CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2012

	Note	GROUP 31 March 2012 R'000	GROUP 31 March 2011 R'000	COMPANY 31 March 2012 R'000	COMPANY 31 March 2011 R'000
ASSETS					
Non-current assets		**24 594 799**	27 357 913	**23 166 948**	26 135 050
Property, plant and equipment	6	**20 624 767**	21 589 594	**20 602 926**	21 548 984
Investment property	8	**2 832 652**	4 669 802	**1 959 582**	3 814 692
Intangible assets	7	**214 745**	301 273	**214 498**	300 724
Investment in subsidiaries	9	**–**	–	**180 569**	288 285
Investment in joint ventures	10	**–**	–	*****	*
Investments in associates	11	**748 643**	647 129	**35 381**	32 250
Other non-current assets	12	**173 992**	150 115	**173 992**	150 115
Current assets		**3 621 856**	1 798 667	**3 532 243**	1 684 592
Inventories	13	**6 220**	916	**–**	–
Derivative financial instruments	28	**–**	163 235	**–**	163 235
Trade and other receivables	14	**1 035 251**	955 635	**1 029 001**	942 766
Investments	16	**600 000**	–	**600 000**	–
Cash and cash equivalents	15	**1 980 385**	678 881	**1 903 242**	578 591
Non-current assets held for sale	17	**1 850 000**	–	**1 850 000**	–
Total assets		**30 066 655**	29 156 580	**28 549 191**	27 819 642
EQUITY AND LIABILITIES					
Equity					
Share capital	18	**500 000**	500 000	**500 000**	500 000
Share premium	18	**250 000**	250 000	**250 000**	250 000
Other reserves	20	**719 096**	821 637	**856 346**	891 079
Treasury share reserve	19	**(44 024)**	(44 024)	**–**	–
Retained earnings		**8 264 557**	8 070 624	**7 396 482**	7 404 226
Total equity attributable to equity holders		**9 689 629**	9 598 237	**9 002 828**	9 045 305
Debentures	21	**–**	6 000	**–**	–
Total equity		**9 689 629**	9 604 237	**9 002 828**	9 045 305
Non-current liabilities		**16 993 204**	16 171 645	**16 832 724**	15 412 531
Interest-bearing borrowings	24	**15 647 002**	14 266 707	**15 600 538**	13 577 231
Retirement benefit obligations	22	**125 577**	137 106	**125 577**	137 106
Derivative financial instruments	28	**129 426**	610 013	**129 426**	610 013
Deferred income	23	**74 059**	77 367	**74 059**	77 367
Deferred income tax liabilities	25	**1 017 140**	1 080 452	**903 124**	1 010 814
Current liabilities		**3 383 822**	3 380 698	**2 713 639**	3 361 806
Trade and other payables	26	**948 419**	909 137	**916 240**	893 346
Interest-bearing borrowings	24	**1 063 774**	2 340 762	**442 367**	2 339 262
Provisions	27	**87 026**	65 742	**87 026**	65 694
Derivative financial instruments	28	**65 349**	61 849	**65 349**	61 849
Current income tax liability		**16 597**	1 553	**–**	–
Deferred income	23	**1 202 657**	1 655	**1 202 657**	1 655
Total liabilities		**20 377 026**	19 552 343	**19 546 363**	18 774 337
Total equity and liabilities		**30 066 655**	29 156 580	**28 549 191**	27 819 642

* Amount less than R1 000

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

		GROUP		COMPANY	
	Note	**2012 R'000**	2011 R'000	**2012 R'000**	2011 R'000
Revenue	30	**5 738 543**	4 658 239	**5 586 104**	4 514 839
Other operating income	31	**149 433**	11 072	**16 888**	11 066
Employee benefit expenses	33	**(769 481)**	(714 163)	**(750 859)**	(694 599)
Depreciation and amortisation expense	6 & 7	**(1 463 804)**	(1 445 228)	**(1 446 725)**	(1 439 651)
Other operating expenses	34	**(1 554 866)**	(1 340 017)	**(1 523 309)**	(1 288 499)
Operating profit		**2 099 825**	1 169 903	**1 882 099**	1 103 156
Fair value gains on investment properties	32	**1 534**	379 703	**(16 426)**	327 727
Share of profit of equity-accounted associate	11	**51 035**	56 075	**–**	–
Net finance expense	35	**(2 034 327)**	(1 786 984)	**(1 962 983)**	(1 716 045)
Finance income	35	**47 133**	32 597	**48 786**	29 814
Finance expenses	35	**(1 594 657)**	(1 567 325)	**(1 524 966)**	(1 493 603)
Finance expenses capitalised		**–**	28 687	**–**	28 687
Losses on remeasurement and disposal of trading financial instruments	35	**(486 803)**	(280 943)	**(486 803)**	(280 943)
Profit/(loss) before tax		**118 067**	(181 303)	**(97 310)**	(285 162)
Income tax expense	36	**69 506**	(39 227)	**89 566**	(24 363)
Profit/(loss) for the year		**187 573**	(220 530)	**(7 744)**	(309 525)
Other comprehensive income for the year, net of tax		**(102 180)**	850 635	**(34 732)**	911 939
Fair value on investment property		**–**	1 283 391	**–**	1 283 391
Actuarial losses on defined benefit post retirement medical aid liability	22	**(8 008)**	(16 809)	**(8 008)**	(16 809)
Foreign currency translation differences		**(46 028)**	(85 145)	**–**	–
Cash flow hedge reserve on derivative financial instruments		**(40 231)**	–	**(40 231)**	–
Income tax relating to components of other comprehensive income		**(7 913)**	(330 802)	**13 507**	(354 643)
Total comprehensive income for the year		**85 393**	630 105	**(42 476)**	602 414
Profit/(loss) attributable to owners of the parent		**187 573**	(220 530)	**(7 744)**	(309 525)
Total comprehensive income attributable to owners of the parent		**85 393**	630 105	**(42 476)**	602 414
Earnings per share					
Basic (cents)		**37,97**	(44,64)		
Diluted (cents)		**37,97**	(44,64)		
Dividend per share (cents)		**–**	–		

* Amount less than R1 000

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2012

		GROUP		COMPANY	
	Note	**31 March 2012 R'000**	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		**5 784 485**	4 579 333	**5 492 881**	4 449 460
Cash paid to suppliers and employees		**(2 879 249)**	(2 925 380)	**(2 770 626)**	(2 876 473)
Cash generated from operations	41.1	**2 905 236**	1 653 953	**2 722 255**	1 572 987
Income tax received/(paid)	41.2	**83 867**	(21 467)	**74 173**	(16 800)
Interest received		**47 132**	32 598	**48 786**	29 814
Net cash inflow from operating activities		**3 036 235**	1 665 084	**2 845 214**	1 586 001
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in investments in associates		**(32 163)**	(31 663)	**(3 131)**	–
Increase in short-term investments		**(600 000)**	–	**(600 000)**	–
Loans repaid/(granted) to subsidiaries		**–**	–	**107 716**	(31 994)
Proceeds on disposal of property, plant and equipment		**13 703**	4 123	**13 703**	4 123
Proceeds on disposal of investment properties		**1 200 000**	–	**1 200 000**	–
Additions to property, plant and equipment and investment property		**(417 100)**	(505 368)	**(414 438)**	(502 333)
Net cash inflow/(outflow) from investing activities		**164 440**	(532 908)	**303 850**	(530 204)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest-bearing borrowings repaid		**(2 962 394)**	(3 482 808)	**(2 957 044)**	(3 482 808)
Interest-bearing borrowings raised		**2 960 429**	3 950 000	**2 960 429**	3 950 000
Financial instruments held for trading		**(425 861)**	110 822	**(425 861)**	110 822
Interest paid		**(1 471 292)**	(1 465 763)	**(1 401 937)**	(1 405 836)
Net cash outflow from financing activities		**(1 899 118)**	(887 749)	**(1 824 413)**	(827 822)
Net foreign currency translation adjustments		**(53)**	457	**–**	–
Increase in cash and cash equivalents		**1 301 504**	244 884	**1 324 651**	227 975
Cash and cash equivalents at beginning of year		**678 881**	433 997	**578 591**	350 616
Cash and cash equivalents at end of year	15	**1 980 385**	678 881	**1 903 242**	578 591

* Amount less than R1 000

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2012

	Share capital R'000	Share premium R'000	Retained earnings R'000	Treasury share reserve R'000	Other reserves R'000	Total R'000	Non-controlling interest R'000	Deben-tures R'000	Total R'000
GROUP									
Balance at 1 April 2010	500 000	250 000	8 290 669	(44 024)	(28 513)	8 968 132	–	6 000	8 974 132
Transactions with owners									
Comprehensive income									
Loss for the year	–	–	(220 530)	–	–	(220 530)	–	–	(220 530)
Other comprehensive income	–	–	485	–	850 150	850 635	–	–	850 635
Actuarial losses on defined benefit									
Post retirement medical aid liability, net of tax	–	–	–	–	(12 102)	(12 102)	–	–	(12 102)
Gain on revaluation of investment property, net of tax	–	–	–	–	924 041	924 041	–	–	924 041
Foreign currency translation differences, net of tax					(61 304)	(61 304)	–	–	(61 304)
Transfer between reserves	–	–	485	–	(485)	–	–	–	–
Total comprehensive income	–	–	(220 045)	–	850 150	630 105	–	–	630 105
Balance at 1 April 2011	**500 000**	**250 000**	**8 070 624**	**(44 024)**	**821 637**	**9 598 237**	**–**	**6 000**	**9 604 237**
Transactions with owners									
Comprehensive income									
Profit for the year	**–**	**–**	**187 573**	**–**	**–**	**187 573**	**–**	**–**	**187 573**
Other comprehensive income	**–**	**–**	**6 360**	**–**	**(102 541)**	**(96 181)**	**–**	**(6 000)**	**(102 181)**
Actuarial losses on defined benefit post	**–**	**–**	**–**	**–**	**(5 767)**	**(5 767)**	**–**	**–**	**(5 767)**
retirement medical aid liability, net of tax									
Foreign currency translation differences, net of tax	**–**	**–**	**–**	**–**	**(67 448)**	**(67 448)**	**–**	**–**	**(67 448)**
Cash flow hedge reserve on derivative	**–**	**–**	**–**	**–**	**(28 966)**	**(28 966)**	**–**	**–**	**(28 966**
financial instruments, net of tax**)**									
Transfer between reserves	**–**	**–**	**6 360**		**(360)**	**6 000**	**–**	**(6 000)**	**–**
Total comprehensive income	**–**	**–**	**193 933**	**–**	**(102 541)**	**91 392**	**–**	**(6 000)**	**85 392**
Balance at 31 March 2012	**500 000**	**250 000**	**8 264 557**	**(44 024)**	**719 096**	**9 689 629**	**–**	**–**	**9 689 629**
COMPANY									
Balance at 1 April 2010	500 000	250 000	7 713 751	–	(20 860)	8 442 891	–	–	8 442 891
Transactions with owners									–
Comprehensive income									
Loss for the year	–	–	(309 525)	–	–	(309 525)	–	–	(309 525)
Other comprehensive income	–	–	–	–	911 939	911 939	–	–	911 939
Actuarial losses on defined benefit	–	–	–	–	(12 102)	(12 102)	–	–	(12 102)
post retirement medical aid liability, net of tax									
Gain on revaluation of investment property, net of tax	–				924 041	924 041	–	–	924 041
Total comprehensive income	–	–	(309 525)	–	911 939	602 414	–	–	602 414
Balance at 1 April 2011	**500 000**	**250 000**	**7 404 226**	**–**	**891 079**	**9 045 305**	**–**	**–**	**9 045 305**
Transactions with owners									
Comprehensive income									
Loss for the year	**–**	**–**	**(7 744)**	**–**	**–**	**(7 744)**	**–**	**–**	**(7 744)**
Other comprehensive income	**–**		**–**	**–**	**(34 732)**	**(34 732)**	**–**	**–**	**(34 732)**
Actuarial losses on defined benefit	**–**	**–**	**–**	**–**	**(5 767)**	**(5 767)**	**–**	**–**	**(5 767)**
post retirement medical aid liability, net of tax									
Cash flow hedge reserve on derivative	**–**	**–**	**–**	**–**	**(28 966)**	**(28 966)**	**–**	**–**	**(28 966)**
financial instruments, net of tax									
Total comprehensive income	**–**	**–**	**(7 744)**	**–**	**(34 733)**	**(42 477)**	**–**	**–**	**(42 477)**
Balance at 31 March 2012	**500 000**	**250 000**	**7 396 482**	**–**	**856 346**	**9 002 828**	**–**	**–**	**9 002 828**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

1 CORPORATE INFORMATION

Airports Company South Africa SOC Limited is a company domiciled in South Africa. The address of the Company's registered office is, The Maples, Riverwoods Office Park, 24 Johnson Road, Bedfordview. The financial statements of the Company for the year ended 31 March 2012 comprise those of the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interest in jointly controlled and associated entities. The Group is primarily involved in 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 hotel operations.

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance 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).

2.1 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for investment property and certain financial instruments that are carried at fair value.

2.2 Functional and presentation currency

These financial statements are presented in South African Rand, which is the Company's functional currency. All financial information presented in Rand has been rounded to the nearest thousand.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are no longer consolidated from the date that control ceases.

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

The Company's investments in subsidiaries are carried at cost, net of accumulated impairment losses. Cost is adjusted to reflect the changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable cost of investment.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 percent and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

Jointly controlled entities

A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest. The entity operates in the same way as other entities, except that a contractual arrangement between the venturers establishes joint control over the economic activity of the entity.

The Company's investment in jointly controlled entities is carried at cost, net of accumulated impairment losses.

The Group has an interest in a joint venture which is a jointly controlled entity, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entity. The Group recognises its interests in the joint venture using proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture with similar line items, line by line, in its consolidated financial statements. Adjustments are made in the Group's financial statements to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its jointly controlled entity. Losses on transactions are recognised if the loss provided evidence of a reduction in the net realisable value of current assets or an impairment loss. The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture.

Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

Transactions with minority interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss, where appropriate.

3.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Rental income is recognised in profit and loss on a straight line basis over the term of the lease. Lease incentives are recognised as an integral part of rental income, over the term of the lease.

Revenue of the Group comprises the following:

Aeronautical revenue

Aeronautical revenue consists of the following:

Landing fees

Landing fees are determined by using regulated tariffs for aircraft landings based on the maximum take-off weight of landing aircrafts for each landing.

Passenger service charges

Passenger service charges are determined by using regulated tariffs for each departing passenger at an airport of departure.

Aircraft parking

Aircraft parking fees are determined on regulated tariffs for each aircraft parked for over four hours, based on the maximum take-off weight of aircraft parking per 24-hour period.

Commercial revenue

Commercial revenue consists of the following:

Advertising

Revenue is generated through the rental of advertising space to concessionaires. Rental income is normally based on the higher of a minimum guaranteed rental or a percentage of turnover.

Retail

Revenue is generated through the rental of retail space to concessionaires. Rental income is normally based on the greater of a percentage of turnover or a minimum monthly rental.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Revenue recognition (continued)

Parking

Revenue generated by providing short- and long-term parking facilities is determined on time-based tariffs.

Car hire

Revenue is generated from concession fees and the rental of space and kiosks to car hire companies.

Property rental

Revenue is generated through the rentals of offices, air lounges, aviation fuel depots, warehousing, logistics facilities, hotels and filling stations, based on medium- to long-term rental agreements with tenants.

Hotel operations

Revenue comprises the invoice value of accommodation and the sale of food and beverages. Accommodation income is recognised in the financial statements at the date guests are invoiced.

Premiums received

Premiums received comprise the net gains on investments invested in an insurance cell captive.

Other

Other revenue mainly consists of the recovery of electricity and water charges, and fees charged for the issuing of permits.

3.3 Other operating 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.

3.4 Finance income and expense

Finance income comprises interest income on funds invested and dividend income. Interest income is recognised as it accrues in profit and loss, using the effective interest method. Dividend income is recognised in profit and loss on the date that the Group's right to receive payment is established.

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

3.5 Leases

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the contingency no longer exists and the lease adjustment is known.

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased assets are measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to those assets.

Other leases are operating leases not recognised in the Group's statement of financial position.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Foreign currency

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Rand at closing rate. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Rand at exchange rates at the dates of the transactions.

Foreign currency differences are recognised directly in other comprehensive income. When a foreign operation is disposed of, in part or in full, the relevant amount in the Foreign Currency Translation Reserve (FCTR) is transferred to profit and loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of net investment in a foreign operation and are recognised directly in other comprehensive income in the FCTR.

Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost of the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in profit and loss.

3.7 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 and loss in the period in which they are incurred.

3.8 Employee benefits

Defined contribution plans

A defined contribution plan is a plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans and medical aid schemes are recognised as an employee benefit expense in profit and loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Other long-term employee benefits

The Group's net obligation in respect of post-employment medical benefits is the amount of future benefit that employees have earned in return for their services in the current and prior periods. The benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is determined by the actuarial assumptions that have maturity terms approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions directly to equity in the statement of other comprehensive income in the period in which they arise.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Employee benefits (continued)

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or incentive scheme plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.9 Income tax

Income tax expense comprises current and deferred tax. Income tax is recognised in the profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of the previous years.

Deferred tax is recognised using the balance sheet method by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that is probable that they will not reverse in the foreseeable future and the timing of the reversal of the temporary difference is controlled by the Group. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset the liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will realise.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

3.10 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition and construction of qualifying assets are capitalised during the period of time required to complete and prepare the property for its intended use, as part of the cost of the asset.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Property, plant and equipment (continued)

When parts of an item of property, plant and equipment (i.e. equipment, motor vehicles, roads, runways and aprons and buildings) have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within 'other operating income' in profit and loss.

Reclassification to investment property

Property that is being constructed for future use as investment property is accounted for as Investment property at cost if fair value is not easily determinable until the development is complete.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss as incurred.

Depreciation

Depreciation is recognised in profit and loss on a straight-line basis to reduce the assets to their residual values over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

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

Depreciation methods, useful lives and residual values are reassesed at each reporting date.

3.11 Investment property

Investment property is property which is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is carried at fair value, representing open market value determined annually by independent expert valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, or location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in comprehensive income as part of other income.

3.12 Intangible assets

Intangible assets comprise computer software, development costs of the Enterprise Resource Planning system and other information management systems. These intangible assets are measured initially at cost and are carried at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation

Intangible assets are amortised on a straight-line basis over their estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets are amortised from the date they are available for use. The amortisation period and the amortisation method for an intangible asset are reviewed at each financial year-end.

The current estimated useful life is from three to five years.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest groups of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

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

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

– A breach of contract, such as a default or delinquency in payments
– It becomes probable that the debtor will enter bankruptcy or other financial reorganisation
– Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

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

All impairment losses are recognised in profit and loss.

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

3.14 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Accounting for finance income and expense is discussed in note 3.4.

Held-to-maturity investments

If the Group has a positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest rate method, less any impairment losses.

Financial assets at fair value through profit and loss

An instrument is classified at fair value through profit and loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit and loss if the Group manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition, attributable transactions costs are recognised in profit and loss when incurred. Financial instruments at fair value through profit and loss are measured at fair value, and changes therein are recognised in profit and loss.

Non-derivative financial instruments

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet.

Other

Cash and cash equivalents are measured at amortised cost.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

The Effective Interest Rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit and loss. Changes in the fair value of separable embedded derivatives are recognised immediately in profit and loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit and loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in fair value are recognised in profit and loss.

Economic hedges

The derivative instruments are used to hedge the risk of fluctuations in monetary assets and liabilities denominated in foreign currencies. The entity does not have a designated hedging strategy and does not apply hedge accounting, therefore the changes in the fair value of such derivatives are recognised in profit and loss as part of foreign currency gains and losses.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3.17 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability.

3.18 Related parties

ACSA's related parties include entities directly or indirectly owned by the South African Government.

Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. The Group regards all individuals from the level of Group Executive 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.

3.19 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Executive Committee that makes strategic decisions.

3.20 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprises convertible bonds and share options granted to employees.

3.21 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

3.22 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Standards early adopted by the Group

Amendment to IAS 12, 'Income taxes' on deferred tax (effective 1 January 2012)

Currently IAS 12, 'Income taxes', requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 Investment Property. Hence this amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes: recovery of revalued non-depreciable assets', would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is accordingly withdrawn.

3.24 New standards and interpretations issued but not yet effective

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after the dates as indicated, but the Group has not early adopted them.

3.24.1 Amendment to IFRS 7 Disclosures – Transfer of financial assets financial assets (effective 1 July 2011)

The amendments are intended to address concerns raised during the financial crisis by the G20, among others, that financial statements did not allow users to understand the ongoing risks the entity faced due to derecognised receivables and other financial assets. The Group will apply the amendment from 1 April 2013.

3.24.2 Amendment to IFRS 7 Financial Instruments Disclosure (effective 1 January 2013)

The IASB has published an amendment to IFRS 7, 'Financial instruments: Disclosures', reflecting the joint requirements with the FASB to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The Group will apply the amendment from 1 April 2013.

3.24.3 Amendments to IAS 19 Employee benefits (effective 1 January 2013)

The IASB has issued an amendment to IAS 19, 'Employee benefits', which makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. The Group will apply the amendment from 1 April 2013.

3.24.4 Amendment to IFRS 9 – Financial Instruments (effective 1 January 2013)

This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The Group will apply the amendment on 1 April 2013.

The IASB has updated IFRS 9, 'Financial instruments' to include guidance on financial liabilities and derecognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and measurement', without change, except for financial liabilities that are designated at fair value through profit or loss. The Group will apply the amendment on 1 April 2013.

3.24.5 Improvements to IFRSs (issued May 2010)

This is a collection of amendments to IFRSs. These amendments are the result of conclusions the IASB reached on proposals made in its annual improvements project.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.24.6 IFRS 10 – Consolidated financial statements (effective 1 January 2013)

This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. This new standard might impact the entities that a Group consolidates as its subsidiaries. The Group will apply the amendment on 1 April 2013.

3.24.7 IFRS 11 – Joint arrangements (effective 1 January 2013)

This standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The Group will apply the amendment on 1 April 2013.

4 FINANCIAL RISK MANAGEMENT

The Group recognises that an effective risk management function is fundamental to its business. Taking international best practice into account, our comprehensive risk management process involves identifying, understanding and managing the risks associated with each of ACSA's business units. Risk awareness, control and compliance are embedded in the Group day-to-day activities. The Group Risk Management unit independently monitors, manages and reports risk as mandated by the Board of Directors through the Board Risk Committee, and the Treasury and Economic Regulation Committee. The Executive Committee and business units are ultimately responsible for managing risks that arise.

Sound financial risk management framework is in place at Airports Company South Africa, based on a best practice Enterprise Risk Management Framework, built on rigorous governance structures. These frameworks are supported by an experienced team that manages the exposures across the Group structures and these are regularly monitored and reported to the respective committees and ultimately to Board.

Credit risk

Credit risk is the risk of loss to the Group as a result of the failure by a customer or counterparty to meet its contractual obligations. The credit risk that ACSA faces arises mainly from commercial and aeronautical business. These risks are mitigated by the guarantees held for the exposure at a given period. Credit risks can also arises from cash and cash equivalents, accounts receivable and derivatives financial instruments. These risks are effectively managed in terms of the Board-approved financial risk management framework that specifies the investment and counterparty policies. As at 31 March 2012 ACSA had no significant concentration of credit risk from treasury trading activities.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default rate of the industry and country in which customers operate, has less of an influence on credit risk. Approximately 32 percent (2011: 32 percent) of the Group's aeronautical revenue is attributable to transactions with a single customer. The main concentration of credit risk is in the Johannesburg region, which approximates 58 percent (2011: 58 percent) of the trade receivables of the Group.

4 FINANCIAL RISK MANAGEMENT (continued)

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

More than 60 percent of the Group's customers have been transacting with the Group for over 15 years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are individual or legal entity, whether they are aeronautical, commercial or retail customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to the Group's aeronautical and commercial customers. Customers that are graded as 'high risk' are placed on a restricted customer list, and future transactions are made on a prepayment basis with approval of the Treasury and Economic Regulation Committee.

Investments

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

Guarantees

The Group has no formal policy for providing financial guarantees.

Market risk

Market risk is the risk that ACSA's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, foreign exchange rates, commodity prices. The main market risk arises from treasury activities and both aeronautical and non-aeronautical business. The Group has developed analytical tools that are used to perform various analyses in order to assess the impact of market risk on business and to identify mitigants to manage the risk within approved tolerance levels.

Interest rate risk

ACSA's interest rate risk arises from its borrowings. Borrowings issued at variable rate exposes the Company to cash flow risks, and borrowings issued at fixed-rate exposes the Company to fair value interest rate risk. ACSA's policy is to maintain a mix of fixed to floating rate debt within the Board-approved parameters.

As at 31 March 2012, ACSA's fixed to floating rate profile after hedging, on net debt was 59 percent (2011: 61 percent) fixed.

Tariff risk

Approximately half of the Group revenue is regulated by an independent economic regulator using a price cap methodology.

The regulated tariff is linked to the CPI index. A change in CPI has either a positive or a negative impact on the revenue earned by the Group. However, the Group is allowed to adjust the difference between actual and forecast CPI in future tariffs. The tariff is determined every five years with an option to reopen after three years. The Board has approved a regulatory strategy which seeks to proactively influence the regulatory approach in line with best practice. In this regard, the Group proactively manages the economic regulatory risk while balancing the interests of both the Group and the customers.

4 FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk

ACSA has one overseas investment, which gives rise to limited exposure to foreign currency risk arising primarily with respect to Indian Rupee. All foreign debt instruments are issued in Rands or, where applicable, hedged through cross-currency swaps. The Group also uses foreign exchange contracts to hedge material expenditure once the project or purchase cash flows are certain.

Liquidity and funding risk

Liquidity risk is the risk of not being able to generate sufficient cash to honour financial commitments. For ACSA it refers particularly to the risk of the Company not being able to advance funds for capital expenditure, redeem and service loans, finance operational costs and service unanticipated financial commitments.

The objective of The Financial Risk Management Framework is to ensure continuity of funding and flexibility, ensuring debt maturities are spread over a range of dates to manage refinancing risks. The Group has successfully raised all funding required for the 2012 financial year. Further, the Group mitigates this risk by maintaining banking facilities with major South African banks that cover 12 months funding requirements. The Group achieved further improvement in its funding structure by reducing the proportion of short-term to 4,93 percent (2011: 9,35 percent) of the total liability as at 31 March 2012. The Group is not exposed to excessive refinancing risk in any one year.

As at 31 March 2012, the Group had committed and uncommitted facilities of R4,8 billion (2011: R3,5 billion).

Committed		Uncommitted		
Expiry date	Facility amount R'000	Expiry date	Facility amount R'000	Total R'000
August 2012	2 355 000		–	**2 355 000**
July 2012	1 000 000		–	**1 000 000**
March 2013	4 500 000		–	**4 500 000**
	7 855 000		–	**7 855 000**
Utilised facilities	(3 100 000)		–	**(3 100 000)**
Total unutilised	4 755 000		–	**4 755 000**

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

4 FINANCIAL RISK MANAGEMENT (continued)

In addition, the table below analyses the Group's financial liabilities in terms of their maturities. The amounts disclosed are the contractual undiscounted cash (inflows)/outflows.

	Carrying amount	Contractual cash flows	6 months or less	Between 6-12 months	Between 1-2 years	Between 2-5 years	More than 5 years
2012							
GROUP							
Secured borrowings	**666 371**	**792 338**	**28 066**	**634 450**	**27 984**	**89 458**	**12 380**
Unsecured borrowings	**16 044 405**	**24 384 016**	**765 053**	**754 484**	**1 509 993**	**6 674 233**	**14 680 253**
Trade and other payables	**948 419**	**48 419**	**948 419**	**–**	**–**	**–**	**–**
Derivative financial instruments	**194 775**	**227 292**	**80 723**	**48 636**	**34 439**	**27 512**	**35 982**
	17 853 970	**26 352 065**	**1 822 261**	**1 437 570**	**1 572 416**	**6 791 203**	**14 728 615**
COMPANY							
Unsecured borrowings	**16 042 905**	**24 384 016**	**765 053**	**754 484**	**1 509 993**	**6 674 233**	**14 680 253**
Trade and other payables	**916 240**	**916 240**	**916 240**	**–**	**–**	**–**	**–**
Derivative financial instruments	**194 775**	**227 292**	**80 723**	**48 636**	**34 439**	**27 512**	**35 982**
	17 153 920	**25 527 548**	**1 762 016**	**803 120**	**1 544 432**	**6 701 745**	**14 716 235**
2011							
GROUP							
Secured borrowings	689 476	780 395	36 152	36 431	647 600	28 926	31 286
Unsecured borrowings	15 917 993	29 300 337	2 194 398	969 661	1 327 715	9 222 320	15 586 243
Trade and other payables	909 136	909 136	909 136	–	–		–
Derivative financial instruments	508 627	631 782	24 303	(76 946)	32 812	23 874	627 739
	18 025 232	31 878 562	3 490 076	929 146	2 661 580	9 275 120	16 245 268
COMPANY							
Unsecured borrowings	15 916 493	29 300 337	2 194 398	969 661	1 327 715	9 222 320	15 586 243
Trade and other payables	893 346	893 346	893 346	–	–	–	–
Derivative financial instruments	508 627	631 782	24 303	(76 946)	32 812	23 874	627 739
	17 318 466	30 825 465	3 112 047	892 715	1 360 527	9 246 194	16 213 982

Capital risk management

The Group's capital management strategy is designed to ensure that the Group is adequately capitalised in a manner consistent with the Group's risk profile, economic regulatory requirements and maintaining an investment rating level. This strategy is intended to maintain investors' confidence in Airports Company South Africa's debt issues in the debt capital markets.

The Group monitors capital adequacy through the gearing ratio as represented by net interest-bearing debt to total capital. Net debt is calculated as total interest-bearing borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt. The gearing ratio for the Group at 31 March 2012 was 60 percent (2011: 62 percent).

4 **FINANCIAL RISK MANAGEMENT (continued)**

During 2012, the Group's strategy changed from 2011 to a gearing ratio within 57 percent to 60 percent (2011: 60 percent to 65 percent) and maintain an investment credit rating. The gearing ratios as at 31 March 2012 and 2011 were as follows:

	2012 R'000	2011 R'000
GROUP		
Total borrowings	**16 710 776**	16 607 469
Less: cash and cash equivalents	**(1 980 385)**	(678 881)
Net debt	**14 730 391**	15 928 588
Total equity	**9 689 630**	9 598 237
Total capital	**24 420 021**	25 526 825
Gearing ratio (net debt divided by total capital)	**60%**	62%
COMPANY		
Total borrowings	**16 042 905**	15 916 493
Less: cash and cash equivalents	**(1 903 242)**	(578 591)
Net debt	**14 139 663**	15 337 902
Total equity	**9 002 828**	9 045 304
Total capital	**23 142 491**	24 383 206
Gearing ratio (net debt divided by total capital)	61%	63%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The Group uses the current bid price to determine the market price for financial assets.

The fair value of financial instruments that are not traded in active markets is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices and dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cashflows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for discounting purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Group for similar financial instruments.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. The Group has used discounted cash flow analysis for financial assets that are not traded in active markets.

Post retirement medical aid obligation

The present value of the post retirement medical aid obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post retirement medical aid include the discount rate. Any changes in these assumptions will impact the carrying amount of post retirement medical aid obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post retirement medical aid obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related post retirement medical aid liability.

Other key assumptions for post retirement medical aid obligations are based in part on current market conditions. Additional information is disclosed in note 22.

Were the discount rate used to differ by one percent from management's estimates, the carrying amount of post retirement medical aid obligations would be an estimated R29,95 million lower or R23,02 million higher.

Fair value of investment property

The fair value of investment properties is determined on transactions observable in the market. Where there is lack of comparable transactions, a valuation model is used.

Useful lives and residual values of assets

The Group reassess the useful lives and residual values of property, plant and equipment annually by reference to the age or known condition of the assets and the Group's expected use of the related assets.

Accounting for investment in associate

The Group's ten percent shareholding in Mumbai International Airport (Pty) Limited has been accounted for using the equity method as the Group believes that it has the ability (and power) to participate in the financial and operating policy decisions, which gives the Group significant influence.

	GROUP			COMPANY		
	Cost R'000	Accumulated depreciation R'000	Carrying amount R'000	Cost R'000	Accumulated depreciation R'000	Carrying amount R'000
6 PROPERTY, PLANT AND EQUIPMENT						
2012						
Owned assets						
Land and buildings	13 812 461	(2 153 770)	11 658 691	13 810 663	(2 152 828)	11 657 835
Land	727 963	–	727 963	727 963	–	727 963
Buildings	13 084 498	(2 153 770)	10 930 728	13 082 700	(2 152 828)	10 929 872
Roads, runways and aprons	7 687 840	(1 261 385)	6 426 455	7 687 840	(1 261 385)	6 426 455
Vehicles and equipment	3 880 996	(2 229 425)	1 651 571	3 829 026	(2 198 288)	1 630 738
Equipment	3 644 730	(2 101 685)	1 543 045	3 592 760	(2 070 548)	1 522 212
Vehicles	236 266	(127 740)	108 526	236 266	(127 740)	108 526
Capital work in progress	888 050	–	888 050	887 898	–	887 898
	26 269 347	(5 644 580)	20 624 767	26 215 427	(5 612 501)	20 602 926
Leased assets						
Vehicles and equipment	90 645	(90 645)	–	90 645	(90 645)	–
Equipment	85 970	(85 970)	–	85 970	(85 970)	–
Vehicles	4 675	(4 675)	–	4 675	(4 675)	–
Total property, plant and equipment	26 359 992	(5 735 225)	20 624 767	26 306 072	(5 703 146)	20 602 926
2011						
Owned assets						
Land and buildings	13 756 336	(1 589 425)	12 166 911	13 749 180	(1 587 989)	12 161 191
Land	727 963	–	727 963	727 963	–	727 963
Buildings	13 028 373	(1 589 425)	11 438 948	13 021 217	(1 587 989)	11 433 228
Roads, runways and aprons	7 543 698	(993 717)	6 549 981	7 534 099	(990 425)	6 543 674
Vehicles and equipment	3 750 477	(1 719 575)	2 030 902	3 690 287	(1 687 782)	2 002 505
Equipment	3 521 861	(1 610 974)	1 910 887	3 463 180	(1 580 490)	1 882 690
Vehicles	228 616	(108 601)	120 015	227 107	(107 292)	119 815
Capital work in progress	841 800	–	841 800	841 614	–	841 614
	25 892 311	(4 302 717)	21 589 594	25 815 180	(4 266 196)	21 548 984
Leased assets						
Vehicles and equipment	90 645	(90 645)	–	90 645	(90 645)	–
Equipment	85 970	(85 970)	–	85 970	(85 970)	–
Vehicles	4 675	(4 675)	–	4 675	(4 675)	–
Total property, plant and equipment	25 982 956	(4 393 362)	21 589 594	25 905 825	(4 356 841)	21 548 984

6 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 Rnil (2011: Rnil) in respect of assets held under finance leases.

Ownership

Details of the land and buildings are recorded in a register which may be inspected by the members or their duly authorised agents at the Group's registered office.

The Group's land and buildings consist of land, buildings and equipment including air bridges and other related equipment.

Borrowing costs

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 9,86 percent (2011: 9,26 percent) to expenditure on such assets.

	Carrying amount at beginning of year R'000	Additions R'000	Transfers R'000	Depreciation R'000	Disposals R'000	Carrying amount at end of year R'000
GROUP						
Movement for the year 2012						
Owned assets						
Land and buildings	12 166 914	–	61 558	(569 770)	(11)	11 658 691
Land	727 963	–	–	–	–	727 963
Buildings	11 438 951	–	61 558	(569 770)	(11)	10 930 728
Roads, runways and aprons	6 549 981	–	154 909	(278 435)	–	6 426 455
Vehicles and equipment	2 030 901	49 456	98 236	(520 962)	(6 060)	1 651 571
Equipment	1 910 887	35 531	102 698	(500 011)	(6 060)	1 543 045
Vehicles	120 014	13 925	(4 462)	(20 951)	–	108 526
Capital work in progress	841 796	360 957	(314 703)	–	–	888 050
Total property, plant and equipment	21 589 592	410 413	–	(1 369 167)	(6 071)	20 624 767
COMPANY						
Owned assets						
Land and buildings	12 161 191	–	61 558	(564 903)	(11)	11 657 835
Land	727 963	–	–	–	–	727 963
Buildings	11 433 228	–	61 558	(564 903)	(11)	10 929 872
Roads, runways and aprons	6 543 674	–	154 727	(271 946)	–	6 426 455
Vehicles and equipment	2 002 505	46 131	98 236	(515 540)	(594)	1 630 738
Equipment	1 882 690	32 206	102 698	(494 788)	(594)	1 522 212
Vehicles	119 815	9 463	–	(20 752)	–	108 526
Capital work in progress	841 614	365 267	(318 983)	–	–	887 898
Total property, plant and equipment	21 548 984	406 936	–	(1 352 389)	(605)	20 602 926

	Carrying amount at beginning of year R'000	Additions R'000	Transfers R'000	Depreciation R'000	Disposals R'000	Carrying amount at end of year R'000
6 PROPERTY, PLANT AND EQUIPMENT (continued)						
GROUP						
Movement for the year (continued)						
2011						
Owned assets						
Land and buildings	7 682 813	48 606	4 975 477	(538 650)	(1 335)	12 166 911
Land	785 979	48 606	(105 287)	–	(1 335)	727 963
Buildings	6 896 834	–	5 080 764	(538 650)	–	11 438 948
Roads, runways and aprons	3 797 998	–	2 995 588	(243 605)	–	6 549 981
Vehicles and equipment	1 777 809	84 713	743 843	(567 265)	(8 198)	2 030 902
Equipment	1 648 353	75 100	734 975	(545 207)	(2 334)	1 910 887
Vehicles	129 456	9 613	8 868	(22 058)	(5 864)	120 015
Capital work in progress	10 009 810	403 379	(9 571 389)	–	–	841 800
	23 268 430	536 698	(856 481)	(1 349 520)	(9 533)	21 589 594
COMPANY						
Owned assets						
Land and buildings	7 676 803	48 606	4 975 424	(538 307)	(1 335)	12 161 191
Land	785 979	48 606	(105 287)	–	(1 335)	727 963
Buildings	6 890 824	–	5 080 711	(538 307)	–	11 433 228
Roads, runways and aprons	3 797 997	–	2 988 848	(243 171)	–	6 543 674
Vehicles and equipment	1 740 815	81 704	750 647	(562 465)	(8 196)	2 002 505
Equipment	1 611 667	72 092	741 779	(540 516)	(2 332)	1 882 690
Vehicles	129 148	9 612	8 868	(21 949)	(5 864)	119 815
Capital work in progress	10 009 810	403 197	(9 571 393)	–	–	841 614
	23 225 425	533 507	(856 474)	(1 343 943)	(9 531)	21 548 984

		GROUP			COMPANY		
		Cost R'000	Accumulated amortisation R'000	Carrying amount R'000	Cost R'000	Accumulated amortisation R'000	Carrying amount R'000
7	**INTANGIBLE ASSETS**						
	2012						
	Computer software	**491 430**	**(276 685)**	**214 745**	**498 554**	**(284 056)**	**214 498**
		491 430	**(276 685)**	**214 745**	**498 554**	**(284 056)**	**214 498**
	2011						
	Computer software	491 430	(190 157)	301 273	490 444	(189 720)	300 724
		491 430	(190 157)	301 273	490 444	(189 720)	300 724

	Carrying amount at beginning of year R'000	Additions R'000	Transfers R'000	Amortisation expense R'000	Disposals R'000	Carrying amount at end of year R'000
GROUP						
Movement for the year						
2012						
Computer software	**301 273**	**8 110**	**–**	**(94 637)**	**(1)**	**214 745**
Total intangible assets	**301 273**	**8 110**	**–**	**(94 637)**	**(1)**	**214 745**
COMPANY						
Computer software	**300 724**	**8 110**	**–**	**(94 336)**	**–**	**214 498**
Total intangible assets	**300 724**	**8 110**	**–**	**(94 336)**	**–**	**214 498**
GROUP						
2011						
Computer software	110 994	285 987	–	(95 708)	–	301 273
Total intangible assets	110 994	285 987	–	(95 708)	–	301 273
COMPANY						
Computer software	110 118	285 987	–	(95 381)	–	300 724
Total intangible assets	110 118	285 987	–	(95 381)	–	300 724

		GROUP		COMPANY	
		31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
8	**INVESTMENT PROPERTY**				
	Balance at 1 April	**4 669 802**	2 433 438	**3 814 692**	1 630 483
	Improvements	**11 316**	–	**11 316**	–
	Transfer from property, plant and equipment	**–**	573 269	**–**	573 091
	Change in fair value	**1 534**	1 663 095	**(16 426)**	1 611 118
	Transfer to non-current assets held for sale	**(1 850 000)**	–	**(1 850 000)**	–
	Balance at 31 March	**2 832 652**	4 669 802	**1 959 582**	3 814 692

Investment properties are stated at fair value, which has been determined based on valuations performed by accredited independent valuers, as at 31 March 2012 and 31 March 2011. The valuers are industry specialists in valuing these types of investment properties. The fair values of the properties have been determined on transactions observable in the market. Where there was lack of comparable data, a valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The following main inputs have been used:

	GROUP AND COMPANY	
	2012	2011
Market yield of comparable properties (%)	**10-15**	10-15
Average escalation of lease rentals (%)	**8-12**	8-12
Average duration of lease (years)	**3-5**	3-5

Investment properties with a fair value of R737 million (2011: R719 million) have been encumbered by secured borrowings.

The Group's investment property consists of land and buildings.

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

		COMPANY	
		2012 R'000	2011 R'000
9	**INVESTMENT IN SUBSIDIARIES**		
	Shares at cost	**225**	225
	Indebtedness	**229 663**	311 616
	Provision for impairment	**(49 319)**	(23 556)
	Total interest in subsidiaries	**180 569**	288 285
	Directors' valuation	**180 569**	288 285
	Aggregate after tax profits of subsidiary companies	**158 866**	110 629

9 INVESTMENT IN SUBSIDIARIES (continued)

Details of the Company's subsidiaries at 31 March 2012 are as follows:

2012

Subsidiaries	Principal activity	Country of incorporation	Issued share capital R'000	Interest held	Investment at cost R'000	Indebtedness R'000
Guardrisk Life Ltd (cell captive)	Insurance	South Africa	225	100%	**225**	**–**
OSI Airport Systems (Pty) Ltd	Dormant	South Africa	–	51%	**–**	**–**
Pilanesberg International Airport (Pty) Ltd	Airport management	South Africa	–	100%	**–**	**49 319**
Precinct 2A (Pty) Ltd	Property owning	South Africa	–	100%	**–**	**54 489**
JIA Piazza Park (Pty) Ltd	Hotel operations	South Africa	–	100%	**–**	**321**
ACSA Global Ltd	Management company	Mauritius	–	100%	**–**	**79 438**
					225	**183 567**

The Group's accounts include the consolidation of the Airport Management Share Incentive Scheme Company (Proprietary) Limited and Lexshell 342 Investment Holdings (Proprietary) Limited. Although the Airport Management Share Incentive Scheme Company (Proprietary) Limited is wholly owned by the Airport Management Share Incentive Scheme Trust and Lexshell 342 Investment Holdings (Proprietary) Limited is wholly owned by the ACSA Kagano Trust, in terms of SIC-12, 'Consolidation of Special Purpose Entities', the Group consolidates these entities as it is exposed to significant risks that are associated with intercompany loan funding and the Company receives significant rewards associated with the employment of the beneficiaries. Details of special purpose entities consolidated in terms of SIC-12 are as follows:

Special purposes entities						
Lexshell 342 Investment Holdings (Pty) Ltd	Employee share option plan	South Africa	–	–	**–**	**17 120**
Airport Management Share Incentive Scheme Company (Pty) Ltd	Employee share option plan	South Africa	–	–	**–**	**28 975**
					–	**46 095**
Total					**225**	**229 662**

9 INVESTMENT IN SUBSIDIARIES (continued)

Details of the Company's subsidiaries at 31 March 2012 are as follows:

2011

Subsidiaries	Principal activity	Country of incorporation	Issued share capital R'000	Interest held	Investment at cost R'000	Indebted-ness R'000
Guardrisk Life Ltd (cell captive)	Insurance	South Africa	225	100%	225	–
Other						
OSI Airport Systems (Pty) Ltd	Dormant	South Africa	–*	51%	–	–
Pilanesberg International Airport (Pty) Ltd	Airport management	South Africa	–*	100%	–	47 460
Precinct 2A (Pty) Ltd	Property owning	South Africa	–*	100%	–	80 254
JIA Piazza Park (Pty) Ltd	Hotel operations	South Africa	–*	100%	–	(2 846)
ACSA Global Ltd	Management company	Mauritius	–*	100%	–	141 433
* Amount less than R1 000					225	266 301
2011						
Special purposes entities						
Lexshell 342 Investment Holdings (Pty) Ltd	Employee share option plan	South Africa	–	–	–	13 853
Airport Management Share Incentive Scheme Company (Pty) Ltd	Employee share option plan	South Africa	–	–	–	31 461
					–	45 314
Total					225	311 615

Termination of concession agreement

On 1 October 2011, Pilanesberg International Airport (Pty) Ltd (a subsidiary of the Company) terminated its concession agreement with the North West Provincial Government to manage and operate the Pilanesberg International Airport. Accordingly, the Company no longer controls the airport and has ceased to consolidate the results of operation of the airport. The following were carrying amounts of the assets and liabilities at the date of termination:

Property, plant and equipment	12 902
Debentures	(6 000)
Trade and other payables	(1 046)
Intercompany loan	(50 707)
Total net assets/(liabilities) disposed	(44 851)
Loss on disposal of the subsidiary	(44 851)
Total disposal proceeds	–
Cash and cash equivalents in subsidiary disposed of	3
Net cash inflow to the Group	–

10 INVESTMENT IN JOINT VENTURES

The Group has the following significant interests in joint ventures:

Airport Logistics Property Holdings (Pty) Ltd

The Company has a 50 percent interest in a joint venture, Airport Logistics Property Holdings (Pty) Ltd, held through Airports Company South Africa SOC Ltd.

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 statement of financial position, comprehensive income and cash flow.

	GROUP	
	31 March 2012 R'000	31 March 2011 R'000
Investment property	**136 480**	136 480
Current assets	**22 628**	18 922
	159 108	155 402
Non-current liabilities	**62 719**	86 259
Current liabilities	**52 637**	18 898
	115 356	105 157
Net assets	**43 752**	50 245
Income	**16 066**	45 402
Expenses	**(11 687)**	(11 358)
Profit before income tax	**4 379**	34 044
Income tax expense	**(1 226)**	(9 645)
Profit for the year	**3 153**	24 399

The Directors estimate the value of the investment in the joint venture to be at least equal to R43,752 billion (2011: R50,245 billion).

11 INVESTMENT IN ASSOCIATES

Investment in Mumbai International Airport Private Limited

The Group has a 10 percent equity interest in the 30-year concession (with an option for a further 30 years) to modernise the Chhatrapati Shivaji International Airport in Mumbai. ACSA is an integral investor in the project, as well as being the designated airport operator. The investment has been accounted for as an associate.

Investment in La Mercy JV Property Investments (Pty) Ltd

The Group has a 40 percent stake in La Mercy JV Property Investments (Pty) Ltd. The company is a property holding, development and letting company. The investment in the company has been accounted for as an associate.

		GROUP			
		La Mercy Joint Venture Co		Mumbai International Airport Private Ltd	
		2012	2011	**2012**	2011
		R'000	R'000	**R'000**	R'000
11	**INVESTMENT IN ASSOCIATES (continued)**				
	Balance at beginning of year	**147 263**	146 423	**499 866**	514 904
	Additional equity contribution	**3 131**	–	**43 367**	31 280
	Share of profit	**451**	840	**50 584**	55 235
	Foreign currency translation difference	**–**	–	**3 981**	(101 553)
	Balance at end of year	**150 845**	147 263	**597 798**	499 866
	Total investment			748 643	647 129
				COMPANY	
	Balance at beginning of year			**32 250**	32 250
	Additional equity contribution			**3 131**	–
	Balance at end of year			**35 381**	32 250

The following amounts represent the Group's share of the assets, liabilities, revenue and expenses of the associate:

	La Mercy Joint Venture Co		Mumbai International Airport Private Ltd	
	2012	2011	**2012**	2011
	R'000	R'000	**R'000**	R'000
Property, plant and equipment, and investment property	**172 500**	164 400	**1 366 745**	1 237 383
Current assets	**19 741**	20 586	**208 689**	134 938
	192 241	184 986	**1 575 434**	1 372 321
Non-current liabilities	**40 891**	37 696	**182 608**	305 728
Loans	**–**	–	**581 760**	453 756
Current liabilities	**505**	27	**213 268**	112 971
	41 396	37 723	**977 636**	872 455
Net assets	**150 845**	147 263	**597 798**	499 866
Income	**451**	840	**218 375**	149 820
Expenses	**–**	–	**(160 246)**	(66 166)
Profit before income tax	**451**	840	**58 129**	83 654
Income tax expense	**–**	–	**(7 545)**	(28 419)
– Current year	**–**	–	**(19 052)**	(28 419)
– Prior year over provision deferred tax	**–**	–	**11 507**	–
Profit for the year	**451**	840	**50 584**	55 235

	GROUP	
	2012	2011
	R'000	R'000
Total profit for the Group	**51 035**	56 075

		GROUP		COMPANY	
		31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
11	**INVESTMENT IN ASSOCIATES (continued)**				
	Guarantees issued				
	ACSA has issued the following guarantees:				
	Equity Guarantees				
	Airport operator guarantee issued by ACSA Global Ltd INR300 00 00 000 (2011: INR300 00 00 000).	**492 900**	492 900	**–**	–
		492 900	492 900	**–**	–
	Performance Guarantees:				
	The Airport Operator guarantee is limited to ACSA's performance fee of USD1 103 439 (2011: USD1 087 133).				
12	**OTHER NON-CURRENT ASSETS**				
	Lease receivable non-current portion	**173 992**	150 115	**173 992**	150 115
13	**INVENTORIES**				
	Hotel food and beverages	**6 220**	916	**–**	–
		6 220	916	**–**	–
14	**TRADE AND OTHER RECEIVABLES**				
	Trade receivables	**786 954**	604 910	**760 825**	573 260
	Loan to joint venture	**20 131**	18 090	**40 261**	36 180
	Impairment of trade and other receivables	**(131 412)**	(27 591)	**(131 412)**	(27 591)
	Loans and receivables	**675 673**	595 409	**669 674**	581 849
	Taxation receivable	**44 336**	123 127	**44 336**	123 127
	Prepayments	**11 793**	13 072	**11 793**	13 763
	Other receivables	**45 922**	9 708	**45 922**	9 708
	Lease receivables	**175 107**	134 512	**175 107**	134 512
	Insurance rent-a-captive receivable *	**82 169**	79 807	**82 169**	79 807
		1 035 251	955 635	**1 029 001**	942 766
	Timing of trade and other receivables				
	Within one year	**1 035 251**	955 635	**1 029 001**	942 766
		1 035 251	955 635	**1 029 001**	942 766

The average credit period is between 60 and 140 days (2011: 60 and 140 days). No interest is incurred on trade receivables.

Trade receivables are carried at cost, which normally approximates their fair value due to short-term maturity thereof. No interest is charged on trade receivables.

An adjustment for impairment of receivables has been made for estimated irrecoverable amounts.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in notes 4 and 42.

* The contingency policies are underwritten by Guardrisk and Centriq. The amount receivable represents the balance of the special experience account. The special experience account is payable on demand

		GROUP		COMPANY	
		31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
15	**CASH AND CASH EQUIVALENTS**				
	Bank balances	**1 340 379**	409 138	**1 263 236**	308 848
	Money markets	**640 006**	269 743	**640 006**	269 743
		1 980 385	678 881	**1 903 242**	578 591
	The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 42.				
16	**INVESTMENTS**				
	Cash deposit	**600 000**	–	**600 000**	–
	The cash deposit represents 50 percent of the deposit received from Transnet in respect of the disposal of the Durban International Airport site by the Company. The deposit is held as a term deposit for a minimum period of six months until such time that all the suspensive sale conditions are fulfilled. The deposit earns interest at the Company's nominal effective rate. Refer to note 29 for a guarantee disclosed in favour of Transnet and note 17 for the disclosure of non-current assets held for sale.				
17	**NON-CURRENT ASSETS HELD FOR SALE**				
	Assets classified as held for sale				
	Fair value of non-current asset held for sale previously classified under investment property	**1 850 000**	–	**1 850 000**	–
	Assets classified as held for sale at 31 March 2012	**1 850 000**	–	**1 850 000**	–
	The immovable assets of the Durban International Airport site are presented as a non-current asset held for sale following a commitment of the Group's management on 31 March 2012 to a plan to sell facilities due to the move of the airport operations to King Shaka International Airport at La Mercy. Efforts to sell the facilities have commenced with Transnet SOC Ltd, and a sale and transfer is expected to be completed by 30 September 2012. At 31 March 2012, the fair value of the non-current asset held for sale was R1,85 billion, which is the agreed selling price. A deposit of R1,2 billion was received on 31 March 2012 and the balance is payable on 30 September 2012.				
18	**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

There were no changes to the share capital of the Company for the financial years ended 31 March 2012 and 31 March 2011

		GROUP	
		31 March 2012 R'000	31 March 2011 R'000
19	**TREASURY SHARE RESERVE** The Treasury Share Reserve represents the Company's own shares held by the Group. Refer also to note 9.	**44 024**	44 024

5 962 452 shares (2011: 5 962 452 shares) are held by the Airport Management Share Incentive Scheme Company (Pty) Ltd and Lexshell 342 Investment Holdings (Pty) Ltd.

		Total R'000	Fair value R'000	Foreign currency translation reserve R'000	Actuarial losses R'000	Life fund R'000
20	**OTHER RESERVES**					
	GROUP					
	At 1 April 2010	(28 513)	–	(12 632)	(20 860)	4 979
	Actuarial losses, net of tax	(12 102)	–	–	(12 102)	–
	Gain on revaluation of investment property	924 041	924 041	–	–	–
	Transfer from life fund	(485)	–	–	–	(485)
	Translation differences, net of tax	(61 304)	–	(61 304)	–	–
	At 1 April 2011	**821 637**	**924 041**	**(73 936)**	**(32 962)**	**4 494**
	Actuarial losses, net of tax	**(5 767)**	**–**	**–**	**(5 767)**	**–**
	Gain on revaluation of investment property	**–**	**–**	**–**	**–**	**–**
	Transfer from life fund	**(360)**	**–**	**–**	**–**	**(360)**
	Cash flow hedge reserve on derivative financial instruments, net of tax	**(28 966)**	**(28 966)**			
	Translation differences, net of tax	**(67 448)**	**–**	**(67 448)**	**–**	**–**
	At 31 March 2012	**719 096**	**895 075**	**(141 384)**	**(38 729)**	**4 134**
	COMPANY					
	At 1 April 2010	(20 860)	–	–	(20 860)	–
	Actuarial losses, net of tax	(12 102)	–	–	(12 102)	–
	Gain on revaluation of investment property	924 041	924 041	–	–	–
	At 1 April 2011	**891 079**	**924 041**	**–**	**(32 962)**	**–**
	Cash flow hedge reserve on derivative financial instruments, net of tax	**(28 966)**	**(28 966)**			
	Actuarial losses, net of tax	**(5 767)**	**–**	**–**	**(5 767)**	**–**
	At 31 March 2012	**856 346**	**895 075**	**–**	**(38 729)**	**–**

20 OTHER RESERVES (continued)

Defined benefit plan actuarial losses

Actuarial losses are recognised directly in equity/other reserves in terms of IAS 19 employee benefits.

Life Fund

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

Foreign currency translation reserve (FCTR)

The foreign currency translation reserve arises on translation of the Group's interests in foreign entities in to the reporting currency.

	GROUP	
	31 March 2012 R'000	31 March 2011 R'000
21 DEBENTURES		
Debentures issued to the North West Provincial Government.	**–**	6 000

Debentures were issued to the North West Provincial Government at zero coupon rate in exchange for an allocation of a 20 percent equity in Pilanesberg International Airport (Pty) Ltd. On 1 October 2011, the Company terminated its relationship with the North West Provincial Government.

Debentures were transferred to retained earnings.

22 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 2008 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

	GROUP		COMPANY	
	31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
Present value of unfunded obligations	**125 577**	137 106	**125 577**	137 106

22 RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	GROUP		COMPANY	
	31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
Present value of unfunded obligations	**125 577**	137 106	**125 577**	137 106
Movement in the present value of the defined benefit obligations				
Balance at beginning of the year	**137 106**	105 041	**137 106**	105 041
Prior overprovision	**(36 517)**	–	**(36 517)**	–
Current service cost	**7 682**	5 802	**7 682**	5 802
Interest cost	**9 298**	9 454	**9 298**	9 454
Actuarial loss	**8 008**	16 809	**8 008**	16 809
Balance at end of the year	**125 577**	137 106	**125 577**	137 106
Expense recognised in comprehensive income				
Current service cost	**7 682**	5 802	**7 682**	5 802
Interest cost	**9 298**	9 454	**9 298**	9 454
Balance at end of the year	**16 980**	15 256	**16 980**	15 256
Defined contribution plans				
Pension fund				
The expense is recognised in operational and administrative expenses in the income statement				
Expense recognised in other comprehensive income				
Balance at beginning of the year	**45 781**	28 973	**45 781**	28 973
Actuarial loss recognised during the year	**8 008**	16 808	**8 008**	16 808
Balance at end of the year	**53 789**	45 781	**53 789**	45 781
Principal actuarial assumptions at the balance sheet date				
Discount rate	**9,02%**	9,24%	**9,02%**	9,24%
Health care cost inflation	**7,80%**	7,66%	**7,80%**	7,66%
Average retirement age	**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.

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

	1% increase	**1% decrease**
Effect on the aggregate current service and interest cost	4 127	(3 172)
Effect on defined benefit obligation	29 950	(23 018)

	2012 R'000	2011 R'000	2010 R'000	2009 R'000	2008 R'000
Present value of unfunded obligations	**125 577**	137 107	105 043	89 280	70 455

Expected contributions to post employment benefit plans for the year ended 31 March 2013 are R2,082 million

		GROUP		COMPANY	
		31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
23	**DEFERRED INCOME**				
	Dube TradePort rentals received in advance				
	Opening balance	**31 419**	32 507	**31 419**	32 507
	Less: amounts recognised in comprehensive income	**(1 090)**	(1 088)	**(1 090)**	(1 088)
	Balance at end of year	**30 329**	31 419	**30 329**	31 419
	Gautrain development				
	Opening balance	**13 217**	13 792	**13 217**	13 792
	Less: amounts recognised in comprehensive income	**(690)**	(575)	**(690)**	(575)
	Balance at end of year	**12 527**	13 217	**12 527**	13 217
	Government grants				
	Opening balance	**34 386**	35 088	**34 386**	35 088
	Less: amounts recognised in comprehensive income	**(702)**	(702)	**(702)**	(702)
	Balance at end of year	**33 684**	34 386	**33 684**	34 386
	Other income received in advance				
	Additional rentals received – base rentals	**322**	–	**322**	–
	Other income received in advance*	**1 200 000**	–	**1 200 000**	–
	Less: amounts recognised in comprehensive income	**(146)**	–	**(146)**	
	Balance at end of year	**1 200 176**	–	**1 200 176**	–
	Total deferred income	**1 276 716**	79 022	**1 276 716**	79 022
	Current	**1 202 657**	1 655	**1 202 657**	1 655
	Non-current	**74 059**	77 367	**74 059**	77 367

Government grants

The Group has been awarded a government grant. The grant of R35,088 million was received in the 2010 financial year. The grant is used for the construction of the road within the Cape Town International Airport precinct.

* Other income received in advance represents a deposit received from Transnet in respect of the disposal of the Durban International Airport site by the Company.

		GROUP				COMPANY			
		Carrying 2012 R'000	**Fair 2012 R'000**	Carrying 2011 R'000	Fair 2011 R'000	**Carrying 2012 R'000**	**Fair 2012 R'000**	Carrying 2011 R'000	Fair 2011 R'000
24	**INTEREST-BEARING BORROWINGS**								
	Unsecured								
	Commercial paper	–	–	1 523 484	1 524 894	–	–	1 523 484	1 524 894
	Long-term bonds	**9 735 276**	**10 467 104**	9 895 145	10 273 645	**9 735 276**	**10 467 104**	9 895 145	10 273 645
	Nedbank Bul. Loan	**1 750 000**	**1 963 874**	1 750 000	1 971 526	**1 750 000**	**1 963 874**	1 750 000	1 971 526
	Infrastructure Finance Corporation Limited (INCA)	**223 519**	**245 868**	241 268	268 647	**223 519**	**245 868**	241 268	268 647
	Development Bank of South Africa (DBSA)	**1 371 615**	**1 503 029**	1 487 327	1 621 371	**1 371 615**	**1 503 029**	1 487 327	1 621 371
	Southern Sun Loan	**1 500**	**1 500**	1 500	1 500	–	–	–	–
	L'Agence Francaise de Developpement (AFD)	**1 019 894**	**1 157 984**	1 019 269	1 114 088	**1 019 894**	**1 157 984**	1 019 269	1 114 088
	L'Agence Francaise de Developpement (AFD1)	**1 942 601**	**2 303 328**	–	–	**1 942 601**	**2 303 328**	–	–
		16 044 405	**17 642 687**	15 917 993	16 775 671	**16 042 905**	**17 641 187**	15 916 493	16 774 171
	Secured								
	FirstRand Bank Ltd	**607 996**	**629 094**	607 663	648 948	–	–	–	–
	Bidvest Properties (Pty) Ltd – Loan 1	**9 572**	**9 572**	17 046	17 046	–	–	–	–
	Bidvest Properties (Pty) Ltd – Loan 2	**15 592**	**15 592**	22 885	22 885	–	–	–	–
	Bidvest Properties (Pty) Ltd – Loan 3	**33 211**	**33 211**	41 882	41 883	–	–	–	–
		666 371	**687 469**	689 476	730 762	–	–	–	–
	Total	**16 710 776**	**18 330 156**	16 607 469	17 506 433	**16 042 905**	**17 641 187**	15 916 493	16 774 171
	Maturity analysis								
	Current portion	**1 063 774**	**1 063 774**	2 340 762	2 340 762	**442 367**	**442 367**	2 339 262	2 339 262
	Non-current portion	**15 647 002**	**17 266 382**	14 266 707	15 165 671	**15 600 538**	**17 198 820**	13 577 231	14 434 909
		16 710 776	**18 330 156**	16 607 469	17 506 433	**16 042 905**	**17 641 187**	15 916 493	16 774 171

Secured borrowings

Total borrowings include liabilities that are secured by the land and buildings of the Group classified as investment property to the value of R737 million (2011: R719 million)

		Security number	Interest rate %	Nominal R'000	Maturity date	GROUP Carrying value 2012 R'000	GROUP Carrying value 2011 R'000	COMPANY Carrying value 2012 R'000	COMPANY Carrying value 2011 R'000
24	**INTEREST-BEARING BORROWINGS (continued)**								
	Terms and debt repayment schedule								
		ACCP24	6,21	550 000	May 2011	–	563 664	–	563 664
		ACCP25	5,73	450 000	May 2011	–	453 670	–	453 670
		ACCF01	6,15	500 000	Jul 2011	–	506 150	–	506 150
	Long-term bonds	AIR01U	13,78	312 000	Feb 2012	–	315 827	–	315 827
		AIR02U	9,64	500 000	Oct 2014	**509 542**	509 360	**509 542**	509 360
		AIR03U	8,10	500 000	Oct 2014	**507 208**	507 078	**507 208**	507 078
		AIRL02	111,50	1 000 000	Feb 2014	**1 176 107**	1 107 129	**1 176 107**	1 107 129
		AIR03	10,86	1 729 000	Mar 2016	**1 739 510**	1 739 571	**1 739 510**	1 739 571
		AIR01	8,58	2 000 000	Mar 2019	**2 000 181**	2 000 262	**2 000 181**	2 000 262
		AIR02	11,30	1 712 000	Apr 2023	**1 833 950**	1 834 003	**1 833 950**	1 834 003
		AIRL01	1 3,64	1 191 000	Apr 2028	**1 443 920**	1 357 079	**1 443 920**	1 357 079
		AIR04U	11,59	500 000	Oct 2029	**524 858**	524 836	**524 858**	524 836
						9 735 276	11 418 629	**9 735 276**	11 418 629
	FirstRand Bank Ltd		10,02	606 000	Sep 2012	**607 996**	607 663	–	–
	Southern Sun Hotel Interests (Pty) Ltd		2,00	1 500	Dec 2012	**1 500**	1 500	–	–
	Bidvest Properties (Pty) Ltd – Loan 1		10,72	12 980	Sep 2015	**9 572**	17 046	–	–
	Bidvest Properties (Pty) Ltd – Loan 2		10,72	18 424	Sep 2015	**15 592**	22 885	–	–
	Bidvest Properties (Pty) Ltd – Loan 3		11,00	38 127	May 2017	**33 211**	41 883	–	–
	Nedbank Bul. Loan		Prime linked	1 750 000	Sep 2020	**1 750 000**	1 750 000	**1 750 000**	1 750 000
	L'Agence Francaise de Developpement (AFD)		10,35	985 490	Nov 1023	**1 019 894**	1 019 269	**1 019 894**	1 019 269
	L'Agence Francaise de Developpement (AFD)		10,55	1 942 200	Apr 1026	**1 942 601**	–	**1 942 601**	–
	Infrastructure Finance[1] Corporation Limited (INCA)			250 000	Nov 2023	**223 519**	241 268	**223 519**	241 268
	Development Bank of Southern Africa[1]			1 500 000	Dec 2023	**1 371 615**	1 487 327	**1 371 615**	1 487 327
						6 975 500	5 188 841	**6 307 629**	4 497 864
	Total interest-bearing borrowings					**16 710 776**	16 607 470	**16 042 905**	15 916 493

Currency: All borrowings are denominated in ZAR

[1] *JIBAR linked*

		GROUP		COMPANY	
		31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
25	**DEFERRED TAX LIABILITIES**				
	Balance at beginning of the year	**1 080 452**	749 849	**1 010 814**	665 281
	Movements during the year:				
	– Recognised in the statement of comprehensive income	**(71 226)**	(199)	**(94 184)**	(9 110)
	– Recognised directly in other comprehensive income	**7 913**	330 802	**(13 507)**	354 643
	Balance at end of year	**1 017 140**	1 080 452	**903 124**	1 010 814
	Comprising:				
	Deferred tax liabilities				
	Property, plant and equipment	**664 282**	728 758	**665 293**	691 582
	Investment property	**292 930**	369 820	**240 110**	324 195
	Non-current assets held for sale	**263 113**	–	**263 113**	–
	Intangible assets	**6 406**	9 575	**6 406**	9 575
	Lease receivables	**97 748**	79 696	**97 748**	79 696
	Provisions	**(83 486)**	(68 888)	**(83 487)**	(68 888)
	Derivative financial instruments	**(54 537)**	(142 416)	**(54 537)**	(142 416)
	Investments in associates	**68 056**	15 081	**5 850**	4 403
	Prepayments	**2 874**	3 854	**2 874**	3 854
	Impairment of trade and other receivables	**(27 597)**	(7 725)	**(27 597)**	(7 725)
	Assessed loss	**(212 649)**	(219 868)	**(212 649)**	(219 868)
	Deferred income	**–**	(18 238)	**–**	(18 238)
		1 017 140	749 650	**903 124**	656 171
	Income tax for components of other comprehensive income				
	Actuarial losses on defined benefit post retirement medical aid liability	**(2 242)**	(4 707)	**(2 242)**	(4 707)
	Fair value gains on investment property	**–**	359 349	**–**	359 349
	Cash flow hedge	**(11 265)**		**(11 265)**	–
	Foreign currency translation differences	**(12 888)**	(23 841)	**–**	–
		(26 395)	330 802	**(13 507)**	354 643

The deferred tax on land and assets held for resale was calculated applying an effective capital gains tax rate of 18,6 percent (2011: 14,0 percent). Deferred tax on all other assets and liabilities was calculated at the statutory rate of 28 percent (2011: 28 percent). It is expected that the deferred tax assets and liabilities would be recovered through the use or the sale of assets and the settlement of liabilities.

		GROUP		COMPANY	
		31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
26	**TRADE AND OTHER PAYABLES**				
	Trade payables	**757 397**	746 449	**732 063**	731 997
	Financial liabilities at amortised cost	**757 397**	746 449	**732 063**	731 997
	Leave payable	**38 065**	44 059	**37 323**	43 226
	Bonuses payable	**8 342**	7 465	**7 404**	6 960
	Trade debtors deposits	**38 074**	47 011	**36 350**	47 011
	VAT payable	**80 497**	33 685	**79 966**	33 685
	Other payables	**26 044**	30 468	**23 134**	30 467
		948 419	909 137	**916 240**	893 346
	Timing of trade and other payables				
	Within one year	**948 419**	909 137	**916 240**	893 346
		948 419	909 137	**916 240**	893 346

The average credit period is between 60 and 140 days (2011: 60 and 140 days). No interest is incurred on trade payables.

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

Trade payables are stated at carried, which normally approximates the fair value, due to the short-term maturity thereof.

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

Included in other payables is lease payables, which relates to the straight-lining of lease accruals.

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 42.

		GROUP		COMPANY	
		31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
27	**PROVISIONS**				
	Staff incentive bonuses				
	Balance at beginning of the year	**65 694**	66 294	**65 694**	66 257
	Additional provision in the year	**87 026**	65 705	**87 026**	65 694
	Utilisation of provision	**(65 694)**	(66 257)	**(65 694)**	(66 257)
	Balance at end of the year	**87 026**	65 742	**87 026**	65 694
	Analysed as follows				
	Current liabilities	**87 026**	65 742	**87 026**	65 694

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

	2012 Liabilities R'000	2011 Assets R'000	2011 Liabilities R'000
28 DERIVATIVE FINANCIAL INSTRUMENTS			
GROUP AND COMPANY			
Interest rate swaps	194 775	163 235	671 862
Total	194 775	163 235	671 862
	194 775	163 235	671 862
Current portion	65 349	163 235	61 849
Non-current portion	129 426	–	610 013

Interest rate swaps

The Group is exposed to the floating rates of interest: South African prime rates and JIBAR. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

The Group has entered into interest rate swap contracts that entitle or oblige it to receive interest at fixed rates on notional principal amounts and entitle or oblige it to pay interest at floating rates on the same notional principal amounts. The interest rate swaps allow the Group to swap long-term debt from floating rates to fixed rates that are lower, or higher, than those available if it had borrowed directly at floating rates. Under the interest rate swap contracts, the Group agrees with other parties to exchange, at specified quarterly and semi-annual intervals, the difference between fixed rates and floating rate interest amounts that are calculated by reference to the agreed notional principal amounts.

The notional principal amounts of the outstanding interest rate swap contracts were as follows:

			GROUP AND COMPANY		GROUP AND COMPANY	
			2012 R'000	2011 R'000	**2012 R'000**	2011 R'000
Instrument number and maturity	*Receive*	*Pay*	*Notional amount*		*Fair value*	
30 September 2020	3m JIBAR + 1,92%	10,980%	**1 750 000**	1 750 000	**(194 775)**	(80 236)
30 September 2020[1]	10,980%	3m JIBAR + 2,51214%	–	1 750 000	–	982
30 September 2020[1]	3m JIBAR + 2,51214%	4,61%	–	1 750 000	–	(211 534)
					(194 775)	(290 788)
30 November 2023	3m JIBAR + 1,90%	10,98%	**250 000**	250 000	–	–
31 March 2015[2]	3m JIBAR + 2,6%	4,35%	–	466 612	–	(43 584)
31 March 2020[2]	3m JIBAR + 2,6%	4,35%	–	453 918	–	(98 965)
31 March 2024[2]	3m JIBAR + 2,6%	4,35%	–	422 712	–	(75 291)
					–	(217 840)
					(194 775)	(508 628)

[1]Swap contracts were terminated on 6 March 2012 at market-to-market value of R372 million and the unwind cost incurred amounted to R53 million.

[2]Swap contracts were terminated on 23 March 2012 at market-to-market value of R483 million and unwind cost incurred amounted to R11 million.

		GROUP		COMPANY	
		31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
29	**FINANCIAL GUARANTEE**				
	The guarantee was granted to Transnet as a result of the sale of the Durban International Airport site immovable property. The sale took place on 31 March 2012 and Transnet SOC Ltd made a first payment of R1,200 billion, with the final payment of R650 million expected to be made on 30 September 2012. The transfer of ownership process will commence as soon as the approval is obtained from the Competition Commission authorities. The guarantee granted comprises a 50 percent cash component and a 50 percent reserve on the existing facility.				
	Cash component	**600**	–	**600**	–
	Existing facility	**600**	–	**600**	–
	Total financial guarantee	**1 200**	–	**1 200**	–
30	**REVENUE**				
	Revenue comprises:				
	Aeronautical	**3 349 653**	2 430 447	**3 349 426**	2 429 677
	Retail[1]	**1 573 629**	1 510 160	**1 573 454**	1 509 999
	Property rental	**558 045**	487 172	**502 404**	446 734
	Hotel operations	**88 121**	92 650	**–**	–
	Other[2]	**169 095**	137 810	**160 820**	128 429
		5 738 543	4 658 239	**5 586 104**	4 514 839
	[1] Retail revenue includes revenue from core retail, car parking, advertising and car rental.				
	[2] Other revenue includes revenue from electricity and water recoveries.				
31	**OTHER OPERATING INCOME**				
	Net profit on disposal of assets	**13 132**	10 712	**13 132**	10 706
	Other ^	**136 301**	360	**3 756**	360
		149 433	11 072	**16 888**	11 066
	^ The Group received a once-off payment of R113,2 million from Bidvest for not exercising its rights to participate in a share transaction involving the sale of shares by Bidvest in the associate investment in Mumbai International Airport (MIAL).				
32	**FAIR VALUE GAINS AND LOSSES**				
	Fair value gains on investment property and non-current assets held for sale	**1 534**	379 703	**(16 426)**	327 727
		1 534	379 703	**(16 426)**	327 727
33	**EMPLOYEE BENEFIT EXPENSES**				
	Salaries and other personnel costs	**697 743**	617 046	**679 121**	597 482
	Medical aid benefits	**20 072**	50 870	**20 072**	50 870
	Pension benefits	**51 666**	46 247	**51 666**	46 247
		769 481	714 163	**750 859**	694 599

		GROUP		COMPANY	
		31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
34	**OTHER OPERATING EXPENSES**				
	Auditors' remuneration	**6 641**	7 147	**6 306**	6 901
	Operating lease expense	**18 299**	18 254	**18 275**	17 631
	Repairs and maintenance	**226 065**	220 775	**223 093**	217 236
	Security	**137 082**	131 458	**135 904**	129 639
	Impairment of trade and other receivables	**127 503**	7 758	**127 468**	7 723
	Information system expense	**100 078**	98 646	**99 172**	97 739
	Electricity and water	**216 984**	195 288	**212 731**	191 448
	Rates and taxes	**154 755**	148 173	**153 165**	147 135
	Cleaning	**84 479**	76 825	**83 894**	76 036
	Marketing	**51 341**	58 239	**48 014**	56 420
	Managerial, technical and other fees	**151 098**	119 698	**137 571**	114 547
	Travel	**24 282**	14 114	**22 744**	12 645
	Insurance	**44 357**	42 857	**44 172**	42 660
	Administration	**55 257**	66 166	**47 126**	58 880
	Training and development	**13 203**	11 708	**13 143**	11 642
	Foreign currency losses	**11 435**	6 535	**–**	–
	Other	**132 007**	116 376	**150 531**	100 217
		1 554 866	1 340 017	**1 523 309**	1 288 499
35	**NET FINANCE INCOME AND EXPENSE**				
	Interest received	**47 133**	32 597	**48 786**	29 814
	Finance income	**47 133**	32 597	**48 786**	29 814
	Finance expense	**(1 594 657)**	(1 567 325)	**(1 524 966)**	(1 493 603)
	Losses on remeasurement and disposal of trading financial instruments	**(486 803)**	(280 943)	**(486 803)**	(280 943)
	Capitalised to qualifying projects	**–**	28 687	**–**	28 687
	Total finance expense	**(2 081 460)**	(1 819 581)	**(2 011 769)**	(1 745 859)
	Net finance expense	**(2 034 327)**	(1 786 984)	**(1 962 983)**	(1 716 045)
36	**INCOME TAX EXPENSE**				
	South African normal taxation				
	Current taxation				
	– Current year	**21 064**	5 219	**–**	–
	– Prior year	**4 618**	33 473	**4 618**	33 473
	Deferred taxation				
	– Current year	**(95 188)**	535	**(94 184)**	(9 110)
		(69 506)	39 227	**(89 566)**	24 363
	Normal tax rate reconciliation	**%**	%	**%**	%
	Standard tax rate	**(28,00)**	(28,00)	**(28,00)**	(28,00)
	Non-deductible expenses	**22,05**	2,93	**26,75**	1,86
	Resolution of certain tax positions	**3,91**	–	**4,75**	–
	CGT rate differential[1]	**(146,60)**	62,49	**(136,94)**	39,73
	Prior year adjustments	**28,06**	(18,46)	**34,04**	(11,74)
	Other	**5,72**	2,68	**7,36**	6,68
	Effective tax rate	**(114,87)**	21,64	**(92,04)**	8,54

[1] The CGT rate differential is attributable to the sale of the Durban International Airport site

37 EARNINGS AND DIVIDENDS PER SHARE

The calculation of basic earnings per ordinary share is based on the net profit/(loss) attributable to ordinary shareholders of R188 million profit (2011: R221 million loss) and linked ordinary shares in issue during the year. There were no dilutive potential ordinary shares for the current and prior financial years.

		GROUP		COMPANY	
		31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
38	**OPERATING LEASES**				
	The Group as lessee				
	Minimum lease payments recognised under operating leases as an expense during the year	**18 299**	18 254	**18 275**	17 631
	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	**10 782**	8 529	**10 782**	8 529
	In the second to fifth years inclusive	**5 410**	7 542	**5 410**	7 542
	After five years	**–**	1 586	**–**	1 586
		16 192	17 657	**16 192**	17 657
	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 R502 million (2011: R487 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	**929 079**	980 812	**929 079**	980 812
	In the second to fifth years inclusive	**2 413 446**	2 564 880	**2 413 446**	2 564 880
	After five years	**1 372 175**	1 698 693	**1 372 175**	1 698 693
		4 714 700	5 244 385	**4 714 700**	5 244 385
	Unrecognised lease payments	**4 714 700**	5 584 705	**4 714 700**	5 244 385
39	**CAPITAL COMMITMENTS**				
	Capital commitments				
	– Contracted				
	Within one year	**275 180**	67 326	**275 180**	67 326
	In the second to fifth years inclusive	**130 407**	47 300	**130 407**	47 300
	– Authorised by the directors but not yet contracted*	**450 000**	–	**450 000**	–
		855 587	114 626	**855 587**	114 626

Capital commitments include equity contributions to Mumbai International Airport Private Limited of Rnil million (2011: Rnil million).

* Commitments authorised by directors not yet contracted for, relate to the partnership investment with Invepar, for acquiring 51 percent of the Guarulhos International Airport concession, with ACSA acquiring a ten percent stake in the partnership. The consortium partnership is expected to be finalised in June 2012. The Group has committed an initial investment of R450 million. Refer to note 44 for more details.

40 RELATED PARTIES

Airports Company South Africa SOC 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 South Africa SOC Ltd has a significant number of related parties that are public entities. In addition, the Company has a related party relationship with its subsidiaries, associates and with its directors and executive officers (key management). Unless specifically disclosed, these transactions are concluded on an arm's-length basis and the Group is able to transact with any entity.

	GROUP		COMPANY	
	31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
40.1 Transactions with related entities				
The following is a summary of transactions with related parties during the year, and balances due at year-end:				
Constitutional institutions				
Services rendered	**–**	–	**–**	–
Services received	**–**	12	**–**	12
Major public entities				
Services rendered	**1 441 679**	951 638	**1 441 679**	951 638
Services received	**43 805**	51 012	**43 805**	51 012
Amount due from	**192 470**	105 526	**192 470**	105 526
Amount due (to)	**(417)**	(1 611)	**(417)**	(1 611)
Other national public entities				
Services rendered	**28 799**	18 725	**28 799**	18 725
Services received	**302 541**	51 998	**302 541**	51 998
Amount due from	**7 220**	3 389	**7 220**	3 389
Amount due (to)	**(18 648)**	(430)	**(18 648)**	(430)
Subsidiaries and joint ventures				
Services rendered	**34 361**	34 965	**34 361**	34 965
Services received	**–**	–	**–**	–
Sale of land	**–**	–	**–**	–
Amount due from	**–**	–	**164 113**	281 910

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

All transactions with these related parties (other than intercompany loan balances) are priced on an arm's-length basis and are to be settled within one to 12 months of the reporting date. None of the balances is secured.

	GROUP		COMPANY	
40.2 Remuneration				
Executive directors	**17 397**	10 401	**17 397**	10 401
Non-executive directors	**687**	1 677	**687**	1 677
Executive management	**29 651**	22 731	**29 651**	22 731
	47 736	34 809	**47 736**	34 809

All executive directors and executive management are eligible for an annual performance bonus payment linked to appropriate targets. During the current year, a liability for incentive bonus of R6 million (2011: R12 million) was raised in terms of the performance management system for executive directors and executive management. The structure of the individual bonus plans and awards is decided by the Human Resources Transformation and Remuneration Committee.

40 RELATED PARTIES (continued)

40.2 Remuneration (continued)

In line with the Group's remuneration policy for executives and executive directors, variable pay is designed to motivate and reward performance. In this context, there are two schemes: a short-term, annual performance bonus, based on rewarding individual performance. The second is a long-term, five-year, incentive and retention scheme designed to drive performance towards delivery of medium- to long-term business objectives.

As it relates to variable pay for executive directors, these were awarded in line with the above Group policy. In the case of MW Hlahla, the long-term incentive payment was based on individual and company performance over a five-year period and was inclusive of a final payment on termination. The short-term, annual performance bonus was based on individual performance. In BP Mabelane's instance, the long-term incentive payment was based on individual and company performance; the balance of any further long-term incentive payment was forfeited by her resignation. The short-term, annual performance bonus was calculated against individual performance.

With regard to executive management, the bases for the two schemes are similar to those above. In respect of the long-term incentive performance and retention scheme, the payments reflected in this annual report are the first, and interim, allocations as part of the five-year retention period.

Successful lead-up to and delivery against the 2010 FIFA World Cup was a key contributor in determining the short- and long-term incentive payments for both executive directors and executive management.

40.3 Transactions with key management personnel

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

2012

		Salary 2012 R'000	Long-term 2011 R'000	Short-term 2011 R'000	**Fees 2012 R'000**	Total R'000
Executive Directors						
MW Hlahla	(resigned 30 September 2011)	**2 571**	6 494	4 385	–	13 450
BP Mabelane	(resigned 31 August 2011)	**1 764**	582	1 601	–	3 947
		4 335	7 076	5 986	–	17 397

Senior personnel remuneration, which requires separate disclosure in terms of Treasury Regulation 28.1.1, is as follows:

		Salary 2012 R'000	Long-term 2011 R'000	Short-term 2011 R'000	**Fees 2012 R'000**	Total R'000
Executive management						
B Maseko[1]	(Acting Managing Director, effective 1 October 2011)	**2 280**	847	1 111	–	4 238
DA Cloete		**2 027**	516	705	–	3 249
PM du Plessis		**1 658**	660	760	–	3 078
H Jeena		**1 881**	733	979	–	3 593
CJ Hlekane		**1 844**	566	968	–	3 377
N Rapoo	(Resigned 31 May 2011)	**392**	–	731	–	1 123
T Delomoney		**1 519**	458	657	–	2 635
JR Neville		**2 122**	843	1 064	–	4 029
G Vracar		**1 490**	467	691	–	2 648
VW Tlou[1]	(Acting Finance Director, effective 1 September 2011)	**983**	–	–	–	983
A Vermeulen[1]	(Acting Group Executive: Airport Operations, effective 1 October 2011)	**697**	–	–	–	697
		16 894	5 090	7 667	–	29 651

[1] Salary includes acting allowance

		Fees 2012 R'000	Total R'000
40 RELATED PARTIES (continued)			
40.3 Transactions with key management personnel (continued)			
Non-executive Directors – Company			
B Mabuza (Chairman)	*(appointed 1 March 2012)*	–	–
E Masilela*	*(appointed 1 January 2012)*	–	–
MJ van Rensburg	*(appointed 1April 2010)*	299	299
R Morar	*(appointed 1 January 2012)*	35	35
S Macozoma	*(appointed 1 March 2012)*	–	–
T Ramano	*(appointed 1 March 2012)*	–	–
A Kekana	*(resigned 1 January 2012)*	138	138
WC van der Vent	*(resigned 1 January 2012)*	215	215
		687	687

* Note: Fees payable to the PIC.

2011

		Salary 2011 R'000	Long-term 2010 R'000	Short-term 2010 R'000	Fees 2011 R'000	Total R'000
Executive Directors						
MW Hlahla		4 346	–	1 233	–	5 579
BP Mabelane		2 526	939	1 357	–	4 822
		6 872	939	2 590	–	10 401

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

		Salary 2011 R'000	Long-term 2010 R'000	Short-term 2010 R'000	Fees 2011 R'000	Total R'000
Executive management						
DA Cloete		1 577	–	688	–	2 265
PM du Plessis		1 575	–	673	–	2 248
N Knapp	*(resigned 30 October 2010)*	765	–	231	–	995
H Jeena		1 785	–	766	–	2 550
CJ Hlekane		1 722	–	842	–	2 564
B Maseko		2 024	–	1 019	–	3 043
N Rapoo	*(resigned 31 May 2011)*	1 482	–	423	–	1 905
T Delomoney		1 466	–	728	–	2 194
JR Neville		2 016	–	1 015	–	3 031
G Vracar		1 409	–	526	–	1 935
		15 820	–	6 911	–	22 731

			Fees 2011 R'000	Total 2011 R'000
40	**RELATED PARTIES (continued)**			
40.3	**Transactions with key management personnel (continued)**			
	Non-executive Directors – Company			
	N Galeni	*(resigned 27 September 2010)*	264	264
	R Persad	*(resigned 27 September 2010)*	148	148
	M Ramagaga	*(resigned 27 September 2010)*	257	257
	NTY Siwendu	*(resigned 27 September 2010)*	285	285
	S Zilwa	*(resigned 27 September 2010)*	378	378
	MJ van Rensburg	*(appointed 1 April 2010)*	293	293
			1 625	1 625

		GROUP		COMPANY	
		31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
41	**CASHFLOW WORKINGS**				
41.1	**Cashflow workings**				
	Profit/(loss) before tax	**118 068**	(181 303)	**(97 310)**	(285 162)
	Adjustments:				
	Depreciation and amortisation expense	**1 463 804**	1 445 228	**1 446 725**	1 439 651
	Impairment of trade and other receivables	**127 503**	7 758	**127 468**	7 723
	Finance expense (less capitalised costs)	**1 594 657**	1 538 638	**1 524 966**	1 464 916
	Finance income	**(47 133)**	(32 597)	**(48 786)**	(29 814)
	Share of profit of associate	**(51 035)**	(56 075)	**–**	–
	Unrealised fair value gains and losses	**58 928**	(304 655)	**76 888**	(191 372)
	Profit on disposal of assets	**(13 132)**	(10 712)	**(13 132)**	(10 706)
	Movement in deferred revenue	**(2 306)**	(2 365)	**(2 306)**	(2 365)
	Movement in retirement benefit obligations	**(19 537)**	32 063	**(19 537)**	32 063
	Movement in provisions and other	**(66 883)**	204 031	**21 333**	(20 409)
		3 162 933	2 640 011	**3 016 309**	2 404 525
	Working capital changes				
	(Increase)/decrease in trade and other receivables	**(278 230)**	(95 032)	**(316 941)**	66 017
	Increase in inventories	**(5 304)**	(7)	**–**	–
	Increase/(decrease) in trade payables	**25 837**	(891 019)	**22 887**	(897 555)
		2 905 236	1 653 953	**2 722 255**	1 572 987
41.2	**Income tax received/(paid)**				
	Balance at beginning of the year	**121 574**	138 799	**123 127**	139 800
	Income statement charge	**(25 682)**	(38 692)	**(4 618)**	(33 473)
	Balance at end of the year	**(12 025)**	(121 574)	**(44 336)**	(123 127)
		83 867	(21 467)	**74 173**	(16 800)

	Carrying amount			
	GROUP		COMPANY	
	31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
42 FINANCIAL INSTRUMENTS				
42.1 Credit risk				
Exposure to credit risk				
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:				
Loans and receivables	**675 673**	595 409	**669 674**	581 849
	675 673	595 409	**669 674**	581 849
The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:				
O.R. Tambo International Airport	**414 287**	348 754	**414 287**	348 754
Cape Town International Airport	**157 346**	110 293	**157 346**	110 293
King Shaka International Airport	**78 461**	57 745	**78 461**	57 745
Port Elizabeth International Airport	**25 283**	19 603	**25 283**	19 603
East London Airport	**11 492**	5 948	**11 492**	5 948
George Airport	**8 291**	5 700	**8 291**	5 700
Bloemfontein International Airport	**4 059**	6 855	**4 059**	6 855
Kimberley Airport	**1 782**	1 829	**1 782**	1 829
Upington International Airport	**2 277**	4 628	**2 277**	4 628
Johannesburg corporate office and other	**103 807**	61 645	**97 808**	48 085
	807 085	623 000	**801 086**	609 440
Less: Impairment allowance	**(131 412)**	(27 591)	**(131 412)**	(27 591)
	675 673	595 409	**669 674**	581 849
The maximum exposure to credit risk for trade receivables at the reporting date before the impairment provision, guarantees and deposits held by type of customer was:				
Aeronautical	**645 683**	276 150	**645 683**	276 150
Commercial	**34 174**	211 314	**34 174**	211 314
Other	**127 228**	135 536	**138 107**	121 976
	807 085	623 000	**817 964**	609 440

42 FINANCIAL INSTRUMENTS (continued)

42.1 Credit risk (continued)

Exposure to credit risk (continued)

The following table represents an age analysis of trade and other receivables. Trade and other receivables are considered past due should a qualifying payment not be received within 30 days.

	Trade and other receivables R'000	Allowance for impairment R'000	Trade and other receivables, net of allowance for impairment R'000	Impairment as a percentage of trade and other receivables R'000
2012				
GROUP				
Not past due	**562 437**	**–**	**562 437**	**–**
Past due: 0 – 30 days	**95 826**	**–**	**95 826**	**–**
Past due: 31 – 60 days	**71 931**	**–**	**71 931**	**–**
Past due: 61 – 90 days	**76 891**	**(131 412)**	**(54 521)**	**170,9%**
Total trade and other receivables	**807 085**	**(131 412)**	**675 673**	**16,3%**
COMPANY				
Not past due	**573 316**	**–**	**573 316**	**–**
Past due: 0 – 30 days	**95 826**	**–**	**95 826**	**–**
Past due: 31 – 60 days	**71 931**	**–**	**71 931**	**–**
Past due: 61 – 90 days	**76 891**	**(131 412)**	**(54 521)**	**170,9%**
Total trade and other receivables	**817 964**	**(131 412)**	**686 552**	**16,1%**
2011				
GROUP				
Not past due	485 457	–	485 457	–
Past due: 0 – 30 days	15 654	–	15 654	–
Past due: 31 – 60 days	39 302	–	39 302	–
Past due: 61 – 90 days	82 587	(27 591)	54 996	33,4%
Total trade and other receivables	623 000	(27 591)	595 409	4,4%
COMPANY				
Not past due	471 897	–	471 897	–
Past due: 0 – 30 days	15 654	–	15 654	–
Past due: 31 – 60 days	39 302	–	39 302	–
Past due: 61 – 90 days	82 587	(27 591)	54 996	33,4%
Total trade and other receivables	609 440	(27 591)	581 849	4,5%

	GROUP		COMPANY	
	31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
42 FINANCIAL INSTRUMENTS (continued)				
42.1 Credit risk (continued)				
Impairment loss				
The movement in the allowance for impairment in respect of trade receivables during the year was as follows:				
Balance at 1 April	**27 591**	18 390	**27 591**	18 390
Increase/(decrease) in allowance	**103 821**	9 201	**103 821**	9 201
Balance at 31 March	**131 412**	27 591	**131 412**	27 591

Credit quality of financial instruments

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about the customer. Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically. Sixty percent of the trade receivables that are neither past due nor impaired were recovered within one month after the reporting date. Of the trade receivables balance at the end of the year, R9,2 million (31 March 2011: R8,8 million) is due from one significant client, the Group's largest. There are no other customers who represent more than 10 percent of the total balance of trade receivables.

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

The Group believes that, based on historic default rates, no other impairment allowance in respect of trade receivables not past due or past due 61-90 days is required.

42.2 Currency risk

Exposure to currency risk

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

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

	2012		2011	
	Euro '000	**USD '000**	Euro '000	USD '000
GROUP				
Trade receivables		**826**	–	–
Cash and cash equivalents		**9**	–	–
Trade payables	**(158)**	**(447)**	–	–
Gross balance sheet exposure	**(158)**	**388**	–	–
COMPANY				
Trade payables	**(158)**	**(461)**	–	–
Gross balance sheet exposure	**(158)**	**(461)**	–	–

	Average rate		Reporting spot rate	
	2012	2011	**2012**	2011
	R'000	R'000	**R'000**	R'000
42 FINANCIAL INSTRUMENTS (continued)				
42.2 Currency risk (continued)				
Exposure to currency risk (continued)				
The following significant exchange rates applied during the year:				
Euro	**9,487**	9,487	**9,651**	9,651
USD	**7,173**	7,173	**6,793**	6,793
GBP	**11,147**	11,147	**10,921**	10,921
INR	**0,156**	0,156	**0,152**	0,152

Sensitivity analysis

A 10 percent strengthening of the Rand against the following currencies at 31 March would have increased/(decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2011.

	Equity R'000	Profit or loss R'000
31 March 2012		
USD	**–**	–
Euro	**–**	–
31 March 2011		
USD	–	–
Euro	–	–

A 10 percent weakening of the Rand against the above currencies at 31 March would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant. Deviations in all cases were less than R1 000.

42.3 Interest rate risk

Profile

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

	Carrying amount			
	GROUP		COMPANY	
	31 March 2012 R'000	31 March 2011 R'000	**31 March 2012 R'000**	31 March 2011 R'000
Fixed-rate instruments				
Financial liabilities	**10 745 617**	8 826 250	**10 077 746**	8 135 274
Variable-rate instruments				
Financial liabilities	**5 965 161**	7 781 219	**5 965 161**	7 781 219

42 FINANCIAL INSTRUMENTS (continued)

42.3 Interest rate risk (continued)

Cash flow sensitivity analysis for variable-rate instruments

An increase of 50 basis points in interest rates at the reporting date would have increased/(decreased) profit and loss before tax by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2011. A decrease of 50 basis points would have had the equal but opposite effect on the profit and loss before tax.

	GROUP AND COMPANY
	Profit and loss 50 bp increase R'000
At 31 March 2012	**(6 005)**
At 31 March 2011	(2 651)

Fair values and financial instrument by category

Fair values versus carrying amount

The fair values of financial assets and liabilities, together with the carrying amount shown in the balance sheet, are as follows:

		31 March 2012		**31 March 2011**	
	Classification	**Carrying amount R'000**	**Fair value R'000**	Carrying amount R'000	Fair value R'000
GROUP					
Interest-bearing borrowings	Other liabilities at amortised cost	**(16 710 776)**	**(18 330 156)**	(16 607 469)	(17 514 649)
Derivative financial instruments – liabilities held for trading		**(194 775)**	**(194 775)**	(671 862)	(671 862)
Derivative financial instruments – assets held for trading		**–**	**–**	163 235	163 235
Cash and cash equivalents	Loans and receivables	**1 980 385**	**1 980 385**	678 881	678 881
Trade and other receivables	Loans and receivables	**1 209 243**	**1 209 243**	955 635	955 635
Trade payables and accruals	Other liabilities at amortised cost	**(2 151 076)**	**(2 151 076)**	(1 055 453)	(1 055 453)
COMPANY					
Interest-bearing borrowings	Other liabilities at amortised cost	**(16 042 905)**	**(17 641 187)**	(15 916 493)	(16 782 388)
Derivative financial instruments – liabilities held for trading		**(194 775)**	**(194 775)**	(671 862)	(671 862)
Derivative financial instruments – assets held for trading		**–**	**–**	163 235	163 235
Cash and cash equivalents	Loans and receivables	**1 903 242**	**1 903 242**	578 591	578 591
Trade and other receivables	Loans and receivables	**1 202 993**	**1 202 993**	942 766	942 766
Trade payables and accruals	Other liabilities at amortised cost	**(2 118 898)**	**(2 118 898)**	(972 368)	(972 368)

The basis for determining the fair values is disclosed in note 5

42 FINANCIAL INSTRUMENTS (continued)

42.3 Interest rate risk (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

	Level 1	Level 2	Level 3	Total
GROUP				
31 March 2012				
Derivative financial instruments liabilities	**–**	**(194 775)**	**–**	**(194 775)**
31 March 2011				
Derivative financial instruments assets	–	163 235	–	163 235
Derivative financial instruments liabilities	–	(671 862)	–	(671 862)
COMPANY				
31 March 2012				
Derivative financial instruments liabilities	**–**	**(194 775)**	**–**	**(194 775)**
31 March 2011				
Derivative financial instruments assets	–	163 235		163 235
Derivative financial instruments liabilities	–	(671 862)	–	(671 862)

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

43 CONTINGENT LIABILITIES

There were no material contingent liabilities at year-end.

44 EVENTS AFTER BALANCE SHEET DATE

Brazil concession partnership

The Company, in partnership with Invepar, acquired 51 percent of the Guarulhos International Airport concession. The Company will own a minority stake in the special purpose vehicle created in Brazil to hold the concessionaire's investment. The Company will provide airport management services to the concession through a Technical Services Agreement and will receive management fees in addition to dividend return on the share capital it holds. The concession is for a period of 20 years.

	Previously stated R'000	Reclassification R'000	Reclassified amount R'000
45 RECLASSIFICATION OF COMPARATIVES			
GROUP			
2011			
Statement of comprehensive income			
Fair value gains and losses	98 760	280 943	379 703
Net finance expense	(1 506 041)	(280 943)	(1 786 984)
Losses on remeasurement and disposal of trading financial instruments	–	(280 943)	(280 943)
Statement of cash flows			
Cash paid to suppliers and employees	(2 814 558)	(110 822)	(2 925 380)
Financial instruments held for trading	–	110 822	110 822
COMPANY			
2011			
Statement of comprehensive income			
Fair value gains and losses	46 784	280 943	327 727
Net finance expense	(1 435 102)	(280 943)	(1 716 045)
Losses on remeasurement and disposal of trading financial instruments	–	(280 943)	(280 943)
Statement of cash flows			
Cash paid to suppliers and employees	(2 765 651)	(110 822)	(2 876 473)
Financial instruments held for trading	–	110 822	110 822

46 SEGMENT INFORMATION

The Group's reported operating segments are based on reports reviewed by the Executive Committee to make strategic decisions. The reportable segments offer the same services (except for Corporate and other) and are managed separately because they require different marketing strategies.

Information regarding the operations of each reportable segment is included below. The Executive Committee assesses the performance of the operating segments as a measure of earnings before interest, taxation, depreciation and amortisation expense (EBITDA). Interest income and expenditure are not allocated to operating segments as they are driven largely by the Corporate division, which manages the cash requirements of the Company. Corporate overhead expenses are not allocated to the reportable segments.

Sales between operating segments are carried out at arm's-length. The revenue from external parties reported to the Executive Committee is measured in a manner consistent with that in the income statement.

		2012 R'000	2011 R'000
46	**SEGMENT INFORMATION (continued)**		
	A reconciliation of EBITDA to profit before tax is provided as follows:		
	EBITDA for reportable segments and other segments	**3 563 630**	2 615 131
	Depreciation and amortisation expense	**(1 463 804)**	(1 445 228)
	Fair value gain/(loss)	**1 534**	98 760
	Share of profit of equity accounted associate	**51 035**	56 075
	Net finance expense	**(2 034 327)**	(1 506 041)
	Profit/(loss) before tax	**118 068**	(181 303)
	Reportable segment assets are reconciled to total assets as follows:		
	Segment assets for reportable segments	**25 439 068**	25 439 068
	Other segment assets	**4 627 587**	3 717 511
		30 066 655	29 156 579
	Reportable segment liabilities are reconciled to total liabilities as follows:		
	Segment liabilities for reportable segments	**15 019 301**	16 998 082
	Other segment liabilities and eliminations	**(12 581 563)**	(15 807 076)
	Unallocated		
	Deferred tax	**1 017 140**	1 080 452
	Derivative financial instruments: non-current	**129 426**	610 013
	Derivative financial instruments: current	**65 349**	61 849
	Income tax liabilities	**16 597**	1 553
	Interest-bearing liabilities: non-current	**15 647 002**	14 266 707
	Interest-bearing liabilities: current	**1 063 774**	2 340 762
		20 377 025	19 552 342

SEGMENT INFORMATION

	O.R. Tambo International R'000	Cape Town International R'000	King Shaka International R'000	Bloemfontein International R'000	East London Airport R'000	George Airport R'000	Kimberley Airport R'000
2012							
Aeronautical	**2 145 776**	**695 921**	**307 822**	**28 017**	**41 104**	**33 494**	**8 867**
Non-aeronautical	**1 291 724**	**442 522**	**240 068**	**14 136**	**19 397**	**15 413**	**5 725**
– Retail	**1 006 991**	**328 233**	**166 387**	**10 285**	**15 650**	**11 554**	**4 411**
– Property	**284 733**	**114 289**	**73 681**	**3 851**	**3 747**	**3 859**	**1 314**
Other	**75 263**	**33 602**	**35 728**	**2 053**	**2 261**	**2 414**	**565**
Total external revenue	**3 512 763**	**1 172 045**	**583 618**	**44 206**	**62 762**	**51 321**	**15 157**
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	**2 681 123**	**812 902**	**323 964**	**18 483**	**34 962**	**21 479**	**1 700**
Depreciation and amortisation	**619 601**	**278 033**	**402 322**	**22 912**	**25 270**	**16 596**	**10 137**
Interest income	**1 801**	**2 418**	**61**	**–**	**–**	**–**	**–**
Interest expense	**–**	**931**	**–**	**–**	**–**	**–**	**–**
Reportable total assets	**9 311 837**	**4 392 331**	**7 786 244**	**485 377**	**456 461**	**272 266**	**237 906**
Capital expenditure	**170 320**	**61 335**	**18 801**	**5 090**	**36 736**	**8 284**	**4 975**
Reportable total liabilities	**271 072**	**1 712 413**	**6 723 069**	**321 885**	**207 232**	**106 278**	**145 062**
2011							
Aeronautical	1 588 551	472 480	222 315	19 934	30 355	23 095	6 046
Non-aeronautical	1 254 767	395 923	212 565	11 499	18 769	14 669	4 439
– Retail	978 060	303 628	159 733	9 697	14 758	10 954	3 507
– Property	276 707	92 295	52 832	1 802	4 011	3 715	932
Other	63 538	27 394	19 965	1 427	2 091	3 109	435
Total external revenue	2 906 856	895 797	454 845	32 860	51 215	40 873	10 920
Earnings before interest tax depreciation and amortisation (EBITDA)*	2 205 334	576 862	192 596	5 164	27 056	13 294	302
Depreciation and amortisation	675 880	273 714	335 595	23 131	20 925	14 386	8 423
Interest income	2 011	2 532	590	–	–	–	–
Interest expense	–	216	–	–	–	10	–
Reportable total assets	9 643 337	4 586 306	9 565 972	513 016	434 248	286 733	239 584
Capital expenditure	144 915	201 008	34 216	30 488	–	11 143	7 837
Reportable total liabilities	3 529 926	2 745 479	7 169 648	365 622	266 709	153 986	158 256

* EBITDA is calculated as revenue, plus other operating income, less employee benefit expense, less other operating expenses

Port Elizabeth International R'000	Upington International R'000	Pilanesberg International R'000	Corporate Office R'000	Precinct 2A R'000	JIA Piazza Park R'000	Unallocated + Other R'000	Elimination R'000	Total R'000
83 268	5 157	227	–	–	–	–	–	3 349 653
42 801	4 073	190	–	72 406	88 121	16 066	(32 845)	2 219 797
28 203	1 741	175	–	–	88 121	–	(32 845)	1 628 906
14 598	2 332	15	–	72 406	–	16 066	–	590 891
4 061	1 951	89	2 920	–	–	8 186	–	169 093
130 130	11 181	506	2 920	72 406	88 121	24 252	(32 845)	5 738 543
74 647	(3 031)	55 028	(637 405)	61 194	1 141	117 443	–	3 563 630
28 266	8 587	13 370	34 997	3	3 707	3	–	1 463 804
–	–	–	44 505	–	357	(2 009)	(1 515)	47 133
–	–	–	1 524 035	60 870	134	8 687	(1 515)	1 594 657
635 779	137 348	–	12 069 787	796 025	40 598	(6 555 304)	(9 236 682)	30 066 655
45 276	5 260	–	58 375	–	2 648	–	–	417 100
171 719	124 499	–	4 525 646	699 903	10 523	5 357 724	(8 974 219)	20 377 025
63 402	3 497	770	–	–	–	–	–	2 430 445
39 558	4 545	160	–	62 616	92 650	10 956	(33 134)	2 089 982
28 037	1 626	150	–	–	92 650	–	(33 134)	1 569 666
11 521	2 919	10	–	62 616	–	10 956	–	520 316
4 637	1 032	76	4 801	–	–	9 307	–	137 812
107 597	9 074	1 006	4 801	62 616	92 650	20 263	(33 134)	4 658 239
50 936	(2 938)	(6 528)	(520 918)	62 573	2 873	8 525	–	2 615 131
25 377	8 924	1 248	49 445	2	4 327	3 851	–	1 445 228
–	–	–	25 903	–	713	2 679	(1 831)	32 597
–	–	–	1 464 690	60 709	133	43 398	(1 831)	1 567 325
554 922	141 850	60 163	17 162 282	802 449	43 165	(434 133)	(14 443 314)	29 156 580
39 133	–	–	31 892	–	4 377	359	–	505 368
262 590	134 793	95 821	1 384 353	719 525	11 374	16 952 492	(14 398 231)	19 552 343

STATISTICAL REVIEW

For the year ended 31 March 2012

	2012 R'000	2011 R'000	2010 R'000	2009 R'000	2008 R'000
GROUP					
Operations					
Aeronautical revenue	**3 349 653**	2 430 447	1 702 372	1 452 067	1 368 258
Non-aeronautical revenue	**2 388 890**	2 227 792	1 828 453	1 714 015	1 429 091
Revenue	**5 738 543**	4 658 239	3 530 825	3 166 082	2 797 349
EBITDA	**3 563 630**	2 615 131	2 672 775	1 744 410	1 624 701
Operating profit	**2 099 826**	1 169 903	1 595 326	995 471	1 052 893
Profit before tax	**118 068**	(181 303)	995 038	633 310	1 113 119
Profit for the year	**187 573**	(220 530)	900 786	443 897	788 934
Depreciation and amortisation	**(1 463 804)**	(1 445 228)	(1 077 449)	(748 939)	(571 808)
Dividends paid	**–**	–	–	–	(135 890)
Capital expenditure	**(417 100)**	(505 368)	(5 240 614)	(5 996 937)	(5 171 839)
Financial position					
Capital and reserves	**9 689 630**	9 598 237	8 968 132	8 074 650	7 364 044
Non-current liabilities excluding deferred tax	**15 976 064**	15 091 193	14 935 848	9 204 201	3 047 356
Deferred tax	**1 017 140**	1 080 452	749 849	775 234	746 804
Debentures	**–**	6 000	6 000	6 000	6 000
Minority interest	**–**	–	–	–	–
	26 682 834	25 775 882	24 659 829	18 060 085	11 164 204
Property, plant and equipment, investment property and intangible assets	**23 672 164**	26 560 669	25 812 860	21 064 552	15 315 429
Investment in joint ventures	**–**	–	–	–	–
Investment in associates	**748 643**	647 129	661 327	459 978	65 194
Goodwill	**–**	–	–	–	–
Non-current receivables	**173 992**	150 115	113 725	116 511	32 716
Current assets	**3 621 856**	1 798 666	1 303 266	1 957 071	1 100 717
Non-current assets held for sale	**1 850 000**	–	–	–	–
Total assets	**30 066 655**	29 156 579	27 891 178	23 598 112	16 514 056
Current liabilities	**(3 383 822)**	(3 380 698)	(3 231 349)	(5 538 027)	(5 349 851)
	24 832 833	25 775 881	24 659 829	18 060 085	11 164 205
Cash flow					
Net cash available/(utilised) in operating activities	**3 036 235**	1 665 084	1 168 094	1 579 105	975 428
Cash generated/(utilised) in investing activities	**164 440**	(532 908)	(4 330 247)	(5 950 526)	(5 162 098)
Net cash generated/(utilised) by financing activities	**(1 899 118)**	(887 749)	2 600 731	5 237 261	2 361 969
Net cash (outflow)/inflow	**1 301 504**	244 884	(555 347)	877 309	(1 824 701)
Profitability					
Earnings per share (cents)	**37,97**	(44,64)	182,33	89,85	159,69
Dividends per share (cents)	**–**	–	–	–	27,21
Productivity					
Number of employees	**2 490**	2 342	2 225	2 232	2 116
Revenue per employee (Rand)	**2 304 636**	1 989 000	1 586 888	1 418 496	1 321 999
Operating profit per employee (Rand)	**843 304**	499 532	717 001	445 999	497 586
Departing passengers per employee	**7 208**	7 476	7 549	7 525	8 601
Cost to income	**63%**	75%	55%	69%	62%

The supplementary information presented on pages 142 to 144 does not form part of the financial statements and is unaudited

STATISTICAL REVIEW (CONTINUED)

For the year ended 31 March 2012

	2012	2011	2010	2009	2008
GROUP					
Other key statistics (in numbers)					
Aircraft landings					
International	**34 716**	34 423	33 590	32 519	33 404
Domestic	**142 696**	139 839	137 645	142 738	152 107
Regional	**12 087**	11 492	12 150	11 380	11 400
Non-scheduled	**82 821**	88 538	91 329	92 908	93 785
	272 320	274 292	274 714	279 545	290 696
Departing passengers					
International	**4 845 495**	4 734 075	4 452 380	4 491 602	4 523 284
Domestic	**12 534 937**	12 205 426	11 529 284	11 771 190	13 142 013
Regional	**490 407**	462 261	449 648	443 657	440 160
Non-scheduled	**76 715**	107 506	79 330	90 161	93 574
	17 947 554	17 509 268	16 510 642	16 796 610	18 199 031
Number of airlines					
International	**44**	55	55	54	46
Domestic	**7**	8	7	7	7
	51	63	62	61	53
Aeronautical tariffs					
(All tariff charges are shown exclusive of Value Added Tax)					
Passenger service charges					
Domestic	**R96,49**	R57,02	R42,98	R35,96	R32,46
Regional	**R199,12**	R117,54	R89,47	R74,56	R66,67
International	**R262,28**	R155,26	R118,42	R98,25	R87,72
Landing fees (based on an aircraft with a maximum take-off weight of 60 000kg)					
Domestic	**R4 166,02**	R2 456,08	R1 872,82	R1 558,55	R1 392,90
Regional	**R6 076,52**	R3 582,78	R2 732,24	R2 273,53	R2 031,82
International	**R7 986,88**	R4 709,26	R3 590,94	R2 988,28	R2 670,69
Operational volume (in numbers)					
Aircraft landings					
O.R. Tambo International	**106 353**	106 378	101 307	106 261	114 366
Cape Town International	**48 996**	46 818	46 302	47 805	51 154
King Shaka International	**27 556**	27 398	26 454	25 905	27 599
Port Elizabeth International	**35 087**	36 534	39 169	34 888	34 015
East London Airport	**16 285**	19 324	17 930	17 421	12 585
George Airport	**16 726**	16 502	20 931	21 647	23 621
Bloemfontein International	**10 161**	9 423	11 362	12 364	13 016
Kimberley Airport	**6 172**	6 226	5 980	7 615	8 329
Upington International	**3 924**	3 588	3 395	3 228	3 425
Company	**271 260**	272 191	272 830	277 134	288 110
Pilanesberg International	**1 060**	2 101	1 884	2 381	2 586
Total	**272 320**	274 292	274 714	279 515	290 696

STATISTICAL REVIEW (CONTINUED)

For the year ended 31 March 2012

	2012	2011	2010	2009	2008
Departing passengers ('000)					
O.R. Tambo International	**9 491**	9 329	8 819	9 045	9 772
Cape Town International	**4 301**	4 113	3 912	3 917	4 235
King Shaka International	**2 526**	2 440	2 208	2 164	2 412
Port Elizabeth International	**682**	708	676	705	760
East London Airport	**339**	339	337	347	372
George Airport	**290**	273	270	303	337
Bloemfontein International	**222**	209	199	205	207
Kimberley Airport	**70**	66	66	76	75
Upington International	**26**	24	21	24	24
Company	**17 947**	17 501	16 508	16 786	18 194
Pilanesberg International	**1**	4	3	4	5
Total	**17 948**	17 505	16 511	16 790	18 199
Staff					
O.R. Tambo International	**1 064**	1 041	986	1 031	1 010
Cape Town International	**521**	457	442	460	432
King Shaka International	**335**	335	292	247	231
Port Elizabeth International	**103**	99	100	99	86
East London Airport	**63**	61	59	54	52
George Airport	**60**	67	63	59	55
Bloemfontein International	**63**	69	69	67	66
Kimberley Airport	**39**	34	31	33	31
Upington International	**20**	20	13	14	13
Corporate Office	**222**	147	158	157	129
Company	**2 490**	2 330	2 213	2 221	2 105
Pilanesberg International	**–**	12	12	11	11
Total	**2 490**	2 342	2 225	2 232	2 116

ADMINISTRATION

AIRPORTS COMPANY SOUTH AFRICA SOC LIMITED
Reg No 1993/004149/06

REGISTERED OFFICE
The Maples
Riverwoods Office Park
24 Johnson Road
Bedfordview
2008

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Gardenview
2047

BOARD OF DIRECTORS
WC van der Vent, Non-executive Chairman
(resigned 1 January 2012)
BA Mabuza, Non-executive Chairman
(appointed 1 March 2012)
R Morar, Non-executive Deputy Chairman
MJ Janse van Rensburg
E Masilela
M Matsaba (alternate)
DS Macozoma
MMT Ramano

COMPANY SECRETARY
TA Gwatkin

INDEPENDENT EXTERNAL AUDITORS

Ngubane & Co Inc	PricewaterhouseCoopers Inc
Director: E Sibanda	Director: R Dhanlall
Registered Auditor	Registered Auditor
Midrand	Johannesburg

AIRPORTS COMPANY
SOUTH AFRICA