPERTY, PLANT AND EQUIPMENT (continued)				
5.2 Land and buildings				
Cost				
Land	**826 169**	826 169	**826 169**	826 169
Buildings	**1 967 580**	1 910 699	**1 943 314**	1 910 656
Equipment	**4 573 213**	3 619 265	**4 571 760**	3 611 550
Owned	**4 532 627**	3 578 632	**4 532 627**	3 572 417
Leased	**40 586**	40 633	**39 133**	39 133
	7 366 962	6 356 133	**7 341 243**	6 348 375
Accumulated depreciation				
Buildings	**148 173**	69 073	**147 422**	69 073
Equipment	**278 252**	135 480	**278 251**	135 202
Owned	**270 514**	131 573	**270 514**	131 295
Leased	**7 738**	3 907	**7 737**	3 907
	426 425	204 553	**425 673**	204 275
Carrying amount				
Land	**826 169**	826 169	**826 169**	826 169
Buildings	**1 819 407**	1 841 626	**1 795 892**	1 841 583
Equipment	**4 294 961**	3 483 785	**4 293 509**	3 476 348
Owned	**4 262 113**	3 447 059	**4 262 113**	3 441 122
Leased	**32 848**	36 726	**31 396**	35 226
	6 940 537	6 151 580	**6 915 570**	6 144 100
Movement for the year				
Carrying amount at beginning of year	**6 151 580**	6 038 135	**6 144 100**	6 031 427
Movement in cost				
Additions/reclassifications	**1 011 150**	319 763	**993 190**	316 591
Buildings	**941 225**	103 785	**923 217**	100 613
Equipment				
Owned	**69 973**	215 978	**69 973**	215 978
Leased	**(48)**	–	**–**	–
Disposals	**323**	3 494	**323**	3 494
Buildings	**167**	3	**167**	3
Equipment				
Owned	**156**	3 101	**156**	3 101
Leased	**–**	390	**–**	390
Movement in accumulated depreciation				
Depreciation	**222 067**	206 127	**221 594**	203 727
Buildings	**156 492**	62 643	**156 019**	68 485
Equipment				
Owned	**61 745**	139 465	**61 745**	131 223
Leased	**3 830**	4 019	**3 830**	4 019
Disposals	**197**	3 303	**197**	3 303
Buildings	**147**	–	**147**	–
Equipment				
Owned	**50**	3 024	**50**	3 024
Leased	**–**	279	**–**	279
Carrying amount at end of year	**6 940 537**	6 151 580	**6 915 570**	6 144 100
Total property, plant and equipment	**7 534 930**	6 634 349	**7 493 895**	6 612 033

	GROUP		COMPANY	
	2006 R'000	2005 R'000	**2006 R'000**	2005 R'000
5. PROPERTY PLANT AND EQUIPMENT (continued)				
Leased property, plant and equipment				
The carrying amount of the Group's property, plant and equipment includes an amount of R47,3 million (2005: R66,2 million) in respect of assets held under finance leases.				
Leased assets are encumbered to secure the Nedcor Investment Bank Ltd Loan 2, as set out in note 18.				
Ownership				
Details of the fixed properties are recorded in a register which may be inspected by the members or their duly authorised agents at the Company's registered office.				
The registration of ownership of assets has been substantially completed at year-end. In accordance with section 6(6) of the Airports Company Act, the Company became the owner of these assets on vesting date irrespective of the date of registration of ownership.				
The Company's land and buildings consist of land, buildings and equipment (including runway systems, air corridors and other related equipment).				
6. INVESTMENT PROPERTY				
Cost				
Land	**101 655**	101 655	**101 655**	101 655
Buildings	**368 183**	303 517	**368 183**	303 517
Equipment				
Owned	**12 213**	77 672	**12 213**	77 672
	482 051	482 844	**482 051**	482 844
Accumulated depreciation				
Buildings	**41 333**	17 498	**41 333**	17 498
Equipment				
Owned	**9 783**	11 148	**9 783**	11 148
	51 116	28 646	**51 116**	28 646
Carrying amount				
Land	**101 655**	101 655	**101 655**	101 655
Buildings	**326 850**	286 019	**326 850**	286 019
Equipment				
Owned	**2 430**	66 524	**2 430**	66 524
	430 935	454 198	**430 935**	454 198
Movement for the year				
Carrying amount at beginning of year	**454 198**	483 534	**454 198**	483 534
Movement in cost				
Additions/reclassifications				
Buildings and equipment	**(792)**	–	**(792)**	–
Disposals				
Buildings	**–**	690	**–**	690
Movement in accumulated depreciation				
Depreciation	**22 471**	28 646	**22 471**	28 646
Buildings	**20 284**	17 498	**20 284**	17 498
Equipment				
Owned	**2 187**	11 148	**2 187**	11 148
Carrying amount at end of year	**430 935**	454 198	**430 935**	454 198

	COMPANY 2006 R'000	COMPANY 2005 R'000

6. INVESTMENT PROPERTY (continued)

The Company's investment property consist of land, buildings and equipment (including runway systems, air corridors and other related equipment).

Details of the fixed investment properties are recorded in a register which may be inspected by the members or their duly authorised agents at the Company's registered office. Investment property comprises a number of commercial properties that are leased to third parties. No contingent rents are charged. Refer to note 30 for more detail.

The Company agreed to build premises for Pick 'n Pay on the basis of them agreeing to a 15-year rental agreement with the Company on land belonging to the Company. This development was paid for by the Company and the Company has entered into limited recourse loan agreements with Nedcor Investment Bank Limited ("Nedcor") and the lease has been ceded to Nedcor. The substance of the loan agreement is that Nedcor would only have recourse to the Company should the Company receive lease payments from Pick 'n Pay but do not pay those amounts to Nedcor. As the Company will only incur a legal obligation to Nedcor if the circumstances set out above arise and substantially all the economic benefits from the property will accrue to Nedcor until the loan has been fully paid, the asset and liability are recognised in the financial statements as the rental payments are received. The fair value of the building, which was previously constructed was R64 million (2005: R64 million) and the amount owing to Nedcor at 31 March 2006 was R25,4 million (2005: R26,5 million). The fair value of the building is now straight-lined as part of the lease receivable over the period of the lease.

7. INVESTMENT IN SUBSIDIARIES

Details of the Company's subsidiaries at 31 March 2006 are as follows:

	Principal activity	Proportion of ownership interest	2006 Cost of shares	2005 Cost of shares
Guardrisk Life Ltd (cell captive)	Insurance	100%	**225**	225
			Owing by subsidiaries	Owing by subsidiaries
OSI Airport Systems (Pty) Ltd	Information Technology	51%	**2 000**	2 500
Pilanesberg International Airport (Pty) Ltd	Airport Management	100%	**19 659**	14 722
Precinct 2A (Pty) Ltd	Dormant	100%	**–**	–
JIA Piazza Park (Pty) Ltd	Hotel Operations	100%	**9 284**	12 827
Lexshell 342 Investment Holdings (Pty) Ltd	Employee Share Option Plan	–	**13 851**	13 851
Airport Management Share Incentive Scheme Company (Pty) Ltd	Management Share Option Plan	–	**30 098**	30 098
ACSA Global Ltd	Management Company	100%	**58**	–
Less Impairment for losses			**(16 097)**	(20 770)
Total amount owing by subsidiaries			**58 853**	53 228
Total investment in subsidiaries			**59 078**	53 453

	GROUP		COMPANY	
	2006 R'000	2005 R'000	**2006 R'000**	2005 R'000
8. INVESTMENT IN JOINT VENTURES				
The Group has the following significant interests in joint ventures:				
a) e.Airports Ltd				
Indebtness	**1 104**	804		
Indebtness in respect of intellectual property	**1 000**	1 250		
	2 104	2 054		
The Group has a 50% interest in a joint venture, e.Airports Ltd held through the OSI Airport Systems (Pty) Ltd subsidiary, which provides airports systems and services to the airport industry worldwide.				
The following amounts represent the Group's share of the assets, liabilities, revenue and expenses of the joint venture and are included in the consolidated balance sheet and income statement.				
Property, plant and equipment	**114**	178		
Deferred tax assets	**1 363**	593		
Current assets	**1 435**	1 323		
	2 912	2 094		
Non-current liabilities	**1 379**	682		
Current liabilities	**2 703**	2 979		
	4 082	3 661		
Net assets	**(1 170)**	(1 567)		
Loss before taxation	**(2 926)**	(2 636)		
Income tax relief	**807**	485		
Loss after taxation	**(2 119)**	(2 151)		
b) Airport Logistics Property Holdings (Pty) Ltd				
The Group has a 50% interest in a joint venture, Airport Logistics Property Holdings (Pty) Ltd, held through ACSA.				
The following amounts represent the Group's share of the assets, liabilities, revenue and expenses of the joint venture and are included in the consolidated balance sheet and income statement.				
Property, plant and equipment	**16 640**	1 500		
Current assets	**3 224**	–		
	19 864	1 500		
Non-current liabilities	**17 797**	–		
Loans	**1 843**	1 500		
Current liabilities	**2**	–		
	19 642	1 500		
Net assets	**222**	–		
Profit before taxation	**376**	–		
Income tax expense	**(154)**	–		
Profit after taxation	**222**	–		

	GROUP		COMPANY	
	2006 R'000	2005 R'000	**2006 R'000**	2005 R'000
9. OTHER INVESTMENTS				
Designated as held for trading at fair value				
Old Mutual Asset Managers Absolute Return Fund	**21 353**	17 270		
Life Fund (Insurance Liability – refer note 15)	**(19 056)**	(17 003)		
	2 297	267		
The investment included above represents an investment in Old Mutual Asset Managers Absolute Return Fund. These investments have no fixed maturity or coupon rate. The fair value of the investment is based on a rate of return on assets of 7,578%, an assumed bonus increase of 1,97% and a real rate of return of 5,5%. The fair value increased by R4,083 million in 2006 (2005: R3,915 million).				
10. PRIOR YEAR ADJUSTMENT – OPERATING LEASE INCOME				
The change in the manner of recognising lease payments arises as a result of a change in interpretation of IAS 17 by South African entities in order to align the South African practice with that applied internationally. The effect of the revised interpretation is that operating lease payments will be recognised on a straight-line basis over the lease term and not as cash is paid. The financial statements of the prior period have been restated to reflect this change. The effect of the restatement on the financial statements is summarised below:				
Effect on profit for the year:				
Decrease in revenue		(17 069)		(17 069)
Decrease in income tax expense		4 950		4 950
Net decrease in profit		(12 119)		(12 119)
Effect on net lease receivable at 31 March 2005				
Opening balance of net lease receivable as previously reported		–		–
Lease receivable		176 119		176 119
Lease payable		(15 718)		(15 718)
Closing balance of net lease receivable at 31 March 2005		160 401		160 401
Effect on balance sheet at 31 March 2005				
Increase in net lease receivables		160 401		160 401
Increase in deferred tax		(46 516)		(46 516)
Increase in retained earnings		113 885		113 885
The effect on opening retained earnings of the prior year is as follows:				
Increase in retained earnings at 1 April 2004		126 004		126 004
11. INVENTORIES				
Consumables	**1 491**	1 247	**1 491**	1 247
Hotel food and beverages	**304**	203	**–**	–
	1 795	1 450	**1 491**	1 247

ACSA
Airports Company South Africa

	GROUP		COMPANY	
	2006 R'000	2005 R'000	**2006 R'000**	2005 R'000
12. TRADE AND OTHER RECEIVABLES				
Trade receivables	**197 490**	186 716	**196 161**	179 841
Loan to joint venture	**–**	–	**3 686**	3 000
Adjustment for impairment of receivables	**(3 096)**	(5 218)	**(2 980)**	(5 140)
VAT receivable	**28 453**	11 815	**25 608**	11 661
Prepayments	**3 558**	70 388	**3 488**	70 241
Other receivables	**48 395**	19 563	**45 689**	20 376
Lease receivables	**181 332**	176 119	**180 809**	176 119
	456 132	459 383	**452 461**	456 098

An adjustment for impairment of receivables has been made for estimated irrecoverable amounts from the sale of goods and services. This impairment has been determined by reference to past default experience.

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

The lease receivables relate to the straight lining of lease accruals. Given the volume and complexity of leases involved and the movements therein the entire lease receivable amount has been classified as current.

	GROUP 2006 R'000	GROUP 2005 R'000	COMPANY 2006 R'000	COMPANY 2005 R'000
13. CASH AND CASH EQUIVALENTS				
Cash on hand and balances with banks	**1 351 817**	80 797	**1 332 048**	58 041
14. ISSUED SHARE CAPITAL AND SHARE PREMIUM				
Authorised				
1 000 000 000 ordinary R1 par value shares	**1 000 000**	1 000 000	**1 000 000**	1 000 000
Issued				
500 000 000 ordinary R1 par value shares	**500 000**	500 000	**500 000**	500 000
Share premium	**250 000**	250 000	**250 000**	250 000
	750 000	750 000	**750 000**	750 000

The Company has one class of ordinary shares which carry no right to fixed income.

	GROUP		COMPANY	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
15. NON-DISTRIBUTABLE RESERVES				
Restated balance at beginning of the year	**177**	(367)		
Transfer from retained earnings	**2 053**	3 916		
Transfer against Life Fund Investment	**(2 053)**	(3 916)		
Translation reserve adjustment	**(3)**	544		
Balance at end of the year	**174**	177		
Non-distributable reserves consist of the following:				
Translation reserve	**174**	177		

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the Company, as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

Life Fund

The transfer to the Life Fund represents amounts to fund future pension payments.

The Company acquired 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 from R1 200 to R1 500.

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. As it is the intention that this commitment will be funded through the Old Mutual Asset Managers Absolute Return Fund, set off has been applied (refer note 9).

	GROUP		COMPANY	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
16. TREASURY SHARE RESERVE				
The Treasury Share Reserve represents the Company's own shares held by the Group.	**44 024**	44 024		
5 962 452 shares (2005: 5 962 452 shares) are held by the Airport Management Share Incentive Scheme Company (Pty) Ltd and Lexshell 342 Investment Holdings (Pty) Ltd.				
17. DEBENTURES				
Debentures issued to the North West Government	**6 000**	6 000		

Debentures issued to the North West Government at zero coupon rate in exchange for an allocation on 1 January 2009 of a 20% equity in Pilanesberg International Airport (Pty) Ltd.

It is ACSA's intention and understanding that the debentures be convertible at the option of the North West Government. The contractual terms providing for the conversion of the debentures into an equity stake would result in government participation in the ownership of the Company. The debentures are at a zero coupon rate and no cash flows will be received in this respect. Therefore the full amount received on initial recognition is equal to the residual amount that should be allocated to equity.

	GROUP		COMPANY	
	2006 R'000	2005 R'000	**2006 R'000**	2005 R'000
18. INTEREST BEARING BORROWINGS				
Unsecured				
Southern Sun	**1 500**	1 500	**–**	–
Secured				
Standard Corporate and Merchant Bank	**–**	192 082	**–**	192 082
Nedcor Investment Bank Ltd – Loan 1	**20 604**	34 145	**20 604**	34 145
Nedcor Investment Bank Ltd – Loan 2	**56 028**	62 820	**56 028**	62 820
Nedcor Investment Bank Ltd – Facility	**1 701 269**	–	**1 701 269**	–
Other	**19 503**	682	**–**	–
	1 797 404	289 729	**1 777 901**	289 047
Total unsecured and secured				
Current portion	**1 721 565**	20 780	**1 721 086**	20 780
Non-current portion	**77 339**	270 449	**56 815**	268 267
	1 798 904	291 229	**1 777 901**	289 047

Unsecured loans

The loan from Southern Sun bears interest at 2% above the R153 Government of South Africa Bond or equivalent bond rate and is repayable on the earlier of termination of the contract or 2012.

Standard Corporate and Merchant Bank Ltd

The Company entered into a long-term banking facility with Standard Corporate and Merchant Bank Ltd ("SCMB"), limited to R500 million at a monthly interest rate of Jibar + 0,55%. This was repayed during 2006.

Nedcor Investment Bank Ltd – Loan 1

The liability to Nedcor Investment Bank Ltd is for capitalised leased assets that are held under finance sale and leaseback agreements that range from 3 to 10 years. The loan bears interest at the prime overdraft rate, maturing in March 2010.

Nedcor Investment Bank Ltd – Loan 2

The Company acquired a loan facility from Nedcor Investment Bank Ltd during March 2002 totalling R75 000 000. The loan is repayable in bi-annual instalments of R4 361 030 on 1 September and 1 March over nine years at a fixed interest rate of 9,79% and maturing in March 2010.

Nedcor Investment Bank Ltd – Facility

The Company entered into a bridging facility with Nedcor Investment Bank Ltd, limited to R2,5 billion at a monthly interest rate of Jibar + 0,13%. This facility was entered into as a bridging facility during the 2006 financial year.

Other loans

The Group has entered into a secured funding arrangement with Bidvest, via the joint venture, Airport Logistics Property Holdings Ltd. The loan bears interest at a fixed rate of 10,72% per annum. The loan is repayable in monthly instalments of R276 865 in advance, increasing annually by 8% on the 1st of October, with the last instalment payable on 1 September 2015.

	GROUP		COMPANY	
	2006 R'000	2005 R'000	**2006 R'000**	2005 R'000
18. INTEREST BEARING BORROWINGS (continued)				
Included in interest bearing borrowings above are finance sale and lease back liabilities in favour of Nedcor Investment Bank Ltd detailed as follows:				
Future interest				
Year 1	**65 209**	52 161	**65 209**	52 161
Year 2 to Year 5	**260 516**	325 725	**260 516**	325 725
	325 725	377 886	**325 725**	377 886
Future capital				
Year 1	**5 151**	13 542	**5 151**	13 542
Year 2 to Year 5	**15 453**	20 603	**15 453**	20 603
	20 604	34 145	**20 604**	34 145
Future minimum lease payments				
Year 1	**70 360**	65 703	**70 360**	65 703
Year 2 to Year 5	**275 969**	346 328	**275 969**	346 328
	346 329	412 031	**346 329**	412 031
Present value of future minimum lease payments				
Year 1	**71 943**	58 704	**71 943**	58 704
Year 2 to Year 5	**174 627**	309 434	**174 627**	309 434
	246 570	368 138	**246 570**	368 138
19. RETIREMENT BENEFIT OBLIGATIONS				
Defined contribution plans				
Pension fund				
All full-time employees of the Company are members of the pension fund, a defined contribution fund, subject to the Pension Funds Act 1956. On 31 March 2006 an actuarial valuation was performed by independent consulting actuaries, who found the fund to be in a sound financial position. No events have had a significant effect on the fund's position since this valuation.				
Defined benefit plan				
Post retirement medical benefits				
Reconciliation of assets and liabilities recognised in the balance sheet				
Present value of unfunded obligations	**38 824**	31 122	**38 824**	31 122
Reconciliation of net liability recognised in the balance sheet				
Balance at beginning of the year	**31 122**	23 333	**31 122**	23 333
Current service cost	**2 631**	2 715	**2 631**	2 715
Interest cost	**2 625**	2 984	**2 625**	2 984
Actuarial loss/(gain)	**2 918**	(4 219)	**2 918**	(4 219)
Transitional liability recognised/adjustment	**–**	6 709	**–**	6 709
Expense recognised	**39 296**	31 522	**39 296**	31 522
Expected employer benefit payment (contribution holiday)	**(472)**	(400)	**(472)**	(400)
Balance at end of the year	**38 824**	31 122	**38 824**	31 122
Expense recognised in the income statement				
Current service cost	**2 631**	2 715	**2 631**	2 715
Interest cost	**2 625**	2 984	**2 625**	2 984
Expected employer benefit payment (contribution holiday)	**(472)**	(400)	**(472)**	(400)
Actuarial loss	**2 918**	2 490	**2 918**	2 490
	7 702	7 789	**7 702**	7 789

	GROUP		COMPANY	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
19. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)				
Principal actuarial assumptions at the balance sheet date				
Discount rate	**8,2%**	8,5%	**8,2%**	8,5%
Health care cost inflation	**6,2%**	6,5%	**6,2%**	6,5%
Average retirement age (years)	**60**	60	**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.				
20. DEFERRED TAX ASSETS AND LIABILITIES				
Restated balance at beginning of the year	**713 792**	782 441	**716 403**	782 729
Movements during the year	**(52 032)**	(68 649)	**(53 406)**	(66 326)
Balance at end of year	**661 760**	713 792	**662 997**	716 403
Deferred taxation comprises:				
Deferred tax assets				
Provisions	**(110 064)**	(77 718)	**(109 933)**	(77 511)
Bad debts provision	**(699)**	(1 356)	**(699)**	(1 356)
Other	**(1 266)**	(6 353)	**(8)**	(3 829)
	(112 029)	(85 427)	**(110 640)**	(82 696)
Deferred tax liabilities				
Capital allowances	**714 793**	737 877	**714 641**	737 757
Operating leases	**43 462**	46 516	**43 462**	46 516
Leased assets	**6 168**	7 864	**6 168**	7 864
Hotel allowances	**8 354**	6 962	**8 354**	6 962
Other	**1 012**	–	**1 012**	–
	773 789	799 219	**773 637**	799 099
Net deferred tax	**661 760**	713 792	**662 997**	716 403
The deferred tax on land was calculated at the capital gains tax rate of 14,5% on the increase in the value of land of R184 million, calculated on the time apportionment method from date of inception to date of restating to deemed cost.				
21. TRADE AND OTHER PAYABLES				
Trade payables	**680 154**	411 289	**675 037**	409 776
Accrued expenses	**43 295**	34 639	**38 112**	20 107
Leave payable	**19 258**	18 819	**18 714**	18 462
Bonusses payable	**7 167**	6 815	**6 804**	6 256
Lease payables	**30 939**	15 718	**30 939**	15 718
Swissport guarantee	**4 513**	4 513	**4 513**	4 513
	785 326	491 793	**774 119**	474 832

Trade payables and accruals principally comprise amounts outstanding for trade purchases and other costs.

The directors consider that the carrying amount of trade payables approximates their fair value.

The bonusses payable represents the liability accrued for at year end relating to contractual employee bonus payments.

The lease payables relates to the straight lining of lease accruals. Given the volume and complexity of leases involved and the movements therein the entire lease payable amount has been classified as current.

ACSA guarantees that if Swissport refuses or is not able to take occupation of the rental premises, ACSA will either source a new tenant for Stocks & Stocks or make a lump sum payment based on discounted future rental payments. Stocks & Stocks paid ACSA an amount of R4 513 119 for this guarantee. As the risk of this guarantee increases towards the latter part of the lease this amount will be deferred and only be recognised at the end of the lease.

	GROUP 2006 R'000	GROUP 2005 R'000	COMPANY 2006 R'000	COMPANY 2005 R'000
22. PROVISIONS				
Staff bonuses:				
Balance at beginning of the year	**27 200**	26 629	**27 200**	26 629
Additional provision in the year	**31 792**	27 200	**31 792**	27 200
Utilisation of provision	**27 200**	26 629	**27 200**	26 629
Balance at end of the year	**31 792**	27 200	**31 792**	27 200
The accumulated staff bonus represents the liability at year-end provided for a planned employee incentive bonus payment.				
23. DEFERRED REVENUE				
Profit on sale and leaseback transaction	**6 027**	6 027	**6 027**	6 027
Less: Amounts recognised to date	**(3 894)**	(2 214)	**(3 894)**	(2 214)
Clawback relating to 2002 to 2004	**228 100**	139 493	**228 100**	139 493
CPI correction factor relating to 2005	**42 080**	42 080	**42 080**	42 080
	272 313	185 386	**272 313**	185 386

During 2001, the Company entered into a sale and financial leaseback transaction with Nedcor Investment Bank Ltd. The profit on the sale of the equipment is to be recognised over the lease term of the equipment leased back which is between three to ten years. Refer to notes 5 and 18.

Based on the financial results for the 2004 financial year against the Permission Application, the Regulating Committee of ACSA has indicated that the Company is liable to refund a clawback amounting to R70 million. This clawback, together with the clawback previously promulgated relating to the 2002 and 2003 financial years and interest thereon, will be refunded through future tariffs.

CPI Correction Factor – No revenue is recognised in the Income Statement in respect of the over recovery of revenue based on tariffs. The over recovery is recognised in the Income Statement in the years in which the tariffs are reduced.

	GROUP 2006 R'000	GROUP 2005 R'000	COMPANY 2006 R'000	COMPANY 2005 R'000
24. REVENUE				
Revenue comprises:				
Aeronautical	**1 190 203**	1 070 555	**1 189 501**	1 069 520
Retail	**695 635**	594 465	**695 483**	594 374
Property rental	**172 636**	168 806	**171 204**	168 788
Integration of computer installation systems	**7 277**	13 431	**–**	–
Hotel operations	**50 486**	42 097	**–**	–
Premiums received	**5 781**	5 439	**–**	–
Other	**52 827**	46 499	**60 299**	53 812
	2 174 845	1 941 292	**2 116 487**	1 886 494

	GROUP 2006 R'000	GROUP 2005 R'000	COMPANY 2006 R'000	COMPANY 2005 R'000
25. OPERATING PROFIT				
Operating profit is stated after charging:				
Adjustment for impairment of loans to subsidiaries	–	–	(4 672)	1 893
Amortisation of intangible assets	–	1 828	–	–
Auditors' remuneration	3 281	2 501	2 853	2 243
– Fee for audits	2 228	1 708	1 800	1 450
– Other services	987	410	987	410
– Prior year adjustment	58	383	58	383
– Expenses	8	–	8	–
Company's contribution to defined contribution pension plan	19 038	18 850	17 816	17 594
Depreciation	381 705	380 416	378 125	375 786
Owned assets				
– vehicles and equipment	122 139	120 812	119 032	118 583
– land and buildings	218 237	202 108	217 764	199 708
– investment properties	22 471	28 646	22 471	28 646
Leased assets				
– vehicles and equipment	15 028	24 831	15 028	24 830
– land and buildings	3 830	4 019	3 830	4 019
Master planning and technical consulting fees	21 891	31 798	23 880	26 389
Movement in provisions	4 592	571	4 592	571
Net exchange losses	220	615	16	2
Operating lease expense	10 520	10 449	10 006	9 257
Personnel costs	337 471	317 815	313 283	299 512
Profit on sale of property, plant and equipment	(2 486)	(715)	(2 486)	(2 018)
Profit on sale and leaseback recognised	(1 680)	(2 214)	(1 680)	(2 214)
26. NET FINANCIAL COSTS				
Interest received	39 549	13 702	38 458	12 844
Dividend received from subsidiary	–	–	3 978	–
Preference dividend received	29 826	24 959	29 826	24 959
Financial income	69 375	38 661	72 262	37 803
Interest paid on bank borrowings	(65 135)	(37 879)	(64 295)	(37 879)
Finance lease charges	(42 690)	(39 885)	(42 690)	(39 885)
Interest paid on other borrowings	(11 100)	(3 226)	(9 349)	(955)
Foreign exchange losses	(81)	(2 850)	(80)	(2 850)
Interest on clawback	(18 608)	(12 392)	(18 608)	(12 392)
Capitalised to qualifying projects	18 996	11 569	18 996	11 569
Financial costs	(118 618)	(84 663)	(116 026)	(82 392)
Net financial costs	(49 243)	(46 002)	(43 764)	(44 589)

Borrowing costs included in the cost of qualifying assets during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 7,9% to expenditure on such assets.

	GROUP		COMPANY	
	2006 R'000	2005 R'000	**2006 R'000**	2005 R'000
27. INCOME TAX EXPENSE				
South African normal taxation:				
Current taxation				
Current year	**321 505**	275 547	**321 182**	274 814
Prior year	**4 243**	1 318	**4 280**	1 248
Deferred				
Current year	**(49 112)**	(66 126)	**(50 486)**	(65 211)
Prior year	**(2 920)**	(2 523)	**(2 920)**	(1 115)
Secondary tax on companies	**34 730**	26 122	**33 756**	26 122
Capital gains taxation	**–**	99	**–**	99
	308 446	234 437	**305 812**	235 957
Normal tax rate reconciliation:				
Standard tax rate	**29,00%**	30,00%	**29,00%**	30,00%
Non deductible expenses and exempt income	**0,35%**	(0,43%)	**0,25%**	(0,42%)
Prior year adjustments	**0,14%**	(0,17%)	**0,15%**	0,02%
Secondary tax on companies	**3,74%**	3,69%	**3,65%**	3,69%
Effective tax rate	**33,23%**	33,09%	**33,05%**	33,29%

The standard tax rate has decreased from 30% to 29% effective 1 April 2005.

28. EARNINGS AND DIVIDENDS PER SHARE

The calculation of basic earnings per ordinary share and headline earnings per share are based on the net profit attributable to ordinary shareholders of R618,8 million (2005: R474,9 million) and 500 000 000 (2005: 500 000 000) ordinary shares in issue during the year. There were no dilutive potential ordinary shares for the current and prior financial years.

Changes in the Group's accounting policies during the year are described in detail in note 2 and 10. To the extent that those changes have had an impact on results reported for 2005, they have had an impact on the amounts reported for earnings per share. The following table summarises the impact on basic earnings per share:

	Impact on Group basic earnings (cents)
Earnings per share as previously reported – 2005	118 63
Total impact of adoption of IFRS and change in interpretation	(23,65)
Effect of adoption of IFRS on depreciation of property, plant and equipment and investment property	(21,31)
Restatement of operating lease expense	(2,42)
Consolidation of share trusts	0,08
Restated earnings per share 2005	94,98

The calculation of dividends per ordinary share for the Group is based on 494 037 548 (2005: 494 037 548) ordinary shares in issue during the year and the calculation of dividends per ordinary share for the Company is based on 500 000 000 (2005: 500 000 000) ordinary shares in issue during the year.

29. INSURANCE

Certain risks are insured with recourse to the Company in that should claims arise in excess of the premiums paid by the Company the aggregate liability of the insurance Company is limited to 20% of the premium paid. At 31 March 2006 the aggregate unutilised premiums available for future claims amounted to R40,8 million (2005: R37,8 million) and US $2,8 million (2005: US $2,76 million).

	GROUP 2006 R'000	GROUP 2005 R'000	COMPANY 2006 R'000	COMPANY 2005 R'000
30. OPERATING LEASE ARRANGEMENTS				
The Group as lessee:				
Minimum lease payments recognised under operating leases as an expense during the year.				
At the balance sheet date, the Group has outstanding commitments under non-cancellable operating leases for future minimum lease payments, recognised on the cash basis:				
Within one year	**3 022**	4 594	**3 022**	4 594
In the second to fifth years inclusive	**8 959**	7 234	**8 959**	7 234
	11 981	11 828	**11 981**	11 828
The Group mainly leases office and other equipment. These leases typically run for a period between one and five years and usually have no option to renew.				
The Group as lessor:				
The Group rents out its investment properties on airport land under operating leases. Property rental income earned during the year was R172,6 million (2005: R168,8 million). The properties are managed and maintained by internal property managers.				
At the balance sheet date, the Group has contracted with tenants for the following future minimum cash lease payments:				
Within one year	**48 489**	3 657	**44 974**	3 657
In the second to fifth years inclusive	**263 216**	669	**249 157**	669
After five years	**22 846**	–	**22 846**	–
	334 551	4 326	**316 977**	4 326
31. CAPITAL COMMITMENTS				
Capital commitments				
– Contracted				
Current year	**1 175 000**	371 602	**1 175 000**	371 602
Within one year	**963 000**	–	**963 000**	–
In the second to fifth years inclusive	**1 913 000**	–	**1 913 000**	–
– Authorised by the directors but not yet contracted for	**143 000**	493 496	**143 000**	493 496
	4 194 000	865 098	**4 194 000**	865 098
The capital expenditure is to be financed from borrowings. Facilities of R2,5 billion are already in place.				
Group's share of capital commitments – Joint Venture				
– Authorised by the directors but not yet contracted for	**22 000**	–	**–**	–

	GROUP		COMPANY	
	2006 R'000	2005 R'000	**2006 R'000**	2005 R'000
32. RELATED PARTIES				
The Airports Company of South Africa Ltd is one of twenty schedule 2 major public entities in terms of the Public Finance Management Act (Act 1 of 1999 as amended) and therefore falls within the national sphere of Government. As a consequence Airports Company of South Africa Ltd has a significant number of related parties being entities that fall within the national sphere of Government. 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 is able to transact with any entity.				
32.1 Transactions with related entities				
The following is a summary of transactions with related parties during the year and balances due at year-end:				
National departments*				
Services rendered	**10 407**	8 497	**10 407**	8 497
Services received	**12 077**	91 281	**12 064**	91 267
Amount due from	**760**	587	**758**	587
Constitutional institutions*				
Services received	**10**	37	**10**	37
Amount due to	**(2)**	–	**(2)**	–
Major public entities*				
Services rendered	**604 846**	552 764	**600 842**	552 209
Services received	**107 890**	81 956	**98 219**	70 175
Amount due from	**64 041**	52 717	**63 597**	50 340
Other National public entities*				
Services rendered	**735**	848	**735**	848
Services received	**1 913**	2 691	**1 881**	2 656
Amount due from	**357**	9	**338**	9
National government business enterprises*				
Services received	**5 887**	4 898	**5 813**	4 859
Amount due to	**(4)**	–	**–**	–
Subsidiaries, joint ventures and SPE's				
Services rendered	**2 534**	1 690	**2 534**	1 690
Services received	**6 499**	19 577	**6 499**	19 577
Amount due from	**372**	449	**363**	449

*The list of all national entities within National Government with whom the entity is related may be found on National Treasury's website.

Services rendered to related major public entities consists primarily of transportation and rental services for the Group and for the Company.

Services received from related state owned entities consists primarily of telecommunication services, information technology support, transportation services and energy provision for the Group and for the Company.

ACSA
Airports Company South Africa

	GROUP 2006 R'000	GROUP 2005 R'000	COMPANY 2006 R'000	COMPANY 2005 R'000
32. RELATED PARTIES (continued)				
32.2 Remuneration				
Executive directors	**6 041**	5 614	**6 041**	3 020
Non-Executive directors	**733**	905	**733**	905
Executive management	**9 363**	8 391	**9 363**	8 391
	16 137	14 910	**16 137**	12 316

All executive directors are eligible for an annual performance bonus payment linked to appropriate targets to a maximum of 45% of the salary package. During the current year, a liability of R4,2 million was raised in terms of the performance management system. The structure of the individual bonus plans and awards is decided by the Remuneration Committee.

32.3 Transactions with key management personnel

The key management personnel compensations for the Company are as follows:

	Salary 2006 R'000	Bonus 2005 R'000	Fees 2006 R'000	Total R'000
Executive directors				
M W Hlahla	1 671	750	–	**2 421**
T B T Mparutsa	1 545	156	–	**1 701**
C Bassetti (Italian) *	600	576	743	**1 919**
	3 816	1 482	743	**6 041**

*Paid to ADR excluding fees portion

These require separate disclosure in terms of Treasury Regulation 28.1.1. Senior personnel remuneration is as follows:

	Salary 2006 R'000	Bonus 2005 R'000	Fees 2006 R'000	Total R'000
Executive management				
D A Cloete	787	269	–	**1 056**
P M du Plessis	872	296	–	**1 168**
S A Hlalele	680	187	–	**867**
C J Hlekane	620	–	–	**620**
C A V Lodewyk	696	132	–	**828**
T R Mackey	1 124	381	–	**1 505**
B Maseko	1 130	329	–	**1 459**
G E Uriesi	773	213	–	**986**
M R Wiswe	705	169	–	**874**
	7 387	1 976	–	**9 363**
Non-executive directors – Company				
N N Gwagwa	–	–	114	**114**
T R A Oliphant	–	–	109	**109**
S Sithole	–	–	156	**156**
F A Sonn	–	–	192	**192**
B M Stocks	–	–	162	**162**
	–	–	733	**733**

	GROUP		COMPANY	
	2006 R'000	2005 R'000	**2006 R'000**	2005 R'000
33. CASH FLOW WORKINGS				
33.1 Cash generated from operations				
Operating profit	**977 452**	754 532	**969 177**	753 418
Adjustments:				
Amortisation of intangible assets	**–**	1 828	**–**	–
Depreciation	**381 705**	380 416	**378 125**	375 786
Profit on sale of property, plant and equipment	**(2 486)**	(715)	**(2 486)**	(2 018)
Profit on sale and leaseback recognised	**(1 680)**	(2 214)	**(1 680)**	(2 214)
Movement in post-retirement liabilities	**7 702**	7 789	**7 702**	7 789
Movement in impairment of loans to subsidiaries	**–**	–	**(4 673)**	1 893
Movement in provisions	**4 592**	571	**4 592**	571
Movement in straight lined lease revenue	**(10 008)**	(16 546)	**(10 531)**	(17 069)
Deferred expenditure written off	**–**	12 658	**–**	12 658
	1 357 277	1 138 319	**1 340 226**	1 130 814
Working capital changes:				
Increase in trade and other receivables	**(1 962)**	(24 683)	**(1 053)**	(31 275)
Increase in inventories	**(345)**	(69)	**(244)**	(23)
Increase in trade and other payables	**308 754**	108 557	**314 508**	99 703
Increase in deferred revenue	**69 999**	42 080	**69 999**	42 080
	1 733 723	1 264 204	**1 723 436**	1 241 299
33.2 Taxation paid				
Balance at beginning of the year	**(36 870)**	(5 001)	**(36 442)**	(4 408)
Income statement charge	**(360 478)**	(303 086)	**(359 218)**	(302 283)
Balance at end of the year	**13 583**	36 870	**12 723**	36 442
	(383 765)	(271 217)	**(382 937)**	(270 249)

	GROUP		COMPANY	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
34. FINANCIAL INSTRUMENTS				
Currency risk				
In order to manage risks arising from fluctuations in currency exchange rates, the Group makes use of forward exchange contracts to manage exposure to fluctuations in foreign currency rates on importation of equipment. As at 31 March 2005, the settlement dates on open forward contracts ranged between one month and eighteen months. The local currency amounts to be paid and contractual exchange rates of the Group's outstanding contracts were:				
Euro (buy) – at rates averaging R1 = E 0.12	–	(26 492)	–	(26 492)
Euro (sell) – at rates averaging R1 = E 0.12	–	35 311	–	35 311
	–	8 819	–	8 819

Credit risk

The Company and Group have no significant concentrations of credit risk. Cash is placed with substantial financial institutions.

Interest rate risk

The Group adopts a policy of ensuring that its exposure to changes in interest rates is on a combination of floating and fixed rate basis to address its interest rate risk.

Fair values

The carrying amounts of cash, investments, trade receivables and payables and borrowings reflected in the balance sheet approximate to their fair value.

35. EXPLANATION OF TRANSITION TO IFRS

As stated in the accounting policies, these are the Group's first financial statements prepared in accordance with IFRS.

The accounting policies set out in note 4 have been applied in preparing the financial statements for the year ended 31 March 2006, the comparative information presented in these financial statements for the year ended 31 March 2005 and in the preparation of an opening IFRS balance sheet at 1 April 2004 (the Group's date of transition).

In preparing its opening IFRS balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting under SA GAAP. An explanation of how the transition from SA GAAP to IFRS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

	Note	GROUP SA GAAP as previously reported R'000	Prior year adjustment R'000	SA GAAP Restated R'000	Effect of transition to IFRS R'000	IFRS R'000
36. RECONCILIATION OF EQUITY AS AT 1 APRIL 2004						
ASSETS						
Non-current assets						
Property, plant and equipment	36.1	3 467 970	–	3 467 970	3 027 586	6 495 556
Investment properties	36.1	292 071	–	292 071	191 463	483 534
Investment in joint ventures		2 304	–	2 304	–	2 304
Other investments	36.5	13 236	–	13 236	(13 087)	149
Intangible assets		1 828	–	1 828	–	1 828
Non-current receivables	36.2	43 949	–	43 949	(43 949)	–
Deferred taxation assets		5 077	–	5 077	–	5 077
		3 826 435	–	3 826 435	3 162 013	6 988 448
Current assets						
Inventories		1 381	–	1 381	–	1 381
Trade and other receivables	36.2, 36.3	238 182	177 470	415 652	830	416 482
Deferred expenditure		12 658	–	12 658	–	12 658
Cash and cash equivalents	36.2	2 668	–	2 668	9 080	11 748
		254 889	177 470	432 359	9 910	442 269
TOTAL ASSETS		**4 081 324**	**177 470**	**4 258 794**	**3 171 923**	**7 430 717**
LIABILITIES						
Non-current liabilities						
Interest bearing borrowings		99 152	–	99 152	–	99 152
Retirement benefit obligations		23 333	–	23 333	–	23 333
Deferred tax liabilities	36.3, 36.4	–	51 466	51 466	736 121	787 587
Deferred revenue		3 813	–	3 813	–	3 813
		126 298	51 466	177 764	736 121	913 885
Current liabilities						
Trade and other payables	36.2, 36.5	530 952	–	530 952	4 795	535 747
Bank overdraft		266 650	–	266 650	–	266 650
Current tax liabilities	36.2	4 669	–	4 669	332	5 001
Current portion of interest bearing borrowings		98 076	–	98 076	–	98 076
Deferred revenue		2 214	–	2 214	–	2 214
		902 561	–	902 561	5 127	907 688
TOTAL LIABILITIES		**1 028 859**	**51 466**	**1 080 325**	**741 248**	**1 821 573**
TOTAL ASSETS LESS TOTAL LIABILITIES		**3 052 465**	**126 004**	**3 178 469**	**2 430 675**	**5 609 144**
EQUITY						
Capital and reserves						
Share capital		500 000	–	500 000	–	500 000
Share premium		250 000	–	250 000	–	250 000
Non-distributable reserves	36.5	12 720	–	12 720	(13 087)	(367)
Treasury share reserve	36.2	–	–	–	(44 024)	(44 024)
Retained earnings	36.6	2 280 549	126 004	2 406 553	2 487 786	4 894 339
Total shareholders' interest		3 043 269	126 004	3 169 273	2 430 675	5 599 948
Debentures		6 000	–	6 000	–	6 000
Minority interest		3 196	–	3 196	–	3 196
TOTAL EQUITY		**3 052 465**	**126 004**	**3 178 469**	**2 430 675**	**5 609 144**

36. RECONCILIATION OF EQUITY AS AT 1 APRIL 2004 (continued)

Notes

36.1 The Group has elected to measure certain items of property, plant and equipment and investment property at fair value and to use these fair values as the items' deemed costs as at 1 April 2004. These items relate mainly to land and buildings.

36.2 Two share schemes, ACSA Management Share Incentive Scheme Company (Pty) Ltd and Lexshell 342 Investment Holdings (Pty) Ltd, were not consolidated in the past. Under IFRS, these trusts are consolidated and the inter-company balances eliminated.

36.3 Operating lease income was previously accounted for and recorded as received. The Group has changed this policy and accounts for the income on a straight line basis over the period of the lease. The financial statements of the prior period have been restated to reflect this change. Refer to note 10.

36.4 The changes made by the implementation of IFRS resulted in a deferred tax liability being recognised. The changes made to the deferred tax balance is as follows:

		R'000
Property, plant and equipment and investment property	(note 36.1)	736 121

36.5 A reclassification has been processed, transferring the non-distributable reserve against the underlying life fund of Guardrisk, and reclassifying the guarantee paid by Stocks and Stocks regarding Swissport, previously recognised to income.

36.6 The adjustments to retained earnings are as follows:

		R'000
Property, plant and equipment and investment property	(note 36.1)	2 482 928
Consolidation of share trusts	(note 36.2)	9 371
Swissport guarantee	(note 36.5)	(4 513)
		2 487 786

		COMPANY				
	Note	SA GAAP as previously reported R'000	Prior year adjustment R'000	SA GAAP Restated R'000	Effect of transition to IFRS R'000	IFRS R'000
37. RECONCILIATION OF EQUITY AS AT 1 APRIL 2004						
ASSETS						
Non-current assets						
Property, plant and equipment	37.1	3 447 464	–	3 447 464	3 026 706	6 474 170
Investment properties	37.1	292 071	–	292 071	191 463	483 534
Investment in subsidiaries		13 525	–	13 525	–	13 525
Non-current receivables		43 949	–	43 949	–	43 949
Deferred taxation assets		4 979	–	4 979	–	4 979
		3 801 988	–	3 801 988	3 218 169	7 020 157
Current assets						
Inventories		1 224	–	1 224	–	1 224
Trade and other receivables	37.3	228 611	177 470	406 081	–	406 081
Deferred expenditure		12 658	–	12 658	–	12 658
		242 493	177 470	419 963	–	419 963
TOTAL ASSETS		**4 044 481**	**177 470**	**4 221 951**	**3 218 169**	**7 440 120**
Non-current liabilities						
Interest bearing borrowings		96 966	–	96 966	–	96 966
Retirement benefit obligations		23 333	–	23 333	–	23 333
Deferred taxation liabilities	37.2 37.3	–	51 466	51 466	736 244	787 710
Deferred revenue		3 813	–	3 813	–	3 813
		124 112	51 466	175 578	736 244	911 822
Current liabilities						
Trade and other payables	37.4	522 671	–	522 671	4 513	527 184
Bank overdraft		266 650	–	266 650	–	266 650
Current tax liabilities		4 408	–	4 408	–	4 408
Current portion of interest bearing borrowings		98 076	–	98 076	–	98 076
Deferred revenue		2 214	–	2 214	–	2 214
		894 019	–	894 019	4 513	898 532
TOTAL LIABILITIES		**1 018 131**	**51 466**	**1 069 597**	**740 757**	**1 810 354**
TOTAL ASSETS LESS LIABILITIES		**3 026 350**	**126 004**	**3 152 354**	**2 477 412**	**5 629 766**
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital		500 000	–	500 000	–	500 000
Share premium		250 000	–	250 000	–	250 000
Retained earnings	37.5	2 276 350	126 004	2 402 354	2 477 412	4 879 766
TOTAL EQUITY		**3 026 350**	**126 004**	**3 152 354**	**2 477 412**	**5 629 766**

37. RECONCILIATION OF EQUITY AS AT 1 APRIL 2004 (continued)

Notes

37.1 The Company has elected to measure certain items of property, plant and equipment and investment property at fair value and to use these fair values as the items' deemed costs as at 1 April 2004. These items relate mainly to land and buildings.

37.2 Operating lease income was previously accounted for and recorded as received. The Company has changed this policy and accounts for the income on a straight line basis over the period of the lease. The financial statements of the prior period have been restated to reflect this change.

37.3 The changes made by the implementation of IFRS resulted in a deferred tax liability being recognised. The change made to the deferred tax balance is as follows:

		R'000
Property, plant and equipment and investment property	(note 37.1)	(736 244)

37.4 A reclassification has been processed transferring the guarantee paid by Stocks and Stocks regarding Swissport previously recognised to income.

37.5 The adjustments to retained earnings are as follows:

		R'000
Property, plant and equipment and investment property	(note 37.1)	2 481 925
Swissport guarantee	(note 37.4)	(4 513)
		2 477 412

	Note	GROUP SA GAAP as previously reported R'000	Prior year adjustment R'000	SA GAAP Restated R'000	Effect of transition to IFRS R'000	IFRS R'000
38. RECONCILIATION OF EQUITY AS AT 1 APRIL 2005						
ASSETS						
Non-current assets						
Property, plant and equipment	38.1	3 741 610	–	3 741 610	2 892 739	6 634 349
Investment properties	38.1	279 216	–	279 216	174 982	454 198
Investment in joint ventures		2 054	–	2 054	–	2 054
Other investments	38.5	17 270	–	17 270	(17 003)	267
Non-current receivables	38.2	43 949	–	43 949	(43 949)	–
Deferred taxation assets	38.3	25 533	(25 533)	–	85 427	85 427
		4 109 632	(25 533)	4 084 099	3 092 196	7 176 295
Current assets						
Inventories		1 450	–	1 450	–	1 450
Trade and other receivables	38.2, 38.3	280 534	176 119	456 653	2 730	459 383
Cash and cash equivalents	38.2	68 786	–	68 786	12 011	80 797
		350 770	176 119	526 889	14 741	541 630
TOTAL ASSETS		**4 460 402**	**150 586**	**4 610 988**	**3 106 937**	**7 717 925**
LIABILITIES						
Non-current liabilities						
Interest bearing borrowings		270 449	–	270 449	–	270 449
Retirement benefit obligations		31 122	–	31 122	–	31 122
Deferred taxation liabilities	38.3, 38.4	–	20 983	20 983	778 236	799 219
		301 571	20 983	322 554	778 236	1 100 790
Current liabilities						
Trade and other payables	38.3, 38.5	679 985	15 718	695 703	(203 910)	491 793
Provisions	38.5	–		–	27 200	27 200
Current tax liabilities	38.2	36 368	–	36 368	502	36 870
Current portion of interest bearing borrowings		20 780	–	20 780	–	20 780
Deferred revenue	38.5	3 813	–	3 813	181 573	185 386
		740 946	15 718	756 664	5 365	762 029
TOTAL LIABILITIES		**1 042 517**	**36 701**	**1 079 218**	**783 601**	**1 862 819**
TOTAL ASSETS LESS TOTAL LIABILITIES		**3 417 885**	**113 885**	**3 531 770**	**2 323 336**	**5 855 106**
EQUITY						
Capital and reserves						
Share capital		500 000	–	500 000	–	500 000
Share premium		250 000	–	250 000	–	250 000
Non-distributable reserves	38.5	17 180	–	17 180	(17 003)	177
Treasury share reserve	38.2	–	–	–	(44 024)	(44 024)
Retained earnings	38.6	2 641 808	113 885	2 755 693	2 384 363	5 140 056
Total shareholders' interest		3 408 988	113 885	3 522 873	2 323 336	5 846 209
Debentures		6 000	–	6 000	–	6 000
Minority interest		2 897	–	2 897	–	2 897
TOTAL EQUITY		**3 417 885**	**113 885**	**3 531 770**	**2 323 336**	**5 855 106**

38. RECONCILIATION OF EQUITY AS AT 1 APRIL 2005 (continued)

Notes

38.1 The Group has elected to measure certain items of property, plant and equipment and investment property at fair value and to use these fair values as the items' deemed costs as at 1 April 2004. These items relate mainly to land and buildings.

38.2 Two share schemes, ACSA Management Share Incentive Scheme Company (Pty) Ltd and Lexshell 342 Investment Holdings (Pty) Ltd, were not consolidated in the past. Under IFRS, these trusts are consolidated and the inter-company balances eliminated.

38.3 Operating lease income was previously accounted for and recorded as received. The Group has changed this policy and accounts for the income on a straight line basis over the period of the lease. The financial statements of the prior period have been restated to reflect this change. Refer to note 10.

38.4 The changes made by the implementation of IFRS resulted in a deferred tax liability being recognised. The change made to the deferred tax balance is as follows:

		R'000
Property, plant and equipment and investment property	(note 38.1)	692 689

38.5 A reclassification has been processed, transferring the non-distributable reserve against the underlying life fund of Guardrisk, and reclassifying the guarantee paid by Stocks and Stocks regarding Swissport, previously recognised to income.

A reclassification has been processed, transferring the incentive bonus provision to provisions from accounts payable.

A reclassification has been processed, transferring the clawback and related interest accrued thereon to deferred revenue from accounts payable.

38.6 The adjustments to retained earnings are as follows:

		R'000
Property, plant and equipment and investment property	(note 38.1)	2 376 413
Consolidation of share trusts	(note 38.2)	12 463
Swissport guarantee	(note 38.5)	(4 513)
		2 384 363

	Note	SA GAAP as previously reported R'000	Prior year adjustment R'000	SA GAAP Restated R'000	Effect of transition to IFRS R'000	IFRS R'000
		COMPANY				
39. RECONCILIATION OF EQUITY AS AT 1 APRIL 2005						
ASSETS						
Non-current assets						
Property, plant and equipment	39.1	3 719 032	–	3 719 032	2 893 001	6 612 033
Investment properties	39.1	279 216	–	279 216	174 982	454 198
Investment in subsidiaries		53 453	–	53 453	–	53 453
Deferred taxation assets	39.3	22 802	(22 802)	–	82 696	82 696
		4 074 503	(22 802)	4 051 701	3 150 679	7 202 380
Current assets						
Inventories		1 247	–	1 247	–	1 247
Trade and other receivables	39.3	279 979	176 119	456 098	–	456 098
Cash and cash equivalents		58 041	–	58 041	–	58 041
		339 267	176 119	515 386	–	515 386
TOTAL ASSETS		**4 413 770**	**153 317**	**4 567 087**	**3 150 679**	**7 717 766**
Non-current liabilities						
Interest bearing borrowings		268 267	–	268 267	–	268 267
Retirement benefit obligations		31 122	–	31 122	–	31 122
Deferred taxation liabilities	39.3	–	23 714	23 714	775 385	799 099
		299 389	23 714	323 103	775 385	1 098 488
Current liabilities						
Trade and other payables	39.3	663 374	15 718	679 092	(204 260)	474 832
Provisions	39.4	–		–	27 200	27 200
Current tax liabilities		36 442	–	36 442	–	36 442
Current portion of interest bearing borrowings		20 780	–	20 780	–	20 780
Deferred revenue	39.4	3 813	–	3 813	181 573	185 386
		724 409	15 718	740 127	4 513	744 640
TOTAL LIABILITIES		**1 023 798**	**39 432**	**1 063 230**	**779 898**	**1 843 128**
TOTAL ASSETS LESS LIABILITIES		**3 389 972**	**113 885**	**3 503 857**	**2 370 781**	**5 874 638**
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital		500 000	–	500 000	–	500 000
Share premium		250 000	–	250 000	–	250 000
Retained earnings	39.5	2 639 972	113 885	2 753 857	2 370 781	5 124 638
Total shareholders' interest		3 389 972	113 885	3 503 857	2 370 781	5 874 638
TOTAL EQUITY		**3 389 972**	**113 885**	**3 503 857**	**2 370 781**	**5 874 638**

39. RECONCILIATION OF EQUITY AS AT 1 APRIL 2005 (continued)

Notes

39.1 The Company has elected to measure certain items of property plant and equipment and investment property at fair value and to use these fair values as the items' deemed costs as at 1 April 2004. These items relate mainly to land and buildings.

39.2 Operating lease income was previously accounted for and recorded as received. The Company has changed this policy and accounts for the income on a straight line basis over the period of the lease. The financial statements of the prior period have been restated to reflect this change.

39.3 The changes made by the implementation of IFRS resulted in a deferred tax liability being recognised. The changes made to the deferred tax liability is as follows:

		R'000
Property, plant and equipment and investment property	(note 39.1)	692 689

39.4 A reclassification has been processed transferring the incentive bonus provision to provisions from accounts payable.

A reclassification has been processed transferring the clawback and related interest accrued thereon to deferred revenue from accounts payable.

A reclassification has been processed transferring the guarantee paid by Stocks and Stocks regarding Swissport previously recognised to income.

39.5 The adjustments to retained earnings are as follows:

		R'000
Property, plant and equipment and investment property	(note 39.1)	2 375 294
Swissport guarantee	(note 39.4)	(4 513)
		2 370 781

		GROUP				
	Note	As previously reported R'000	Prior year adjustment R'000	SA GAAP Restated R'000	Effect of transition to IFRS R'000	IFRS R'000
40. RECONCILIATION OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MARCH 2005						
Revenue	40.1 40.2	1 963 106	(17 069)	1 946 037	(4 745)	1 941 292
Other operating income	40.2	5 794	–	5 794	(3 194)	2 600
Other operating expenses	40.2 40.3	(1 047 307)	–	(1 047 307)	(142 053)	(1 189 360)
Operating profit		921 593	(17 069)	904 524	(149 992)	754 532
Net financial costs	40.4	(46 590)	–	(46 590)	588	(46 002)
Profit before taxation		875 003	(17 069)	857 934	(149 404)	708 530
Income tax expense	40.5	(282 650)	4 950	(277 700)	43 263	(234 437)
Profit for the year		592 353	(12 119)	580 234	(106 141)	474 093
Attributable to:						
Equity holders of the parent		593 174	(12 119)	581 055	(106 141)	474 914
Minority interest		821	–	821	–	821
		592 353	(12 119)	580 234	(106 141)	474 093
Dividend paid	40.6	(228 000)	–	–	2 719	(225 281)

Notes

40.1 Operating lease income was previously accounted for and recorded as received. The Group has changed this policy and accounts for the income on a straight line basis over the period of the lease. The financial statements of the prior period have been restated to reflect this change (refer note 10).

40.2 Revenue, other operating income and expenses changed as a result of consolidating the share schemes.

40.3 Operating expenses increased by R150 million due to additional depreciation as the fair value exemption per IFRS 1 was elected. The operating expenses increased by R46 000 due to the consolidation of two share schemes (ACSA Management Share Incentive Scheme Company (Pty) Ltd and Lexshell 342 Investment Holdings (Pty) Ltd) not previously consolidated.

40.4 Net financial costs increased by R588 000 due to the consolidation of a share scheme (Lexshell 342 Investment Holdings (Pty) Ltd) not previously consolidated.

40.5 The deferred taxation expense decreased by R48,2 million due to the adjustments noted per notes 40.1 to 40.3.

40.6 The dividend paid to outside shareholders decreased by R2,7 million due to the consolidation of the ACSA Management Share Incentive Scheme Company (Pty) Ltd and Lexshell 342 Investment Holdings (Pty) Ltd share schemes.

	Note	COMPANY As previously reported R'000	Prior year adjustment R'000	SA GAAP Restated R'000	Effect of transition to IFRS R'000	IFRS R'000
41. RECONCILIATION OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MARCH 2005						
Revenue	41.1	1 903 563	(17 069)	1 886 494	–	1 886 494
Other operating income		4 230	–	4 230	–	4 230
Other operating expenses	41.2	(987 122)	–	(987 122)	(150 184)	(1 137 306)
Operating profit		920 671	(17 069)	903 602	(150 184)	753 418
Net finance costs		(44 589)	–	(44 589)	–	(44 589)
Profit before taxation		876 082	(17 069)	859 013	(150 184)	708 829
Income tax expense	41.3	(284 460)	4 950	(279 510)	43 553	(235 957)
Profit for the year		591 622	(12 119)	579 503	(106 631)	472 872
Dividend paid		(228 000)	–	–	–	(228 000)

Notes

41.1 Operating lease income was previously accounted for and recorded as received. The Company has changed this policy and accounts for the income on a straight line basis over the period of the lease. The financial statements of the prior period have been restated to reflect this change (refer note 10).

41.2 Operating expenses increased by R150 million due to additional depreciation as the fair value exemption per IFRS 1 was elected.

41.3 The deferred taxation expense increased by R48,5 million due to the adjustments noted per notes 41.1 and 41.2.

42 IMPACT ON CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

There were no material adjustments between the cash flow statement presented under IFRS and the cash flow statement presented under previous GAAP.

STATISTICAL REVIEW

for the year ended 31 March 2006

	2006 R'000	2005 R'000	2004 R'000	2003 R'000	2002 R'000
Operations					
Aeronautical revenue	**1 190 203**	1 070 555	880 616	842 385	697 291
Non-Aeronautical revenue	**984 642**	870 737	984 267	746 481	637 762
Revenue	**2 174 845**	1 941 292	1 864 883	1 588 866	1 335 053
EBITDA	**1 359 157**	1 133 120	1 124 055	916 507	735 259
Operating profit	**977 452**	754 532	902 335	759 585	595 276
Profit before taxation	**928 209**	708 530	715 549	879 508	593 026
Profit for the year	**619 763**	474 093	471 630	660 720	410 953
Depreciation and amortisation	**381 705**	378 588	221 720	156 922	139 983
Dividends paid	**291 482**	225 281	330 000	160 000	105 000
Capital expenditure	**1 259 355**	491 783	473 462	870 046	552 299
Financial Position					
Capital and reserves	**6 171 473**	5 846 209	3 043 269	2 902 220	2 401 287
Non current liabilities excluding deferred tax	**116 163**	301 571	126 298	249 136	333 944
Deferred tax	**773 789**	799 219	–	11 171	24 953
Debentures	**6 000**	6 000	6 000	6 000	–
Minority interest	**35**	2 897	3 196	2 952	2 303
	7 067 460	6 955 896	3 178 763	3 171 479	2 762 487
Property, plant and equipment and investment property	**7 965 865**	7 088 547	3 760 041	3 510 621	2 827 757
Investment in joint ventures	**2 104**	2 054	2 304	2 555	–
Other investments	**2 297**	267	13 237	–	–
Goodwill	**–**	–	1 828	4 334	1 173
Non-current receivables	**–**	–	43 949	65 886	43 949
Deferred tax	**112 029**	85 427	5 077	–	–
Deferred expenditure	**–**	–	–	28 361	44 899
Current assets	**1 809 744**	541 630	254 888	213 518	239 262
Total assets	**9 892 039**	7 717 925	4 081 324	3 825 275	3 157 040
Current liabilities	**(2 824 579)**	(762 029)	(902 561)	(653 796)	(394 553)
	7 067 460	6 955 896	3 178 763	3 171 479	2 762 487
Cash flow					
Cash available from operating activities	**1 024 018**	734 096	458 338	613 769	433 896
Cash derived from investing activities	**(1 260 670)**	(492 942)	(469 469)	(735 316)	(492 291)
Cash from financing activities	**1 507 675**	94 001	(88 718)	83 355	(16 104)
Net cash inflow/(outflow)	**1 271 023**	335 155	(99 849)	(38 192)	(74 499)
Profitability					
Return on investment	**10,7%**	7,8%	18,8%	18,4%	15,9%
Earnings per share (cents)	**123,76**	94,98	94	132	82
Dividends per share (cents)	**58,37**	45,11	66	32	21
Productivity					
No. of employees (units)	**1 832**	1 766	1 795	1 806	1 792
Revenue per employee (R')	**1 187 142**	1 099 259	1 038 932	884 177	750 873
Operating income per employee (R')	**533 544**	427 255	502 694	422 696	334 801
Departing passengers per employee ('000)	**8 110**	7 554	6 630	6 165	5 725
Cost to income	**55%**	61%	52%	52%	55%

The years ended 2005 and 2006 have been prepared in accordance with IFRS, whilst the remaining years have been prepared in accordance with SA GAAP.

Return on investment is calculated with reference to the formula applied by the Regulating Committee.

Earnings per share information for the five accounting years ended 31 March 2006 have been calculated on the basis of 500 million ordinary shares in issue for the entire period. Dividends per share for the 2005 and 2006 financial years have been calculated on the basis of 499,4 million ordinary shares after taking into account treasury shares of the employee share option schemes consolidated in terms of IFRS.

	2006	2005	2004	2003	2002
Other key statistics					
Aircraft landings					
International	**28 144**	24 054	23 683	22 266	20 553
Domestic	**134 103**	123 949	122 105	119 330	119 613
Regional	**11 702**	12 231	11 060	11 299	10 486
Non-scheduled	**61 920**	58 369	56 087	64 932	60 586
	235 869	218 603	212 935	217 827	211 238
Departing passengers					
International	**3 842 256**	3 691 257	3 430 664	3 223 325	2 923 258
Domestic	**10 560 289**	9 222 232	8 074 116	7 477 651	6 942 513
Regional	**385 777**	360 856	343 168	314 223	279 101
Non-scheduled	**68 943**	66 631	52 071	62 925	50 664
	14 857 265	13 340 976	11 900 019	11 078 124	10 195 536
Number of airlines					
International	**50**	48	39	41	41
Domestic	**7**	8	7	7	6
	57	56	46	48	47
Aeronautical tariffs					
Passenger service charges					
Domestic	**R35,09**	R35,09	R30,70	R29,82	R26,32
Regional	**R74,56**	R74,56	R64,04	R63,16	R55,26
International	**R101,75**	R101,75	R89,47	R87,72	R75,44
Landing fees (based on an aircraft with a maximum take off weight of 60 000kg)					
Domestic	**R1 278,72**	R1 278,72	R1 269,56	R1 148,83	R1 083,73
Regional	**R1 865,05**	R1 865,05	R1 851,71	R1 675,83	R1 580,93
International	**R2 451,39**	R2 451,39	R2 433,88	R2 202,60	R2 077,90
Operational volume					
Aircraft landings					
Johannesburg International	**100 257**	93 718	89 112	87 517	85 825
Cape Town International	**44 459**	46 274	46 222	49 076	46 125
Durban International	**23 917**	21 878	22 418	21 362	21 676
Port Elizabeth	**18 304**	16 422	16 950	18 592	16 237
East London	**12 149**	10 221	6 226	9 362	9 592
George	**13 499**	11 307	11 085	9 933	9 791
Bloemfontein	**10 529**	7 165	10 804	11 008	10 987
Kimberley	**6 212**	5 464	4 600	4 830	4 979
Upington	**3 788**	2 948	2 489	2 970	3 001
Company	**233 114**	215 397	209 906	214 650	208 213
Pilanesberg International (subsidiary)	**2 755**	3 206	3 029	3 177	3 025
Total	**235 869**	218 603	212 935	217 827	211 238

	2006	2005	2004	2003	2002
Departing passengers ('000)					
Johannesburg International	**8 099**	7 364	6 637	6 203	5 689
Cape Town International	**3 433**	3 121	2 748	2 584	2 382
Durban International	**1 860**	1 631	1 440	1 320	1 233
Port Elizabeth	**656**	554	488	442	410
East London	**299**	229	201	186	172
George	**299**	246	199	154	133
Bloemfontein	**128**	116	109	109	102
Kimberley	**58**	49	46	46	45
Upington	**16**	17	16	16	15
Company	**14 848**	13 327	11 884	11 060	10 181
Pilanesberg International (subsidiary)	**9**	14	15	18	15
Total	**14 857**	13 341	11 899	11 078	10 196
Staff					
Johannesburg International	**894**	837	860	847	803
Cape Town International	**331**	313	329	335	358
Durban International	**210**	218	213	221	209
Port Elizabeth	**84**	81	81	79	89
East London	**50**	50	46	52	50
George	**52**	54	49	51	52
Bloemfontein	**54**	57	55	57	62
Kimberley	**34**	34	33	37	36
Upington	**9**	10	10	10	12
Corporate Office	**99**	96	84	85	90
Regional Office	**–**	–	18	14	14
Company	**1 817**	1 750	1 778	1 788	1 775
Pilanesberg International (subsidiary)	**15**	16	17	18	17
Total	**1 832**	1 766	1 795	1 806	1 792

	REVENUE, OPERATING PROFIT AND CAPEX SPENT			
	Revenue/other operating income R'000	Expenses R'000	Operating profit/(loss) R'000	Capex spent R'000
Johannesburg International	1 394 457	564 021	830 436	746 895
Cape Town International	404 467	199 346	205 121	291 568
Durban International	170 089	122 238	47 851	83 814
Port Elizabeth	63 637	40 481	23 156	20 243
East London	26 208	25 043	1 165	8 418
George	24 382	21 386	2 996	23 672
Bloemfontein	13 160	23 051	(9 891)	8 650
Kimberley	6 365	14 384	(8 019)	8 115
Upington	2 994	6 795	(3 801)	7 509
Corporate Office	14 877	134 714	(119 837)	38 043
Company	2 120 636	1 151 459	969 177	1 236 927
Pilanesberg International (subsidiary)	2 075	4 026	(1 951)	5 612
Total airports	2 122 711	1 155 485	967 226	1 242 539

	REVENUE				
	Aeronautical revenue R'000	Commercial income R'000	Non–aeronautical charges R'000	Other R'000	Total revenue R'000
Johannesburg International	789 506	575 327	29 617	7	1 394 457
Cape Town International	231 124	164 409	9 066	(132)	404 467
Durban International	87 987	76 287	5 764	51	170 089
Port Elizabeth	36 509	25 135	1 993	–	63 637
East London	16 587	8 355	1 266	–	26 208
George	15 547	8 134	701	–	24 382
Bloemfontein	7 595	5 165	400	–	13 160
Kimberley	3 109	2 888	368	–	6 365
Upington	1 538	987	469	–	2 994
Corporate Office	–	–	10 654	4 223	14 877
Company	1 189 502	866 687	60 298	4 149	2 120 636
Pilanesberg International (subsidiary)	701	161	1 213	–	2 075
Total airports	1 190 203	866 848	61 511	4 149	2 122 711

	AIRPORT SERVICES				
	Aeronautical revenue R'000	Non–aeronautical charges R'000	Expenses R'000	Operating profit/ (loss) R'000	Capex spent R'000
Johannesburg International	789 506	29 617	448 960	370 163	665 431
Cape Town International	231 124	9 066	164 464	75 726	245 426
Durban International	87 987	5 764	101 806	(8 055)	23 678
Port Elizabeth	36 509	1 993	36 817	1 685	18 618
East London	16 587	1 266	24 938	(7 085)	8 418
George	15 547	701	20 974	(4 726)	23 672
Bloemfontein	7 595	400	22 846	(14 851)	8 650
Kimberley	3 109	368	13 993	(10 516)	7 865
Upington	1 538	469	6 794	(4 787)	7 109
Corporate Office	–	10 654	122 792	(112 138)	38 043
Company	1 189 502	60 298	964 384	285 416	1 046 910
Pilanesberg International (subsidiary)	701	1 213	4 026	(2 112)	5 612
Total airports	1 190 203	61 511	968 410	283 304	1 052 522

	COMMERCIAL				
	Property income R'000	Retail income R'000	Expenses R'000	Operating profit/(loss) R'000	Capex spent R'000
Johannesburg International	104 816	470 511	115 061	460 266	81 464
Cape Town International	38 494	125 915	34 882	129 527	46 142
Durban International	16 178	60 109	20 432	55 855	60 136
Port Elizabeth	7 515	17 620	3 664	21 471	1 625
East London	1 352	7 003	105	8 250	–
George	1 320	6 814	412	7 722	–
Bloemfontein	917	4 248	205	4 960	–
Kimberley	426	2 462	391	2 497	250
Upington	187	800	1	986	400
Corporate Office	–	–	11 922	(11 922)	–
Company	171 205	695 482	187 075	679 612	190 017
Pilanesberg International (subsidiary)	8	153	–	161	–
Total airports	171 213	695 635	187 075	679 773	190 017

	RETAIL INCOME				
	Advertising R'000	Parking R'000	Retail R'000	Car hire R'000	Lease smoothing R'000
Johannesburg International	58 192	119 906	250 612	33 450	8 351
Cape Town International	19 655	33 925	47 331	26 081	(1 077)
Durban International	11 404	26 528	8 370	12 932	875
Port Elizabeth	4 427	3 729	2 043	6 932	489
East London	1 180	1 370	502	3 686	265
George	1 293	1 229	1 035	3 051	206
Bloemfontein	1 166	848	216	1 857	161
Kimberley	696	96	57	1 422	191
Upington	196	13	7	549	35
Company	98 209	187 644	310 173	89 960	9 496
Pilanesberg International (subsidiary)	44	–	41	68	–
Total airports	98 253	187 644	310 214	90 028	9 496

	STATISTICAL REVIEW		
	Aircraft landings	Departing passengers ('000)	Staff numbers
Operational volume			
Johannesburg International	100 257	8 099	894
Cape Town International	44 459	3 433	331
Durban International	23 917	1 860	210
Port Elizabeth	18 304	656	84
East London	12 149	299	50
George	13 499	299	52
Bloemfontein	10 529	128	54
Kimberley	6 212	58	34
Upington	3 788	16	9
Corporate Office	–	–	99
Regional Office			
Company	233 114	14 848	1 817
Pilanesberg International (subsidiary)	2 755	9	15
Total airports	235 869	14 857	1 832

AIRPORTS COMPANY SOUTH AFRICA
Reg No 1993/004149/06

REGISTERED OFFICE
24 Johnson Road
Riverwoods
Bedfordview
2008

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P O Box 75480
Gardenview
2047

BOARD OF DIRECTORS

Dr F A Sonn	Chairperson – Appointed 2 September 2005
M W Hlahla *	
N N Gwagwa	
B Molefe	Appointed 28 February 2006
T B T Mparutsa	
S Sithole	
B M Stocks	
W C van der Vent	Appointed 28 February 2006

COMPANY SECRETARY
M R Wiswe

DIRECTORS/OFFICERS RESIGNED

C Bassetti * #	Resigned 21 December 2005
A Belardini #	Resigned 21 December 2005
F Capozio # (alternate)	Resigned 21 December 2005
F di Giovanni #	Resigned 21 December 2005
T R A Oliphant	Resigned 2 September 2005
R Tommasetti #	Resigned 21 December 2005

COMMITTEES

Audit Committee

B M Stocks	(Chairperson)
S Sithole	
M Janse van Rensburg (co opted)	

Human Resources Transformation and Remuneration Committee

S Sithole	(Chairperson)
Dr N N Gwagwa	

Risk Management Committee

Dr N N Gwagwa	(Chairperson)
B M Stocks	

Commercial Board Committee

B M Stocks	(Chairperson)
S Sithole	
W C van der Vent	

Nominations Committee

Dr F A Sonn	(Chairperson)
S Sithole	

* Executive Director
# Italian

COMPANY DIRECTORY

CORPORATE OFFICE

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2047
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Monhla Hlahla	– Managing Director
Brooks Mparutsa	– Executive Director: Finance
John Neville	– Group Executive: Aviation Services
Bongani Maseko	– Director: Operations
Rory Mackey	– Group Executive: Commercial Services
Pieter du Plessis	– Group Executive: Human Resources
Sello Hlalele	– Group Executive: Internal Audit
Charmaine Lodewyk	– Group Executive: Communications and Brand Management
Tinka Wiswe	– Company Secretary

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