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STREAMLINING SUCCESS

Investing in Infrastructure for Operational Excellence and Sustainable Growth

ANNUAL FINANCIAL STATEMENTS

FINANCIAL YEAR 2023/24 (FY2023/24)

AIRPORTS COMPANY SOUTH AFRICA

ABBREVIATIONS

ACI	Airports Council International
ACSA	Airports Company South Africa SOC Ltd
AMSIS	Airport Management Share Incentive Scheme
ASQ	Airport Service Quality
B–BBEE	Broad-based black economic empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Companies Act	Companies Act (No. 71 of 2008)
COO	Chief Operating Officer
DBSA	Development Bank of Southern Africa
DFI	Development Finance Institution
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPM	Enterprise Project Management
GDP	Gross domestic product
IAR	Integrated Annual Report
IATA	International Airlines Transport Association
ICAO	International Civil Aviation Organisation
ICT	Information, communication and technology
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
ISO	International Standards Organisation
IT	Information technology
King IV™	King Code on Corporate Governance™ for South Africa 2016
KPI	Key performance indicator
LBITDA	Loss before interest, tax, depreciation and amortisation
MIAL	Mumbai International Airport Private Limited
PFMA	Public Finance Management Act (No. 1 of 1999)
PIC	Public Investment Corporation
PPE	Personal protective equipment
(Pty) Ltd	Proprietary Limited
ROCE	Return on capital employed
SACAA	South African Civil Aviation Authority
SDG	Sustainable Development Goals
SED	Socio-economic development
SMME	Small, medium and micro enterprise
SOC	State-owned company
SPE	Special purpose entity
UN	United Nations

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Company registration number	1993/004149/30
Non-executive directors	S Nogxina D Hlatshwayo Y Pillay K Badimo N Zikalala-Mvelase N Siyotula G Mancotywa S Sambo A Khumalo
Registered office	1 Jones Road Western Precinct Aviation Park OR Tambo International Airport Gauteng 1632
Postal address	PO Box 75480 Gardenview 2047
Bankers	Standard Bank Nedbank
Auditor	Auditor-General South Africa Registered Auditor
Secretary	Fefekazi Sefara
Nature of business and principal activities	Airports Company South Africa is mandated to undertake the acquisition, establishment, development, provision, maintenance, management, operation and control of any airport, any part of any airport, or any facility or service at any airport normally related to an airport function.
Preparer	These Consolidated and Separate Annual Financial Statements were prepared under the supervision of the Chief Financial Officer: Luzuko Mbotya CA(SA).

INDEX

GROUP AUDIT AND RISK COMMITTEE REPORT OF AIRPORTS COMPANY OF SOUTH AFRICA SOC LTD ("ACSA")

I am pleased to present of the ACSA Audit and Risk Committee ("Committee") for the financial year ended 31 March 2024. This report has been prepared in accordance with the Public Finance Management Act 1 of 1999 as amended ("PFMA"), Companies Act 71 of 2008, as amended ("Companies Act"), the King Code on Corporate Governance™, South Africa 2016 (King IV™) and the JSE Debt Listings Requirements.

Statutory Duties

The Committee is constituted as a statutory Committee of ACSA in line with the PFMA and Companies Act and is accountable to the Board and ACSA's shareholders. It is a Committee of the Board in respect of all other duties the Board assigns to it and has been delegated powers to perform its functions in accordance with the PFMA and National Treasury Regulations of the PFMA and the Companies Act. The Committee also acts as the Audit Committee for the Group's wholly owned subsidiaries. The Committee has fulfilled its statutory duties for the year under review as required by section 94(7) of the Companies Act and National Treasury Regulation 3.1.10 of the Public Finance Management Act.

In the year under review, the Committee carried out its responsibilities as set out in its terms of reference approved by the Board.

We share below key information about the role and functions of the Committee. The Committee is responsible for overseeing:

- quality and integrity of the company's integrated planning, performance and reporting including its financial statements and sustainability issues;
- the appointment, remuneration, independence and performance of the external auditor and the integrity of the audit process including the approval of non-audit services;
- the effectiveness of the Group's internal audit function, financial controls and systems of internal control and risk management;
- business continuity management;
- supply chain management;
- legal liabilities;
- compliance; and
- governance and assurance processes within the Group.

The Committee is an essential part of the Group's Governance and Control Framework to which the Board has delegated responsibilities. The Committee operated under terms of reference which were reviewed by the Committee during the year under review and approved by the Board.

The Committee considered the strategic risks and their impact on achieving the Group's strategy and assessed the adequacy of controls and the combined assurance applied over the identified risks. The Committee monitored the effectiveness of the internal control environment through the review of reports from Internal Audit, Management and the External Auditor (Auditor-General South Africa) and ensured the quality of financial reporting through the review of the financial statements submitted to the Committee.

Having reviewed information provided by Management, Internal Audit and External Auditor on the adequacy of controls, combined assurance, financial reporting, business continuity and risk management, the Committee is of the view that internal controls have been effective in all material aspects during the year under review.

The Committee noted, with concern, an increase in irregular expenditure from R289 million in 2023 to R325 million. The Committee will ensure that the recommendations of the External Auditor are implemented with regard to irregular expenditure.

Post Year End Events

No post year end events have been identified to date.

Significant Financial Statements Reporting Issues

Assumptions and estimates or judgements are a significant part of the financial reporting process and are evaluated carefully by the Committee ahead of the finalisation of the Group's financial statements. The Committee reviewed the main judgements and assumptions made by Management, and the conclusions drawn from the available information and evidence. The Committee encouraged rigorous discussion on control, accounting and disclosure matters. In addition to these main areas of focus, the Committee also covered matters relating to corporate planning, performance budgeting, taxation and legal matters.

Composition and Meetings

The Committee members are independent non-executive directors. The members of the Committee consisted of Ms Nonzukiso Siyotula (Chairperson), Ms Dudu Hlatshwayo, Mr Andile Khumalo, Ms Ntombifuthi Zikalala-Mvelase and Mr Yershen Pillay.

Members of the Committee have adequate knowledge and skills to carry out their duties. The deep and varied experience of the Committee members gives perspective and insight to the Committee's deliberations and decisions. Further details of the experience of the members can be found in their biographies on page 19 of the Integrated Report.

The Committee has met all legal and regulatory requirements from a composition and independence perspective.

The Committee met nine times during the financial year, with attendance per the table below. There were four quarterly meetings, two scheduled special meetings and three unscheduled special meetings. The purpose of the special meetings was to consider the draft and audited financial statements, the 2023/24–2025/26 Corporate Plan and the 2022/24 Integrated Annual Report.

The Chief Executive Officer, Chief Financial Officer, Group Executive: Operations Management, Chief Audit Executive, Auditor-General South Africa's Office representatives (External Auditor), Group Executive: Corporate Services and other group subject matter experts attended Committee meetings. At each meeting, Management, Internal Auditors and External Auditors were afforded an opportunity to have separate meetings with the Committee. The Committee Chairman reported to the Board on Committee activities and matters discussed at each meeting and provided recommended resolutions from the Committee.

Attendance of Committee Meetings

Scheduled meeting – SM
Scheduled special meeting – SSM
Unscheduled special meeting – USM
Apology – A

Meetings	SM	SSM	SSM	SM	USM	SM	USM	SM	SM
Member	26 Apr 2023	30 May 2023	24 Jul 2023	28 Jul 2023	14 Aug 2023	30 Oct 2023	30 Nov 2023	30 Jan 2024	19 Feb 2024
Ms Ntombifuthi Zikalala Mvelase	x	x	x	x	x	x	x	x	x
Ms Dudu Hlatshwayo	x	x	x	x	x	x	x	x	x
Ms Nonzukiso Siyotula (Chair)	x	x	x	x	x	x	x	x	x
Mr Yershen Pillay	x	A	x	x	A	x	A	x	x
Mr Andile Khumalo	x	x	x	x	x	x	x	x	x

Committee Performance

The performance of the Committee is reviewed as part of the effectiveness review of the Board and its Committees.

The evaluation themes for the period under review covered committee composition and structure, the role of the committee, committee processes and procedures and committee culture and dynamics. The overall, average rating achieved by the Committee (3.6 out of 4) is an indication that, in the opinion of the Committee, its overall performance is very satisfactory.

Role of the Chairman

The role of the Chairman of the Committee requires regular interactions with the heads of Internal Audit, Risk Management, Finance and External Audit to understand the Group's operations and risks facing the business. These interactions are an essential part of the role of the Chairman as they provide an additional layer of assurance to gain comfort that the control functions are aligned in terms of their understanding of the risks facing the Group and mitigation thereof.

The Committee reports that it has discharged its responsibilities relating to the following:

Financial Statements

The Committee has received Quarterly Performance Reports from Group Finance at each quarterly meeting, which included financial and treasury reports and reports on irregular, fruitless and wasteful expenditure. The Committee has considered the JSE Report on Proactive Monitoring of Financial Statements, reports on taxation, supply chain management and legal matters. The Committee reviewed the effectiveness of ACSA's system of internal control over the financial reporting period. The focus areas and recommendations emanating from the evaluation will be considered in the 2024/25 financial year.

The Committee has considered the appropriateness of accounting policies and practices and any areas of judgement, and significant issues that have been discussed with the External Auditor, completeness of disclosures and compliance with financial reporting standards and other relevant financial and governance reporting requirements.

Whilst the liquidity and solvency of the group is closely monitored on a regular basis by management, the Committee and Board expressly considered the assumptions underlying the going concern of the Group as part of the approval of the annual financial statements.

For the year ended 31 March 2024, the Committee will recommend to the Board that, based on its knowledge of the Group, it is appropriate for the financial statements to be prepared on a going concern basis.

The Committee has considered the Group's annual financial statements for the year ended 31 March 2024 and has concluded that they present a reliable and fair view of the financial position in compliance with the PFMA, Companies Act and IFRS. The Committee has also considered that the annual performance report and financial statements are understandable and provide necessary information for stakeholders to assess the Group's financial position, performance, and prospects.

The combined Group's annual financial statements will be recommended by the Committee to the Board for approval.

External Audit

The Auditor-General South Africa ("AGSA") is the External Auditor for the Group. Being responsible for oversight of the External Auditor, the Committee considered the re-appointment of the External Auditor before making a recommendation to shareholders at the 2022/23 Annual General Meeting in accordance with the Companies Act.

The Committee approved the 2023/24 external audit strategy and external audit fees, thus confirming that the audit scope and key audit risks were appropriate.

The Committee reviewed the findings and recommendations of the External Auditor as reported in the 2022/23 Management Letter and considered the audit response plan to the findings.

GROUP AUDIT AND RISK COMMITTEE REPORT OF AIRPORTS COMPANY OF SOUTH AFRICA SOC LTD ("ACSA") CONTINUED

The Committee has assessed the independence of the External Auditor and evaluated the effectiveness of the External Auditor. The Committee is satisfied that the External Auditor is independent, and that the external audit was effective.

There were no non-audit services provided by the External Auditor.

Internal Audit

Internal Audit performs an independent assurance function. Internal Audit has a functional reporting line to the Audit and Risk Committee and an administrative reporting line to the CEO. Internal Audit provides independent and objective assurance to the Board through the Committee that governance processes, risk management and systems of internal control are adequate and effective to mitigate the significant control risks that have an impact on the sustainability of the Group. The Committee will assess the effectiveness of the Internal Audit function in July 2024.

Chief Financial Officer and Finance Function

The Committee has considered the expertise and experience of the Chief Financial Officer. The Committee considered, among others, his qualifications, experience, leadership, technical expertise, relationship with the Committee and understanding of the business and its operations. The Committee is satisfied that the experience and expertise of the Chief Financial Officer are appropriate.

The Committee also considered the expertise, resourcing, and experience of the Group's Finance function. The Committee considered, among others, performance, integrity and professionalism, competencies, risk management, effective communication, risk management and planning, financial reporting and management, and culture of the Finance function. The Committee is satisfied that the finance function has the appropriate expertise, capacity, and experience.

Integrated Reporting

The Committee has considered the governance and financial information that will be included in the Annual Integrated Report when published.

The Committee has reviewed the disclosure of sustainability issues in the quarterly and Annual Integrated Reports to ensure that the information is reliable and does not conflict with the financial information.

The Committee relies on Management, External Auditor, Internal Audit, and the hotline reports to highlight any concerns, complaints or allegations relating to fraud and corruption, inadequacy of internal financial controls, the content of the financial statements and potential violations of the law.

We are of the view that information in the Annual Integrated Report provides a balanced view, and we have recommended the annual integrated report to the Board for approval.

Looking Ahead

The Committee is acutely focused on ensuring that the internal control environment is enhanced as the Group seeks to innovate, grow and sustain itself by ensuring that the Group's financial systems, processes and controls are operating effectively. The Committee will monitor the implementation of the Financial Plan to ensure the Group remains sustainable and thrives in the years ahead.

Conclusion

As a Committee we are satisfied that we have complied with our statutory responsibilities and terms of reference. Having had regard to all material risks and factors that may impact the integrity of the Annual Financial Statements and following appropriate review, we recommended the Group Annual Financial Statements of ACSA SOC Limited for the year ended 31 March 2024 to the Board for approval.

N Siyotula
Chairman of the Audit and Risk Committee

31 July 2024

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required, in terms of the Companies Act, 71 of 2008 of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the Consolidated Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure the Consolidated Annual Financial Statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The Consolidated Annual Financial Statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control as the directors deem is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner.

The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group, and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that, in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the Group's cash flow forecast for the year to 31 March 2027 and, in light of this review and the current financial position, they are satisfied the Group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The directors have made an assessment of the Company and its subsidiaries to continue as going concerns and there is no reason to believe that the businesses will not be going concerns in the year ahead.

The external auditors are responsible for independently auditing and reporting on whether the Group's consolidated and separate annual financial statements are fairly presented in accordance with IFRS and the Companies Act, 71 of 2008, and their report is presented on pages 10 to 15.

The directors are satisfied that they have executed their responsibilities.

The consolidated and separate annual financial statements set out on pages 17 to 89, which have been prepared on the going concern basis, were approved by the Board on 31 July 2024 and were signed on their behalf by:

Dr S Nogxina
Chairman

31 July 2024

GROUP SECRETARY'S CERTIFICATION

Declaration by the Group Secretary in respect of section 88(2)(e) of the Companies Act, No. 71 of 2008

I hereby certify that in terms of section 88(2)(e) of the Companies Act, No. 71 of 2008, as amended, to the best of my knowledge, the Group has lodged with the Companies and Intellectual Property Commission all such returns and notices as are required of a state-owned company in terms of this Act and that all such returns and notices are true and correct and up to date.

Fefekazi Sefara
Group Secretary

31 July 2024

INDEPENDENT AUDITOR'S REPORT

Report of the Auditor-General to Parliament on Airports Company South Africa SOC Limited

Report on the audit of the consolidated and separate financial statements

Opinion

1. I have audited the consolidated and separate financial statements of the Airports Company South Africa SOC Limited (ACSA) and its subsidiaries (the group) set out on pages 17 to 89, which comprise the consolidated and separate statement of financial position as at 31 March 2024, consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as notes to the consolidated and separate financial statements, including material accounting policy information.
2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group as at 31 March 2024 and their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act 71 of 2008 (Companies Act of South Africa).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the Auditor-General for the audit of the consolidated and separate financial statements section of my report.
4. I am independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for professional accountants (including International Independence Standards)* (IESBA code), as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

6. Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements for the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole and in forming my opinion, and I do not provide a separate opinion on these matters.

Key audit matter	How matter was addressed in audit
Investment property valuation	
The carrying value of investment properties for the group amounted to R7 903 million (2022–23: R7 659 million) (Company R7 545 million; 2022–23: R7 336 million) and the fair value adjustment recorded in the statement of comprehensive income for the year in respect of investment properties for the Group was R243 million gain (2022–23: R209 million loss) (Company R209 million gain; 2022–23: R149 million loss). The valuation of the investment properties involves the use of an expert who is required to make significant assumptions and use significant judgements in determining the fair value of the investment properties. Due to the significance of the account balance on the financial statements and the subjectivity of the assumptions and judgements, I consider the valuation of the investment properties to be a key audit matter. Independent valuators are used to determine the fair values of all the properties held in these categories annually. The inputs with the most significant impact on these valuations are disclosed in note B.1.	I have developed an understanding of the relevant business processes relating to investment properties. I placed reliance on the management's expert. Before I placed reliance on management's expert, I satisfied myself with their independence, objectivity and competency. I engaged an auditor's expert to perform a peer review on the work performed by management's expert. Before I placed reliance on the work of the auditor's expert, I satisfied myself with their independence, objectivity and competency. Before reliance could be placed on management experts, I performed the following procedures with the assistance of the auditor's expert: • I assessed the assumptions, methods and models used by the management expert and confirmed that they are consistent with the requirements of IFRS, as the fair value determination was done in accordance with IFRS 13 and IAS 40. • I confirmed the appropriateness of judgements used by the management expert where they made use of market inputs which are consistent with the requirements of IFRS 13 and valuation norms. • I also confirmed that the assumptions, methods and models used by the expert are consistent with those of management and the company's accounting policy for investment property. The auditor's expert confirmed that the assumptions made by the management expert were reasonable, that the methodology used by the expert are consistent with industry norms and with the applicable financial reporting framework (IFRS), and that the fair value determined is reasonable. Based on the procedures performed, I am satisfied that the revaluation of investment property is appropriate, reasonable and appropriately disclosed in the annual financial statements.

Key audit matter	How matter was addressed in audit
Expected credit losses (ECL) on trade and other receivables	
The Group measures the loss allowance for trade and other receivables by applying the simplified approach prescribed by IFRS 9. As at 31 March 2024, the carrying value of trade and other receivables amounted to R1 660 million (2022–23: R1 695 million) (Company: R1 642 million; 2022–23: R1 681 million) and the ECL of trade and other receivables amounted to R419 million (2022–23: R456 million) (Company: R239 million; 2022–23: R277 million). The ECL model involves the use of significant judgements which include, among others, historical trends, history of collection of trade and other receivables, and forward-looking information, which includes macroeconomic factors. The assessment and calculation of ECL require management to make significant estimations and use significant judgements. Due to the subjectivity of the estimations and judgement, I consider the ECL of trade and other receivables to be a key audit matter. Refer to notes D.1 and F to the consolidated financial statements for accounting policies and the relevant detailed disclosures, respectively.	I have developed an understanding of the relevant business processes relating to ECL on trade and other receivables. I reviewed the application and implementation of IFRS 9 and IFRS 7 and the related disclosures. The audit procedures included the assessment of the appropriateness and reasonableness of the ECL for trade and other receivables. These audit procedures included: • verifying whether the ECL model developed by management is consistent with the requirements of IFRS 9 • evaluating the appropriateness and reasonableness of key assumptions and judgements, such as the default rate, by comparing these to historical data • testing the accuracy and completeness of underlying data used in the model and the arithmetical accuracy of the computation of ECL • testing key assumptions and judgements, such as those used to calculate the likelihood of default by comparing to historical data • evaluating the appropriateness of forward-looking factors (macroeconomic factors) used to determine ECL • assessing the appropriateness of disclosures to ensure that they are consistent with the requirements of IFRS 9. Based on the above procedures performed, I was satisfied that the ECL on trade and other receivables are reasonable, in line with my expectation and appropriately disclosed.

Emphasis of matter

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

Restatement of prior year amounts

8. As disclosed in note G.13 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2024.

Irregular expenditure

9. As disclosed in note G.11 to the financial statements, irregular expenditure of R97 719 000 was incurred, as proper procurement processes were not followed.

Responsibilities of the accounting authority for the consolidated and separate financial statements

10. The accounting authority is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS and the requirements of the PFMA and Companies Act of South Africa; and for such internal control as the accounting authority determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the consolidated and separate financial statements, the accounting authority is responsible for assessing the Group's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Auditor-General for the audit of the consolidated and separate financial statements

12. My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.
13. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report. This description, which is located on page 14, forms part of our auditor's report.

Report on the audit of the annual performance report

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected objectives presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

15. I selected the following objective presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected an objective that measures the public entity's performance on its primary mandated functions and that is of significant national, community or public interest.

Objective	Page numbers	Definition
Financial sustainability	12	The measures are designed to allow the Company to allocate resources to priorities or core activities to ensure long-term sustainability for stakeholders.

16. I evaluated the reported performance information for the selected objective against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

17. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time-bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance, as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
    - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

18. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

19. I did not identify any material findings on the reported performance information of financial sustainability.

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievement. This information should be considered in the context of the material findings on the reported performance information.

22. The table that follows provides information on the achievement of the planned target and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 12.

Financial sustainability

Key indicator not achieved	Planned target	Reported achievement
Capex allocation	R679m	R551m

Report on compliance with legislation

23. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

24. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

25. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

26. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure management

27. Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in note G.11 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management prescripts.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Procurement and contract management

28. Some of the goods, works or services were not procured through a procurement process which is fair, equitable, transparent and competitive, as required by section 51(1)(a)(iii) of the PFMA.
29. Some of the contracts and quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of PPPFA and Preferential Procurement Regulation 2022.

Other information in the annual report

30. The accounting authority is responsible for the other information included in the annual report which includes the directors' report, the Audit Committee's report and the company secretary's certificate, as required by the Companies Act of South Africa. The other information referred to does not include the consolidated and separate financial statements, the auditor's report and the selected objective presented in the annual performance report that have been specifically reported on in this auditor's report.
31. My opinion on the consolidated and separate financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
32. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected objective presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
33. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

34. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
35. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
36. Management did not implement adequate preventative controls over procurement and contract management to avoid non-compliance in this area, as well as non-compliance leading to the incurrence of irregular expenditure.

Other reports

37. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the consolidated and separate financial statements or my findings on the reported performance information or compliance with legislation.
38. There are various other investigations being conducted by Internal Audit on procurement and contract management and other matters, which were identified during the current year. At the date of this report, the internal investigations were still ongoing.

Auditor-General

Pretoria

31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for the selected objective and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated and separate financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity and its subsidiaries to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

ANNEXURE TO THE AUDITOR'S REPORT

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 50(3); 50(3)(a); 50(3)(b); 51(1)(a)(ii); Section 51(1)(a)(iii); 51(1)(b)(i); 51(1)(b)(ii); Section 51(1)(e)(iii); 52(b); 54(2)(c); 54(2)(d); Section 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); Section 57(d); 66(3)(a)
Treasury Regulations, 2005	Regulation 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; Regulation 29.2.2; 29.3.1; 31.2.5; 31.2.7(a); Regulation 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 30(3)(b)(i); 33(1)(a); 45(2); 45(3)(a)(ii); Section 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); Section 46(1)(b); 46(1)(c); 72(4)(a); 75(6); 86(1); Section 86(4); 88(2)(d); 112(2)(a); 129(7)
Companies Act Regulations, 2011	Regulation 30(2); 43(2)(a)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second Amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury SCM Instruction No.03 of 2021/22	Paragraph 4.2
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.1; 3.4(b); 3.9
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; Regulation 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; Regulation 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; Regulation 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

DIRECTORS' REPORT

General information

The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of Airports Company South Africa SOC Limited (the Group) for the year ended 31 March 2024.

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

Nature of business

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

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

Review of operations

Revenue for the Group amounted to R7.0 billion (March 2023: R6.0 billion), including non-aeronautical revenue of R3.4 billion (March 2023: R3.1 billion).

Profit before income tax for the Group amounted to R1.5 billion (March 2023: R(246.0) million loss). The profit for the year for the Group was R470 million (March 2023: R(466) million loss).

Dividends

No dividend has been declared (March 2023: Rnil).

Capital expenditure

During the current year, R568 million (March 2023: R422 million) was spent on capital relating to improvements and replacements by the Group. (Refer to notes B1, B2 and G1 for more details).

Share capital

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

Going concern

The consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

Subsidiaries, joint ventures and associates

Airports Company South Africa SOC Ltd is the ultimate parent company of the Group.

The Group has a 100% interest in ACSA Global Ltd, incorporated in Mauritius. ACSA Global Ltd is registered in Mauritius with a financial year end of 31 March. The investment has been accounted for as a subsidiary.

Airports Company South Africa SOC Ltd holds a 100% interest in JIA Piazza Park (Pty) Ltd with a financial year end of 31 March. The investment has been accounted for as a subsidiary.

Airports Company South Africa SOC Ltd holds a 100% interest in Precinct 2a (Pty) Ltd with a financial year end of 31 March. The investment has been accounted for as a subsidiary.

The Group has a 50% interest in Airport Logistics Property Holdings (Pty) Ltd with a financial year end of 30 June, which is a joint venture between the Company and The Bidvest Group Ltd. The investment has been accounted for as a joint venture using the equity accounting method.

Airports Company South Africa SOC Ltd has a 40% interest in the La Mercy JV Property Investments (Pty) Ltd, a property holding, development and letting company with a financial year end of 31 March. The investment has been accounted for as an associate using the equity accounting method.

Airports Company South Africa SOC Ltd holds a 20% interest in Aeroporto de Guarulhos Participações S.A. (GRUPAR) is registered in Brazil with a financial year end of 31 December. The investment has been accounted for as held by associate using the equity accounting method.

Airports Company South Africa SOC Ltd holds 100% of Sakhisizwe Community Programme NPC, which is a special purpose entity (SPE) created and controlled by Airports Company South Africa to administer a Government grant received from the Department of Transport.

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

Directors and secretary

Details of the directors and secretary of the Company are given on the inside front cover of this report. All directors continued in service for the full financial year.

Interests of directors and officers

No contracts were entered into in which directors and officers of the Company had an interest and which affect the business of the Group. The directors had no interest in any third party or company responsible for managing any of the business activities of the Group. The emoluments of directors are determined by the Board Remuneration Committee. (Directors' emoluments can be found in note G11).

Information required in terms of the Public Finance Management Act

In terms of the materiality framework agreed with the shareholder and as per S55(2) (b) (i) & (ii) of the PFMA, any losses due to criminal conduct or irregular or fruitless and wasteful expenditure that individually (or in aggregate) exceed R60 million for the Group, must be disclosed separately, including any criminal or disciplinary steps taken as a consequence of such losses or irregular or fruitless and wasteful expenditure.

Group cumulative fruitless and wasteful expenditure amounted to R17.6 million (31 March 2023: R17.4 million). The fruitless and wasteful expenditure relates mainly to penalties and interest resulting from South African Revenue Services re-assessments of prior years.

Group cumulative irregular expenditure is R325 million (March 2023: R289 million).

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

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

Figures in Rand thousand	Notes	Group			Company		
		March 2024	Restated March 2023	Restated March 2022	March 2024	Restated March 2023	Restated March 2022
Assets							
Non-current Assets							
Property, plant and equipment	B.2	**15 879 619**	16 684 623	17 692 030	**15 831 982**	16 647 187	17 651 640
Investment property	B.1	**7 903 048**	7 659 384	7 859 325	**7 545 223**	7 335 579	7 476 120
Intangible assets	G.1	**123 011**	90 748	68 281	**122 993**	90 736	68 258
Investments in joint ventures	E.2	**245 029**	240 763	222 596	**–**	–	–
Investments in associates	E.3	**179 959**	187 143	198 790	**38 173**	38 173	38 173
Other non-current assets	D.5	**253 987**	339 365	320 941	**253 974**	339 365	321 020
Investments	G.4	**–**	–	–	**45 945**	44 585	43 317
		24 584 653	25 202 026	26 361 963	**23 838 290**	24 495 625	25 598 528
Current Assets							
Inventories		**1 811**	1 772	1 321	**–**	–	–
Current tax receivable		**–**	–	89 791	**–**	–	68 539
Trade and other receivables	D.1	**1 660 478**	1 695 363	1 706 394	**1 642 441**	1 681 480	1 696 138
Investments	G.4	**2 335 705**	2 723 056	1 113 180	**3 417 996**	3 772 172	2 080 532
Cash and cash equivalents	D.2	**2 850 166**	2 183 624	1 048 229	**2 684 331**	2 040 038	983 153
		6 848 160	6 603 815	3 958 915	**7 744 768**	7 493 690	4 828 362
Non-current assets held for sale	B.3	**1 112**	1 185	5 688	**1 112**	1 185	5 688
Total Assets		**31 433 925**	31 807 026	30 326 566	**31 584 170**	31 990 500	30 432 578
Equity and Liabilities							
Equity							
Share capital – ordinary	G.5	**500 000**	500 000	500 000	**500 000**	500 000	500 000
Share premium	G.5	**250 000**	250 000	250 000	**250 000**	250 000	250 000
Treasury share reserve		**(44 024)**	(44 024)	(44 024)	**–**	–	–
Other reserves	G.6	**374 302**	382 288	444 262	**210 017**	207 244	206 281
Retained income		**17 747 012**	17 275 060	17 741 115	**17 828 743**	17 111 768	17 499 537
		18 827 290	18 363 324	18 891 353	**18 788 760**	18 069 012	18 455 818

STATEMENT OF FINANCIAL POSITION CONTINUED

AS AT 31 MARCH 2024

Figures in Rand thousand	Notes	Group March 2024	Group Restated March 2023	Group Restated March 2022	Company March 2024	Company Restated March 2023	Company Restated March 2022
Liabilities							
Non-current Liabilities							
Derivative financial instruments	C.3	**–**	–	142	**–**	–	142
Retirement benefit obligation	G.3	**25 764**	27 317	27 863	**25 764**	27 317	27 863
Deferred income	G.7	**37 894**	40 951	44 009	**37 894**	40 951	44 009
Deferred tax liability	G.2	**1 473 019**	706 353	591 656	**1 801 804**	1 288 450	1 185 956
Interest-bearing borrowings	C.1	**7 652 663**	8 246 844	8 205 187	**7 652 664**	8 246 844	8 205 188
Provisions	G.8	**122 468**	113 262	104 793	**122 468**	113 262	104 793
		9 311 808	9 134 727	8 973 650	**9 640 594**	9 716 824	9 567 951
Current Liabilities							
Derivative financial instruments	C.3	**–**	89	1 081	**–**	89	1 081
Current tax payable		**174 109**	232 140	–	**171 760**	229 610	–
Trade and other payables	D.3	**1 623 363**	1 313 965	1 292 002	**1 492 559**	1 216 956	1 242 085
Deferred income	G.7	**5 976**	4 103	3 058	**3 058**	3 058	3 058
Provisions	G.8	**161 902**	41 969	53 114	**159 462**	39 742	51 776
Interest-bearing borrowings	C.1	**1 329 477**	2 716 709	1 112 308	**1 327 977**	2 715 209	1 110 809
		3 294 827	4 308 975	2 461 563	**3 154 816**	4 204 664	2 408 809
Total Liabilities		**12 606 635**	13 443 702	11 435 213	**12 795 410**	13 921 488	11 976 760
Total Equity and Liabilities		**31 433 925**	31 807 026	30 326 566	**31 584 170**	31 990 500	30 432 578

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

AS AT 31 MARCH 2024

Figures in Rand thousand	Notes	Group March 2024	Group Restated March 2023	Company March 2024	Company Restated March 2023
Revenue	A.1	**7 015 954**	6 025 724	**6 779 345**	5 777 594
Other income	A.2	**12 424**	39 449	**11 991**	21 723
Employee costs	A.3	**(1 575 903)**	(1 241 833)	**(1 538 606)**	(1 209 518)
Operating expenses	A.4	**(2 541 796)**	(2 392 349)	**(2 390 473)**	(2 219 889)
Impairment loss on trade and other receivables	D.1	**(51 149)**	(541 716)	**(49 804)**	(482 923)
Earnings before interest, tax, depreciation and amortisation		**2 859 530**	1 889 275	**2 812 453**	1 886 987
Fair value gain/(loss) on investment properties	B.1	**243 339**	(208 781)	**209 319**	(149 381)
Depreciation, amortisation and impairments	B.2 & B.3 & G.1	**(1 291 603)**	(1 385 857)	**(1 286 287)**	(1 380 939)
Share of net (losses)/profits of equity-accounted investments	E.2 & E.3	**(2 918)**	6 519	**–**	–
Finance income	C.2	**271 511**	270 118	**347 824**	336 775
Finance costs	C.2	**(772 014)**	(906 500)	**(771 856)**	(906 327)
Gains on remeasurement of financial instruments	C.2	**146 596**	89 555	**146 596**	89 555
Profit/(loss) before taxation		**1 454 441**	(245 671)	**1 458 049**	(123 330)
Taxation	G.9	**(982 489)**	(220 384)	**(741 074)**	(264 439)
Profit/loss) for the year		**471 952**	(466 055)	**716 975**	(387 769)
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements of retirement benefit obligations	G.6	**3 801**	1 319	**3 800**	1 319
Deferred tax relating to items that will not be reclassified	G.6	**(1 026)**	(356)	**(1 026)**	(356)
Total items that will not be reclassified to profit or loss		**2 775**	963	**2 774**	963
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations	G.6	**14 768**	(86 214)	**–**	–
Deferred tax relating to foreign currency translation differences	G.6	**(3 987)**	23 278	**–**	–
Total items that may be reclassified to profit or loss		**10 781**	(62 936)	**–**	–
Other comprehensive income/(loss) for the year net of taxation		**13 556**	(61 973)	**2 774**	963
Total comprehensive income/(loss) for the year		**485 508**	(528 028)	**719 749**	(386 806)

STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2024

	Group					
Figures in Rand thousand	**Share capital**	**Share premium**	**Treasury share reserve**	**Other reserves**	**Retained income**	**Total equity**
Balance at 01 April 2022 – previously stated	500 000	250 000	(44 024)	444 262	17 711 230	18 861 468
Adjustments – prior period error G.13	–	–	–	–	29 885	29 885
Balance at 01 April 2022 – restated	500 000	250 000	(44 024)	444 262	17 741 115	18 891 353
Loss for the year	–	–	–	–	(466 055)	(466 055)
Other comprehensive income:						
Remeasurements of retirement benefit obligations net of tax	–	–	–	963	–	963
Foreign currency translation differences net of tax	–	–	–	(62 937)	–	(62 937)
Total comprehensive income	–	–	–	(61 974)	(466 055)	(528 029)
Balance at 1 April 2023 – restated	500 000	250 000	(44 024)	382 288	17 275 060	18 363 324
Balance at 1 April 2023 – previously stated	500 000	250 000	(44 024)	382 288	17 569 950	18 658 214
Adjustments – prior period error G.13	–	–	–	–	(294 890)	(294 890)
Profit for the year	–	–	–	–	471 952	471 952
Other comprehensive income:						
Remeasurements of retirement benefit obligations net of tax	–	–	–	2 775	–	2 775
Foreign currency translation differences, net of tax	–	–	–	(10 761)	–	(10 761)
Total comprehensive income	**–**	**–**	**–**	**(7 986)**	**471 952**	**463 966**
Balance at 31 March 2024	**500 000**	**250 000**	**(44 024)**	**374 302**	**17 747 012**	**18 827 290**
Note	G.5	G.5		G.6		

STATEMENT OF CHANGES IN EQUITY CONTINUED
AS AT 31 MARCH 2024

	Company				
Figures in Rand thousand	Share capital	Share premium	Other reserves	Retained income	Total equity
Balance at 01 April 2022 – previously stated	500 000	250 000	206 281	17 469 652	18 425 933
Adjustments – prior period error G.13	–	–	–	29 885	29 885
Balance at 01 April 2022 – restated	500 000	250 000	206 281	17 499 537	18 455 818
Loss for the year	–	–	–	(387 769)	(387 769)
Other comprehensive income:					
Remeasurements of retirement benefit obligations net of tax	–	–	963	–	963
Total comprehensive income	–	–	963	(387 769)	(386 806)
Balance at 1 April 2023 – restated	500 000	250 000	207 244	17 111 768	18 069 012
Balance at 1 April 2023 – previously stated	500 000	250 000	207 244	17 405 769	18 363 013
Adjustment – prior period error G.13	–	–	–	(294 001)	(294 001)
Profit for the year	–	–	–	716 975	716 975
Other comprehensive income:					
Remeasurements of retirement benefit obligations, net of tax	–	–	2 773	–	2 773
Total comprehensive income	**–**	**–**	**2 773**	**716 975**	**719 748**
Balance at 31 March 2024	**500 000**	**250 000**	**210 017**	**17 828 743**	**18 788 760**
Note	G.5	G.5	G.6		

STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2024

Figures in Rand thousand	Notes	Group 2024	Group Restated 2023	Company 2024	Company Restated 2023
Cash flows from operating activities					
Cash generated from operations	D.4	**3 619 922**	2 229 420	**3 538 087**	2 163 959
Interest received		**271 511**	270 118	**262 448**	336 775
Interest paid to SARS		**(27 070)**	–	**(27 070)**	–
Tax (paid)/refunded		**(370 473)**	(42 518)	**(370 246)**	(41 165)
Net cash inflow from operating activities		**3 493 890**	2 457 020	**3 403 219**	2 459 569
Cash flows from investing activities					
Purchase of property, plant and equipment	B.2	**(400 527)**	(382 329)	**(382 974)**	(380 352)
Sale of property, plant and equipment	B.2	**224**	11 764	**224**	11 762
Purchase of investment property	B.1	**(467)**	(8 840)	**(467)**	(8 840)
Purchase of intangible assets	G.1	**(67 574)**	(83 615)	**(67 560)**	(83 615)
Loans advanced to Group companies	G.1	**–**	–	**50 855**	(83 034)
Transfers to income funds	G.4	**387 338**	(1 609 875)	**387 338**	(1 609 875)
Dividends received		**5 000**	–	**5 000**	–
Net cash outflow from investing activities		**(76 006)**	(2 072 895)	**(7 584)**	(2 153 954)
Cash flows from financing activities					
Repayment of derivatives		**(89)**	(1 111)	**(89)**	(1 111)
Interest-bearing borrowings repaid	C.1	**(2 139 077)**	(296 355)	**(2 139 077)**	(296 355)
Interest-bearing borrowings raised	C.1	**–**	1 665 744	**–**	1 665 744
Interest paid on borrowings	C.1	**(612 182)**	(617 083)	**(612 182)**	(617 083)
Net cash (outflow)/inflow from financing activities		**(2 751 348)**	751 195	**(2 751 348)**	751 195
Net increase in cash and cash equivalents		**666 536**	1 135 320	**644 287**	1 056 810
Effect of exchange rate changes on cash, and cash equivalents		**6**	75	**6**	75
Cash and cash equivalents at the beginning of the year		**2 183 624**	1 048 229	**2 040 038**	983 153
Cash and cash equivalents at the end of the year	D.2	**2 850 166**	2 183 624	**2 684 331**	2 040 038

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
AS AT 31 MARCH 2024

1. Basis of preparation and accounting policies

1.1 Material accounting policies

The material accounting policies adopted in the preparation of these consolidated and separate financial statements are outlined below, to the extent they have not already been disclosed in the other notes in the remainder of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.2 Statement of compliance and basis of preparation

The consolidated and separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), as well as the requirements of the Companies Act 71 of 2008 and the Public Finance Management Act No.1 of 1999, as amended.

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.

1.3 Basis of consolidation

The Group controls and consolidates an entity where the Group has power over the entity's relevant activities; is exposed to variable returns from its involvement with the investee; and has the ability to affect the returns through its power over the entity, including structured entities.

1.4 Significant judgements and key sources of estimation uncertainty

In preparing these consolidated and separate financial statements, management has made judgements and estimates that affect the application of the Group's and Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Significant judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Fair value of investment property: valuation techniques used to determine fair value using observable inputs – note B.1.
- Taxation: Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income and deferred tax provisions in the period in which such determination is made. The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will be reversed in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectation of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted. Refer to notes G.2 and G.9 for disclosures of the computed tax transactions and balances. Contingencies relating to tax matters have been disclosed in note G.12.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 March 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Probability of collection of consideration due as revenue, and rental concessions granted to customers – note A.1
- Useful lives and residual values of assets – notes B.2 and G.1.
- Impairment of non-financial assets – determination of recoverable amount. Notes B.2 and G.1.

1. Basis of preparation and accounting policies continued

- Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted average loss rate – note D.1.
- Group's risks and exposures at 31 March 2024, ability to continue as a going concern, future cash flows for impairment testing purposes and adjusting vs non-adjusting (but disclosable) events after reporting date up to date of publishing of financial statements – notes F and .
- Measurement of defined benefit obligations: key actuarial assumptions – note G.3.
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – notes G.8 and G.12.

1.5 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 unless otherwise indicated.

1.6 Foreign currency

1.6.1 Foreign operations

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

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

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

2. New standards and interpretations

2.1 Standards and interpretations effective for the first time in the current year

The following standards and interpretations applicable to the Group came into effect for the first time in the current financial year. None had a material impact on the Group.

IFRS 17 – Insurance Contracts	Provides the first comprehensive guidance on accounting for insurance contracts under IFRS Accounting Standards. It aims to increase transparency and reduce diversity in the accounting for insurance contracts. Management has assessed the impact of the standard in relation to its cell captive arrangement (see note G.3) and determined that it is not applicable, as it is a first party cell captive which is out of the scope of IFRS 17.	1 January 2023
Amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2, Making Materiality Judgments – Disclosure of Accounting Policies	• Requires entities to disclose their material instead of significant accounting policies; • clarifies that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and • clarifies that not all accounting policies relating to material transactions, other events or conditions are themselves material. • The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. Management has applied the requirements above in considering which accounting policies to disclose in these financial statements.	1 January 2023

2.2 Standards and interpretations not yet effective

There are a number of new standards and amendments which will be effective in the new financial year (2024/25) and early adoption is permitted. Management has not opted to early adopt any of the standards and interpretations in preparing these consolidated and separate financial statements. The Group will implement these requirements in the financial years they become applicable.

3. Segmental information

The change in reportable segments was necessitated by our business model, which is now based on a cluster view as outlined in the FY23 Integrated Report. Prior period information has been re-aligned to the cluster view.

Five reportable segments were identified namely:

- Cluster 1 – OR Tambo and Bram Fischer International Airports.
- Cluster 2 – Cape Town International, George, Kimberly and Upington Airports.
- Cluster 3 – King Shaka International, Chief Dawid Stuurman (Port Elizabeth), and King Phalo (East London) Airports.
- Corporate services – business support functions (Human Resources, Finance, Corporate Services).
- Investment holdings – results of subsidiaries, associates and joint ventures.

The operations of the segments are as follows:

- Clusters 1 to 3 – provision, maintenance, management, and operation of airports, and any facility or service at any airport that is related to the normal functioning of that airport.
- Investment holdings – created by the Company to hold ancillary operations-investment holding, airport consultancy, hotel operations and property management.

Management has considered the following factors to identify the reportable segments:

- Location of segments – airport operations, property, hotel operations, administration, etc.
- Nature of activities (airport operations, property, hotel operations, administration).
- The type of services (airport operations, property, hotel operations, administration).

The change in reportable segments was necessitated by our business model, which is now based on a cluster view as outlined in the FY22 Integrated Report. Prior period information has been re-aligned to the cluster view.

The results of each reportable segment's operations are provided in the segmental analysis. Management assesses the performance of the operating segments as a measure of earnings before interest, taxation, depreciation and amortisation expense (EBITDA).

The Group calculates EBITDA as follows:

Profit/(loss) before tax
Add/ Finance costs
Less Finance income
Add Depreciation, amortisation and impairment
Add losses from equity-accounted investments
Add/subtract Fair value losses/gains on investment properties

Items not allocated to segments

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

Similarly, finance income and costs are not allocated to operating segments as they are driven largely by the Corporate segment, which manages the cash requirements of the Company. Corporate overhead expenses are not allocated to the reportable segments.

Geographical information

Airports Company South Africa SOC Limited is domiciled in South Africa. Its customers are located in countries across the world, particularly for aeronautical revenue. Revenue by customer location is not available, and the cost to develop it would be excessive and therefore has not been disclosed.

ACSA Global Ltd, a 100% held subsidiary, is domiciled in Mauritius. It has no non-current assets. Therefore, no disclosures of assets by geographical location have been made in these consolidated and annual financial statements.

3. Segmental information continued

	Cluster One		Cluster Two		Cluster Three		Corporate		Subs Associates & JVs'		Elimination		Total	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023	March 2024	March 2023	March 2024	March 2023	March 2024	March 2023	March 2024	March 2023	March 2024	March 2023
Revenue from external customers														
– Aeronautical	**2 104 053**	1 765 822	**1 022 360**	808 009	**459 858**	382 099	**–**	–	**–**	–	**–**	–	**3 586 271**	2 955 930
– Non-aeronautical	**2 033 454**	1 795 835	**762 995**	651 043	**388 005**	355 948	**8 619**	18 838	**349 831**	267 766	**(113 221)**	(19 636)	**3 429 683**	3 069 794
Total revenue	**4 137 507**	3 561 657	**1 785 355**	1 459 052	**847 863**	738 047	**8 619**	18 838	**349 831**	267 766	**(113 221)**	(19 636)	**7 015 954**	6 025 724
EBITDA	**2 775 763**	2 339 052	**1 148 108**	956 608	**230 547**	199 793	**(1 341 681)**	(1 608 457)	**46 793**	2 279	**–**	–	**2 859 530**	1 889 275
– Fair value losses on investment properties	**61 642**	(110 579)	**84 276**	(13 504)	**63 401**	(25 299)	**–**	–	**25 900**	(47 099)	**8 120**	(12 300)	**243 339**	(208 781)
Depreciation and amortisation	**(657 707)**	(656 789)	**(311 387)**	(313 709)	**(258 219)**	(335 673)	**(58 973)**	(74 766)	**(5 317)**	(4 920)	**–**	–	**(1 291 603)**	(1 385 857)
Share of net profit of equity-accounted investments	**–**	–	**–**	–	**–**	–	**–**	–	**2 082**	6 519	**(5 000)**	–	**(2 918)**	6 519
Segment profit/(loss) before tax	**2 222 860**	1 681 456	**955 233**	674 238	**36 076**	(132 439)	**(1 755 836)**	(2 346 589)	**(7 012)**	(110 037)	**3 120**	(12 300)	**1 454 441**	(245 671)
Reportable total assets	**7 749 237**	8 093 859	**5 144 786**	5 410 392	**7 043 750**	7 376 714	**11 646 385**	11 109 541	**538 171**	2 246 408	**(688 404)**	(2 429 888)	**31 433 925**	31 807 026
Reportable total liabilities	**(345 483)**	(274 538)	**(180 270)**	(126 972)	**(171 728)**	(152 489)	**(1 143 006)**	(887 040)	**(156 293)**	(2 398 982)	**19 41**	2 298 454	**(1 977 367)**	(1 541 567)

Major customers

Included in revenue is an amount of R1.2 billion from one significant customer (2023: R887 million) and is earned in each of Clusters one to three. There are no other customers who represent more than 10% of revenue for both 2024 and 2023.

A. Managing EBITDA

A1. Revenue

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

Aeronautical revenue

Aeronautical revenue is earned in relation to the provision by the Group, at an airport, of any service or facility for the purposes of the landing, parking or take-off of an aircraft. This revenue is recognised in terms of IFRS 15, on the following bases:

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

The Company satisfies its performance obligations in relation to aeronautical revenue streams at a point in time, as follows:

a. Landing Fees – upon landing of an aircraft at the Group's airports;
b. Passenger service fees – upon departure by a passenger from the Group's airports; and
c. Aircraft parking – upon parking by an aircraft at the Group's airports.

Payment terms

Revenue is due within 30 days of satisfaction of a performance obligation.

There are no warranties, returns and any related obligations in relation to the Company's revenue streams. Revenue is measured at the transaction price allocated to that performance obligation.

Non-aeronautical revenue

Non-aeronautical revenue relates to lease income and other revenue.

When the Group acts as a lessor, it determines at inception whether each lease is a finance or operating lease. To classify the lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. As none of the leases transfer such risk and rewards to the extent of being substantial, the Group's leases are classified as operating.

Revenue from operating leasing activities is recognised in accordance with IFRS 16 on a straight-line basis over the lease term. Contingent rental revenue, such as the turnover-based element, is recognised in the period in which it is earned.

Other revenue is recognised in accordance with IFRS 15 as detailed above.

Type of revenue	Advertising	Retail	Parking	Car hire	Property rental	Hotel operations and other
Determination	Based on the higher of a minimum guaranteed rental and/or a percentage of turnover.	Based on the higher of a minimum guaranteed rental and/or a percentage of turnover.	Time-based tariffs.	Rental is based on the higher of a minimum guaranteed rental and/or a percentage of turnover.	Based on medium and long-term rental agreements with tenants.	– Permits – rate per type of permit at a point in time – Rooms revenue – rate per type of room over a period of time – Food and beverage revenue – at a point in time – Banqueting, venue hire, and parking (at hotels) – over a period of time – Airport management services – contractually negotiated amounts, over a period of time
Examples	Rental of advertising space to concessionaires.	Rental of retail space to concessionaires.	Providing short and long-term parking facilities.	Concession fees and the rental of space and kiosks to car hire companies.	Rentals of office space, air lounges, aviation fuel depots, warehousing, logistics facilities, hotels and filling stations.	As described per determination.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

AS AT 31 MARCH 2024

A. Managing EBITDA continued

A.1 Revenue continued

The total amount of relief provided to customers in the 2023 financial year due to economic difficulties experienced as a result of the impact of the COVID-19 pandemic amounted to R591 million. No concessions were granted in the current financial year.

	Group		Company	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023
Revenue from contracts with customers				
Aeronautical				
Landing fees	**1 197 633**	993 229	**1 197 633**	993 229
Passenger service charges	**2 333 016**	1 909 626	**2 333 016**	1 909 626
Aircraft parking	**55 622**	53 075	**55 622**	53 075
	3 586 271	2 955 930	**3 586 271**	2 955 930
Non-aeronautical				
Hotel operations	**241 679**	201 336	**–**	–
Other[1]	**60 179**	76 744	**58 501**	75 158
	301 858	278 080	**58 501**	75 158
Total revenue from contracts with customers	**3 888 129**	3 234 010	**3 644 772**	3 031 088
Other revenue – Leases				
Non-aeronautical				
Advertising	**147 900**	107 348	**147 900**	107 348
Retail	**1 126 813**	847 682	**1 126 813**	847 682
Property rental	**924 696**	981 687	**931 446**	936 479
Parking	**566 419**	495 868	**566 419**	495 868
Car hire	**361 997**	359 129	**361 997**	359 129
Total other revenue	**3 127 825**	2 791 714	**3 134 575**	2 746 506
Total Revenue	**7 015 954**	6 025 724	**6 779 347**	5 777 594
Aeronautical	**3 586 271**	2 955 930	**3 586 271**	2 955 930
Non-Aeronautical	**3 429 683**	3 069 794	**3 193 074**	2 821 664
	7 015 954	6 025 724	**6 779 345**	5 777 594

[1] *Other includes permits and airports management services.*

A. Managing EBITDA continued

A.1 Revenue continued

Figures in Rand thousand	Group March 2024	Group March 2023	Company March 2024	Company March 2023
Revenue relating to variable lease payments on operating leases				
Advertising	**169**	–	**169**	–
Retail	**322 080**	111 308	**322 080**	111 308
Car hire	**117 553**	75 655	**117 553**	75 655
Property rental	**10 855**	10 278	**10 855**	10 278
	450 657	197 241	**450 657**	197 241
Revenue relating to fixed lease payments for operating leases				
Advertising	**147 731**	107 348	**147 731**	107 348
Retail	**804 733**	736 374	**804 733**	384 560
Parking	**566 419**	495 868	**566 419**	936 479
Car hire	**244 443**	283 474	**244 443**	283 474
Property rental	**913 763**	971 410	**920 591**	837 404
	2 677 089	2 594 474	**2 683 917**	2 549 265

The Group earns all its lease revenue from operating leases.

At the reporting date, the Group had contracts with tenants for the following future minimum cash lease payments in respect of advertising, retail and property leases:

Figures in Rand thousand	Group March 2024	Group March 2023	Company March 2024	Company March 2023
Net minimum future cash lease payments on operating leases	**3 234 203**	4 801 039	**3 234 203**	4 800 971
Within one year	**562 436**	1 599 339	**562 436**	1 599 271
Between one to two years	**474 830**	494 545	**474 830**	494 545
Between two to five years	**1 121 854**	785 946	**1 121 854**	785 946
After five years	**1 075 083**	1 921 209	**1 075 083**	1 921 209

A. Managing EBITDA continued

A2. Other income

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

	Group		Company	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023
Bad debts recovered	5	17 701	–	–
Other [1]	7 419	21 748	6 991	21 723
Dividends	5 000	–	5 000	–
	12 424	39 449	11 991	21 723

[1] *Comprises training income (March 2023: rates refunds of R20 million).*

A3. Employee costs

Accounting policy

Employee costs are recognised as an operating expense in the period during which services are rendered by the employees.

Type of benefit	Policy
Defined contribution plans	Obligations for contributions to defined contribution pension plans and medical aid schemes are recognised as an employee benefit expense in profit and loss as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.
Defined benefit plans	The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Remeasurements of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI ("actuarial reserve"). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.
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.

A. Managing EBITDA continued

A.3 Employee costs continued

Figures in Rand thousand	Group March 2024	Group March 2023	Company March 2024	Company March 2023
Salaries	**1 276 953**	1 075 526	**1 243 555**	1 046 374
Incentive bonus	**117 502**	–	**117 502**	–
Medical aid – Company Contributions	**84 567**	76 238	**83 007**	74 800
Pension benefits	**96 881**	90 069	**94 542**	88 344
	1 575 903	1 241 833	**1 538 606**	1 209 518

A4. Operating expenses

Figures in Rand thousand	Group March 2024	Group March 2023	Company March 2024	Company March 2023
Repairs and maintenance	**482 822**	417 943	**478 808**	414 118
Security	**447 734**	433 222	**445 698**	431 493
Electricity and water	**264 352**	224 909	**243 766**	214 890
Auditors' remuneration	**19 387**	20 130	**18 462**	18 804
Operating lease expense	**7 487**	80 831	**7 137**	6 537
Information systems expenses	**286 697**	306 535	**286 697**	306 535
Rates and taxes	**303 862**	285 237	**287 594**	269 939
Cleaning	**136 121**	111 167	**133 985**	109 293
Marketing	**35 240**	22 683	**26 418**	15 466
Managerial, technical and other fees	**68 921**	64 017	**58 393**	56 687
Travel	**23 097**	17 039	**22 690**	16 747
Insurance	**51 043**	45 635	**50 599**	45 290
Administration	**163 895**	215 339	**142 159**	196 871
Training	**14 160**	7 757	**13 369**	6 085
Consumables	**37 462**	34 819	**36 856**	34 389
Socio-economic and enterprise development	**10 048**	13 963	**10 048**	13 963
Telephone and fax	**9 496**	8 238	**9 426**	8 171
Recruitment expenses	**7 508**	2 769	**7 508**	2 769
Legal expenses	**38 904**	32 899	**38 904**	32 899
Other expenses	**71 018**	34 393	**9 385**	6 257
Bank charges	**11 492**	8 257	**11 622**	8 142
Service standards monitoring	**119**	–	**119**	–
Membership fees	**4 239**	3 460	**4 239**	3 460
Loss on sale of assets	**38 716**	1 080	**38 615**	1 057
Termination fees	**58**	–	**58**	–
Losses on property and equipment	**7 918**	27	**7 918**	27
	2 541 796	2 392 349	**2 390 473**	2 219 889

[5] *Accounting policy – Low-value assets – Company and Group as a lessee*
[6] *Termination fees relate to costs incurred to cancel contracts for capital projects, which the Group has curtailed as part of its cost reduction strategy, in response to the impact of Covid-19 on air travel. The projects had not commenced.*

A. Managing EBITDA continued

A.4 Operating expenses continued

Accounting policy

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment and buildings. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B. Assets

B.1 Investment property

Accounting Policy

Investment property comprises a number of commercial properties that are leased to third parties. Investment property is carried at fair value, determined annually using the income capitalisation approach by an accredited independent valuer. Changes in fair values are recorded in profit and loss. The fair value obtained by the valuer is adjusted for lease receivables of R289 million (March 2023: R246 million).

Lease receivables are recognised net of straight-lining adjustments.

Significant judgement, estimate and source of estimation uncertainty

Fair values are determined using the income capitalisation technique, which uses transactions observable in the market at the reporting date. The Group and Company use their judgement to select the appropriate method and make assumptions relating to market yields, escalation rates and key valuation inputs that are mainly based on conditions existing at each reporting date.

Reconciliation of Investment property

	Group		Company	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023
Balance at beginning of year	**7 659 384**	7 859 325	**7 335 579**	7 476 120
Improvements/additions	**467**	8 840	**467**	8 840
Write-offs	**–**	–	**–**	–
Change in fair value				
Recognised in profit for the year	**243 339**	(208 781)	**209 319**	(149 381)
– Disposals	**(142)**	–	**(142)**	–
Balance at end of year	**7 903 048**	7 659 384	**7 545 223**	7 335 579

The Group's and Company's investment properties are not encumbered, there are no amounts of restrictions on the realisability of investment property.

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

	Group		Company	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023
Rental payments received	**924 696**	981 687	**931 446**	936 479
Included in Revenue (note A.1)	**924 696**	981 687	**931 446**	936 479

Operating expenses directly incurred in relation to investment properties amounted to R162 million (Mar 2023: R143 million).

B. Assets continued

B.1 Investment property continued

Fair Values

The following main inputs have been used in determining the fair values of investment properties:

		Group and Company	
		March 2024	March 2023
Market yield of comparable industrial properties	(%)	**9–13**	9–13
Market yield of comparable commercial properties	(%)	**9–12**	9–12
Discount rate: Industrial properties	(%)	**14.14**	13,95
Discount rate: Commercial properties	(%)	**14.18**	13.63
Average escalation of lease rentals	(%)	**6–8**	6–8
Average duration of lease	(years)	**2–5**	2–5
Average capitalisation rate: business and commercial properties portfolio	(%)	**10.35**	10.32
Average vacancy provision: business and commercial properties portfolio	(%)	**5.80**	5.44
Average capitalisation rate: industrial properties portfolio	(%)	**9.86**	9.33
Average vacancy provision: industrial properties portfolio	(%)	**2.26**	2.10

Fair value hierarchy

The fair values of these investment properties are determined using valuation techniques which use inputs that are both observable and unobservable. They are therefore classified as Level 3 on the fair value hierarchy.

The most significant inputs, all of which are unobservable, are the estimated rental value, assumptions about vacancy levels, and the discount rate. The estimated fair value increases if the estimated rental increases, vacancy levels decline or if the discount rate (market yields) declines. The overall valuations are sensitive to all three assumptions. Management considers the range of reasonably possible alternative assumptions is greatest for rental values and vacancy levels and that there is also an interrelationship between these inputs.

The estimated impact of a change in the following unobservable inputs would result in a change in the independent valuers' valuation as follows:

	Group and Company	
Figures in Rand thousand	March 2024	March 2023
Decrease of 50 basis points in the discount rate	**506**	383
Increase of 50 basis points in the discount rate	**(500)**	(378)
Decrease of 50 basis points in the exit capitalisation rate	**368 436**	372 347
Increase of 50 basis points in the exit capitalisation rate	**(335 945)**	(338 635)
Decrease of 50 basis points in the capitalisation rate	**529 296**	530 359
Increase of 50 basis points in the capitalisation rate	**(479 313)**	(478 842)
Decrease of 100 basis points in the market rental growth rate	**(148 779)**	(146 921)
Increase of 100 basis points in the market rental growth rate	**150 246**	148 378
Decrease of 100 basis points in the property expenditure growth	**112 888**	114 110
Increase of 100 basis points in the property expenditure growth	**(112 888)**	(114 110)
Decrease of 50 basis points in the vacancy provision	**49 769**	50 000
Increase of 50 basis points in the vacancy provision	**(49 769)**	(50 000)

B. Assets continued

B.1 Investment property continued

The most significant inputs, all of which are unobservable, are the estimated rental value, assumptions about vacancy levels, and the discount rate. The estimated fair value increases when the estimated rental increases, vacancy levels decline or the discount rate (market yields) declines.

The overall valuations are sensitive to all three assumptions. Management considers the range of reasonably possible alternative assumptions is greatest for rental values and vacancy levels and that there is also an interrelationship between these inputs.

The Group engages external, independent and qualified valuers to determine the fair values of investment properties at the end of every financial year. The valuations are reviewed by discussion between management and the valuation team. As part of this discussion, the team presents a report that explains the reason for the valuation methodology, inputs and fair value movements. Significant valuation issues are reported to the Audit and Risk Committee.

The effective date of the valuation of the investment properties was 31 March 2024. All independent valuers are registered in terms of section 19 of the Property Valuers Professional Act, Act No 47 of 2000. The valuers were as follows:

Appraisal Corporation CC

- Saul du Toit – Professional valuer, appraiser. Registered as a Professional Valuer with the SA Council for the Property Valuers Profession (Reg. No. 2631). Fellow of SA Institute of Valuers (SAIV). Member of South African Right of Way Association.
- Jenny Falck – Professional valuer, appraiser. Registered as a Professional Valuer with the SA Council for the Property Valuers Profession (SACPVP) (Reg. No.3696). Civil Commercial Mediator. Fellow of the SAIV and past Chairperson of the Southern Branch of the SAIV.
- Manie Steinman – Registered as a Professional Valuer with the SA Council for the Property Valuers Profession (SACPVP) (Reg. No.3156). Member of the SAIV.
- Robyn Jackson – Registered as a Professional Valuer with the SA Council for the Property Valuers Profession (SACPVP) (Reg. No.7677). Member of the SAIV.

B.2 Property, plant and equipment

Accounting policy

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

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

The assets' residual values, useful lives and depreciation method are reviewed and adjusted annually if appropriate. A summary of the estimated useful lives of different asset groups is as follows:

Category	Average useful Lives
Office Furniture and Fittings	1 to 8 years
Computer Equipment	1 to 7 years
Equipment	1 to 11 years
Motor Vehicles	1 to 10 years
Pavements	1 to 31 years
Buildings	1 to 28 years

B. Assets continued

B.2 Property, plant and equipment continued

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- actual borrowing costs on funds specifically borrowed for the purpose of acquisition, construction or development of a qualifying asset less any temporary investment of those borrowings; and
- weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of acquisition, construction or development of a qualifying asset. The borrowing costs capitalised cannot exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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

Impairment

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

The recoverable amount of an asset or cash-generating unit is the greater 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. Where it is not possible to determine recoverable amounts for individual assets, assets are grouped together into the smallest groups of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit').

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

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets' or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.

For buildings, equipment and pavements, the values in use of the assets were used, which were determined to be zero as these assets were no longer in a condition for use.

Derecognition

The gain or loss arising from the derecognition of an item of property and equipment is included in profit or loss when the item is derecognised.

The gain or loss arising is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

B. Assets continued

B.2 Property, plant and equipment continued

Group

Figures in Rand thousand	March 2024 Cost	March 2024 Accumulated depreciation and impairment	March 2024 Carrying value	March 2023 Cost	March 2023 Accumulated depreciation and impairment	March 2023 Carrying value
Land	**941 075**	**(59)**	**941 016**	941 075	(59)	941 016
Buildings	**13 944 151**	**(6 426 274)**	**7 517 877**	13 931 718	(6 091 193)	7 840 525
Equipment	**5 827 041**	**(3 859 628)**	**1 967 413**	5 760 640	(3 594 477)	2 166 163
Motor vehicles	**504 957**	**(351 601)**	**153 356**	485 253	(317 663)	167 590
Pavements	**7 988 267**	**(5 170 437)**	**2 817 830**	7 987 481	(4 825 311)	3 162 170
Work in progress	**1 739 660**	**–**	**1 739 660**	1 743 585	–	1 743 585
Office furniture and fittings	**150 951**	**(126 482)**	**24 469**	143 847	(118 965)	24 882
Computer equipment	**1 858 930**	**(1 140 932)**	**717 998**	1 764 853	(1 126 161)	638 692
Right-of-use asset	**26 699**	**(26 699)**	**–**	26 699	(26 699)	–
Total	**32 981 731**	**(17 102 112)**	**15 879 619**	32 785 151	(16 100 528)	16 684 623

Company

Figures in Rand thousand	March 2024 Cost	March 2024 Accumulated depreciation and impairment	March 2024 Carrying value	March 2023 Cost	March 2023 Accumulated depreciation and impairment	March 2023 Carrying value
Land	**941 075**	**(59)**	**941 016**	941 075	(59)	941 016
Buildings	**13 910 734**	**(6 410 137)**	**7 500 597**	13 899 688	(6 076 381)	7 823 307
Equipment	**5 813 453**	**(3 855 360)**	**1 958 093**	5 747 490	(3 590 981)	2 156 509
Motor vehicles	**504 957**	**(351 601)**	**153 356**	485 253	(317 663)	167 590
Pavements	**7 988 267**	**(5 170 437)**	**2 817 830**	7 987 481	(4 825 311)	3 162 170
Work in progress	**1 739 509**	**–**	**1 739 509**	1 743 434	–	1 743 434
Office furniture and fittings	**113 757**	**(104 571)**	**9 186**	114 340	(99 649)	14 691
Computer equipment	**1 853 327**	**(1 140 932)**	**712 395**	1 764 631	(1 126 161)	638 470
Right-of-use asset	**26 699**	**(26 699)**	**–**	26 699	(26 699)	–
Total	**32 891 778**	**(17 059 796)**	**15 831 982**	32 710 091	(16 062 904)	16 647 187

B. Assets continued

B.2 Property, plant and equipment continued

	Group									
Figures in Rand Thousand 2023	Land	Buildings	Equipment	Office furniture and fittings	Motor vehicles	Computer equipment	Pavements	Work in progress	Right-of-use asset	Total
Balance as at 1 April 2022	826 989	8 156 182	2 326 110	33 761	203 972	688 050	3 515 188	1 749 556	–	17 499 808
Restatement – note B.16	114 027	90 226	(1)	–	–	(334)	–	(11 696)	–	192 222
Balance at 1 April 222 – restated	941 016	8 246 408	2 326 109	33 761	203 972	687 716	3 515 188	1 737 860	–	17 692 030
Additions	–	9 730	24 976	1 172	–	126 124	118	167 251	–	329 371
Disposals	–	(96)	(727)	(33)	(181)	(7 750)	–	–	–	(8 787)
Transfers from assets held for sale	–	–	13	–	443	–	13	–	–	469
Transfer to/(from) PPE	–	4 470	125 675	627	–	134 904	3 330	(269 006)	–	–
Write-offs	–	–	–	–	–	–	–	(96)	–	(96)
Depreciation	–	(427 633)	(309 951)	(10 645)	(36 744)	(187 518)	(352 575)	–	–	(1 325 066)
Impairment	–	(20)	(1 925)	–	(10)	(647)	(3 904)	–	–	(6 506)
Impairment reversal	–	106	584	–	110	–	–	–	–	800
Asset reclassification[8]	–	–	–	–	–	–	–	(5 913)	–	(5 913)
Closing balance at 31 March 2023	941 016	7 832 965	2 164 754	24 882	167 590	752 829	3 162 170	1 630 096	–	16 676 302

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

AS AT 31 MARCH 2024

B. Assets continued

B.2 Property, plant and equipment continued

Figures in Rand Thousand 2023	Land	Buildings	Equipment	Office furniture and fittings	Motor vehicles	Computer equipment	Pavements	Work in progress	Right-of-use asset	Total
	Group									
Opening balance at 1 April 2023	941 016	7 832 965	2 164 754	24 882	167 590	752 829	3 162 170	1 630 096	–	16 676 302
Restatement – B.16	–	7 560	1 409	–	–	(114 137)	–	113 488	–	8 320
Restated opening balance	941 016	7 840 525	2 166 163	24 882	167 590	638 692	3 162 170	1 743 584	–	16 684 622
Asset reclassification[8]	–	–	9	–	–	(9)	–	–	–	–
Additions	–	10 859	44 657	12 353	20 176	122 202	774	288 852	–	499 873
Disposals	–	(7 518)	(4 121)	(265)	(119)	(34 659)	–	–	–	(46 682)
Transfer to Property, Plant and Equipment[7]	–	22 036	62 968	–	964	206 797	12	(292 777)	–	–
Transfers from assets held for sale (note B.3)	–	–	–	–	5	–	–	–	–	5
Depreciation	–	(348 007)	(301 225)	(12 501)	(35 293)	(214 847)	(345 126)	–	–	(1 256 999)
Impairment	–	(18)	(2 193)	–	(14)	(178)	–	–	–	(2 403)
Impairment reversal	–	–	1 155	–	46	–	–	–	–	1 201
Closing balance at 31 March 2024	941 016	7 517 877	1 967 413	24 469	153 355	717 998	2 817 830	1 739 659	–	15 879 617

[7] *Comprises transfers of assets under construction to the relevant category in property, plant and equipment, intangible assets or investment property upon completion.*

[8] *From the 2023 financial year, work in progress has been classified in the respective asset class. Previously, it was all classified as property, plant and equipment.*

B. Assets continued

B.2 Property, plant and equipment continued

Figures in Rand Thousand 2023	Company									
	Land	Buildings	Equipment	Office furniture and fittings	Motor vehicles	Computer equipment	Pavements	Work in progress	Right of use asset	Total
Balance – previously reported	826 989	8 137 884	2 316 662	21 386	203 972	687 932	3 515 188	1 749 405	–	17 459 418
Restatement – Note B.16	114 027	90 227	(1)	–	–	(334)	–	(11 696)	–	192 223
Balance at 1 April 2022	941 016	8 228 111	2 316 660	21 386	203 972	687 598	3 515 188	1 737 709	–	17 651 640
Additions	–	9 729	24 102	291	–	125 904	118	167 251	–	327 395
Disposals	–	(96)	(727)	(10)	(181)	(7 750)	–	–	–	(8 764)
Transfers to property, plant and equipment[7]	–	4 470	125 675	627	–	134 904	3 330	(269 006)	–	–
Transfers from assets held for sale	–	–	13	–	443	–	13	–	–	469
Write-offs	–	–	–	–	–	–	–	(96)	–	(96)
Depreciation	–	(426 553)	(309 284)	(7 603)	(36 744)	(187 400)	(352 575)	–	–	(1 320 159)
Impairment	–	(20)	(1 925)	–	(10)	(647)	(3 904)	–	–	(6 506)
Impairment reversal	–	106	584	–	110	–	–	–	–	800
Asset reclassification[8]	–	–	–	–	–	–	–	(5 913)	–	(5 913)
Closing balance at 31 March 2023	941 016	7 815 747	2 155 098	14 691	167 590	752 609	3 162 170	1 629 945	–	16 638 866

[7] *Comprises transfers of assets under construction to the relevant category in property, plant and equipment, intangible assets or investment property upon completion.*
[8] *From the 2023 financial year, work in progress has been classified in the respective asset class. Previously, it was all classified as property, plant and equipment.*

B. Assets continued

B.2 Property, plant and equipment continued

Figures in Rand Thousand 2023	Land	Buildings	Equipment	Office furniture and fittings	Motor vehicles	Computer equipment	Pavements	Work in progress	Right of use asset	Total
	Company									
Opening balance – previously reported	941 016	7 815 747	2 155 098	14 691	167 590	752 609	3 162 170	1 629 945	–	16 638 866
Restatements – Note B.16	–	7 560	1 409	–	–	(114 137)	–	113 488	–	8 320
Opening balance at 1 April 2023	941 016	7 823 307	2 156 509	14 691	167 590	638 470	3 162 170	1 743 434	–	16 647 187
Asset reclassification[8]	–	–	9	–	–	(9)	–	–	–	–
Additions	–	10 620	42 494	2 955	20 176	116 452	774	288 852	–	482 323
Disposals	–	(7 518)	(4 121)	(118)	(119)	(34 659)	–	–	–	(46 535)
Transfers from assets held for sale (note B.3)	–	–	–	–	5	–	–	–	–	5
Transfers from WIP	–	22 036	62 968	–	964	206 797	12	(292 777)	–	–
Depreciation	–	(347 830)	(298 728)	(8 343)	(35 292)	(214 478)	(345 126)	–	–	(1 249 797)
Impairment	–	(18)	(2 193)	–	(14)	(178)	–	–	–	(2 403)
Impairment reversal	–	–	1 155	–	46	–	–	–	–	1 201
Closing balance at 31 March 2024	941 016	7 500 597	1 958 093	9 185	153 356	712 395	2 817 830	1 739 509	–	15 831 981

[7] *Comprises transfers of assets under construction to the relevant category in property, plant and equipment, intangible assets or investment property upon completion.*

[8] *Asset reclassifications relate to the updating of the major and minor categories of assets, to ensure that assets with similar characteristics are grouped together. As a result, in addition to reclassifications within property, plant and equipment, Rnil (2023: R5.9 million) in assets were reclassified from work in progress to intangible assets (computer software).*

B. Assets continued

B.2 Property, plant and equipment continued

Figures in Rand thousand	Group March 2024	Group March 2023
Split of work in progress		
Buildings	**528 417**	454 841
Equipment	**268 681**	240 300
IT equipment	**43 193**	205 484
Furniture	**697**	42 630
Motor vehicles	**71 336**	315 168
Pavements	**791 485**	450 681
Investment property	**35 699**	34 329
	1 739 508	1 743 433

Transfers from assets held for sale comprise assets reclassified to property, plant and equipment due to a change in the Group's intention for use of motor vehicles, from disposal to utilisation in the ordinary course of operations.

R 9.2 million in borrowing costs were capitalised during the year ended 31 March 2024 (March 2023: R13.4 million), which were incurred on the DBSA loan.

The applicable specific capitalisation rate was 8.74% in both 2024 and 2023.

No items of property, plant and equipment were pledged as security for liabilities. The Group received compensation from its insurers, amounting to R2.2 million (2023: R4.9 million), for items of property, plant and equipment that were lost, stolen or damaged during the current financial year. The assets that were fully depreciated as at 31 March 2024 that are still in use have a historic cost amount of R722 million (2023: R27 million) and remain in the statement of financial position. The remaining carrying amounts will be retained in the asset register until the assets are disposed.

B.3. Non-current assets held for sale

Accounting policy

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

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

Property, plant and equipment – motor vehicles and equipment

The Airports Company South Africa identified vehicles which have reached their useful lives and, in February 2020, management committed to a plan to sell 184 vehicles through an auction. There were delays in the completion of the sale of all the vehicles and, 48 vehicles are still held for sale as at the end of the 2023 financial year. Although the vehicles are still unsold beyond one year from initial classification, management remains committed to its plan to sell them early in the 2025 financial year.

B. Assets continued

B.3. Non-current assets held for sale continued

Impairment loss

Impairment losses of R67 000 (March 2023: R64 000) were recognised as the subsequent remeasurement of the vehicles to fair value less cost to sell. For motor vehicles, the fair value less cost to sell based on the most recent arm's-length transaction for identical assets was used (Level 2 on the fair value hierarchy).

Assets held for sale comprise the following at 31 March:

	Group		Company	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023
Motor vehicles	**1 112**	1 185	**1 112**	1 185
	1 112	1 185	**1 112**	1 185

The following is a reconciliation of the motor vehicle balance:

Motor vehicles	
Balance at 1 April 2023	**1 185**
Transfers	**(5)**
Impairment	**(68)**
Balance at 31 March 2024	**1 112**
Balance at 1 April 2022	5 688
Transfers	(469)
Impairment	(64)
Disposals	(3 970)
Balance at 31 March 2023	1 185

C. Debt and cash management

C.1 Interest-bearing borrowings

Please refer to note F for the accounting policy.

	Company			
	March 2024		March 2023	
Figures in Rand thousand	Carrying value	Fair value	Carrying value	Fair value
Unsecured				
Long-term bonds	**4 899 238**	**4 638 288**	6 692 644	6 056 626
Development fund institution (DFI) loans	**1 092 751**	**1 091 219**	1 530 608	1 480 976
Redeemable preference shares	**2 988 652**	**2 575 075**	2 753 515	1 959 422
Total Company	**8 980 641**	**8 304 582**	10 976 767	9 497 024

	Group			
	March 2024		March 2023	
Figures in Rand thousand	Carrying value	Fair value	Carrying value	Fair value
Unsecured				
Long-term bonds	**4 899 238**	**4 638 288**	6 692 644	6 056 626
Southern Sun Hotel Interests (Pty) Ltd	**1 500**	**1 500**	1 500	1 500
Development fund institution (DFI) loans	**1 092 751**	**1 091 219**	1 530 608	1 480 976
Redeemable preference shares	**2 988 652**	**2 575 075**	2 753 515	1 959 422
Total Group	**8 982 141**	**8 306 082**	10 978 267	9 498 524

C. Debt and cash management continued

C.1 Interest-bearing borrowings continued

Current liabilities

	Company			
	March 2024		March 2023	
Figures in Rand thousand	Carrying value	Fair value	Carrying value	Fair value
Long-term bonds	**896 040**	**–**	896 040	–
Development fund institution (DFI) loans	**431 937**	**–**	431 937	–
Redeemable preference shares	**–**	**–**	–	–
Total current – Company	**1 327 977**	**–**	1 327 977	–

Current liabilities

	Group			
	March 2024		March 2023	
Figures in Rand thousand	Carrying value	Fair value	Carrying value	Fair value
Long-term bonds	**896 040**	**–**	2 163 365	–
Development fund institution (DFI) loans	**431 937**	**–**	551 844	–
Southern Sun Hotel Interests (Pty) Ltd	**1 500**	**–**	1 500	–
L'Agence Francaise de Developpement (AFD)	**–**	**–**	–	–
Redeemable preference shares	**–**	**–**	–	–
Total current – Group	**1 329 477**	**–**	2 716 709	–

C. Debt and cash management continued

C.1 Interest-bearing borrowings continued

Non-current liabilities

	Company			
	March 2024		March 2023	
Figures in Rand thousand	Carrying value	Fair value	Carrying value	Fair value
Long-term bonds	**4 003 198**	**–**	4 529 280	–
Development fund institution (DFI) loans	**660 814**	**–**	978 764	–
Redeemable preference shares	**2 988 652**	**–**	2 753 515	–
Total non-current – Company	**7 652 664**	**–**	8 261 559	–

Non-current liabilities

	Group			
	March 2024		March 2023	
Figures in Rand thousand	Carrying value	Fair value	Carrying value	Fair value
Long-term bonds	**4 003 198**	**–**	4 529 280	–
Development fund institution (DFI) loans	**660 814**	**–**	978 764	–
Redeemable preference shares	**2 988 652**	**–**	2 753 515	–
Total non-current – Group	**7 652 664**	**–**	8 261 559	–

C. Debt and cash management continued

C.1 Interest-bearing borrowings continued

Terms and repayment schedule

	Group and Company				
				Carrying value	
Carrying values in Rand thousand	Nominal amount	Interest rate	Maturity date	March 2024	March 2023
Long-term bonds					
AIR02	1 712 billion	11.68%	Apr 2023	–	1 802 525
AIRL01	851 million	inflation +3.64%	Apr 2028	**1 895 865**	1 865 329
AIR04U	500 million	11.59%	Oct 2029	**524 858**	524 836
AIR04	544 million	9.25%	May 2024	**561 004**	560 959
AIR05	864 million	10%	May 2030	**839 231**	861 632
AIRF02	356 million	3m JIBAR + 2.55%	Nov 2027	**360 928**	360 580
AIRF03	210 million	3m JIBAR + 2.87%	Nov 2029	**212 988**	212 781
AIRF04	500 million	3m JIBAR +3.30%	Dec 2032	**504 364**	504 002
				4 899 238	6 692 644

				Carrying value	
Figures in Rand thousand	Nominal amount	Interest rate	Maturity date	March 2024	March 2023
DFI loans					
L'Agence Francaise de Developpement (AFD)	985.49 million	10.35%	Nov 2023	–	85 262
L'Agence Francaise de Developpement (AFD1)	1.95 billion	10.55%	Jan 2026	**398 567**	597 682
Infrastructure Finance Corporation Limited (INCA)	250 million	JIBAR-linked	Nov 2023	–	14 186
Development Bank of Southern Africa (DBSA)	810 million	8.774%	Nov 2027	**694 184**	833 479
				1 092 751	1 530 609

Long-term loans	Nominal amount	Interest rate	Maturity date	March 2024	March 2023
Southern Sun Hotel Interests (Pty) Ltd	1.5 million	2%	No set maturity	**1 500**	1 500
Redeemable preference shares	2.325 billion	8.20%	March 2031	**2 988 652**	2 753 515

C. Debt and cash management continued

C.1 Interest-bearing borrowings continued

On 5 March 2021, 2 324 750 cumulative, redeemable, non-participating, non-convertible preference shares were issued as fully paid with a par value of R1,000 per share. The redeemable preference shares are mandatorily redeemable at par on 31 May 2031. Dividends on the preference shares accrue at a fixed rate of 8,2% per annum. The dividends on the preference shares will be accrued daily and compounded quarterly. Accrued and unpaid dividends are to be serviced in accordance with ACSA's dividend policy. Any dividends that accrue and remain unpaid will be permitted to roll-up until the final redemption date if the Company has insufficient cash to service the preference shares as determined by the board of directors. Total unpaid interest of R664 million (R428 million) has been accrued and included in the total interest-bearing borrowings balance to date.

Redeemable preference shares do not carry the right to vote.

The table below analyses the Group's interest-bearing borrowings in terms of their maturities (undiscounted):

Figures in Rand thousand	Carrying amount	Contractual cash flows	6 months or fewer	Between 6–12 months	Between 1–2 years	Between 2–5 years	More than 5 years
2024	**8 982 141**	**13 161 131**	**948 200**	**389 435**	**1 270 100**	**4 247 040**	**6 305 923**
2023	10 978 267	15 453 133	2 282 469	453 054	1 267 011	3 055 466	8 395 133

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Group		Company	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023
Reconciliation				
Balance at beginning of year	**10 976 767**	9 315 998	**10 978 267**	9 317 498
Proceeds from loans raised	**–**	1 665 744	**–**	1 665 744
Loans repaid	**(2 139 077)**	(296 355)	**(2 139 077)**	(296 355)
Total changes from financing cash flows	**(2 139 077)**	1 369 389	**(2 139 077)**	1 369 389
Effect of amortisation of borrowings	**142 951**	291 380	**142 951**	291 380
Balance at end of year	**8 980 641**	10 976 767	**8 982 141**	10 978 267

C. Debt and cash management continued

C.1 Interest-bearing borrowings continued

List of the persons (natural and incorporated) who hold beneficial interests equal to or in excess of 5% of the total number of listed securities of that class issued by the Group as at 31 March 2024:

Bondholder	Holding %
Bond: AIRL01	
FIRST NATIONAL NOMINEES (PTY) LTD	38
STANDARD BANK NOMINEES (RF) (PTY) LTD	21
NEDCOR BANK NOMINEES (RF) (PTY) LTD	14
OLD MUTUAL LIFE ASSURANCE CO SA LTD	6
MOMENTUM METROPOLITAN LIFE LTD	36
SBSA ITF MANDG INFLATION PLUS FUND	11
STANDARD CHARTERED BANK AS TRUSTEE FOR CORO BALANCED DEFENSIVE FUND	6

Bondholder	Holding %
Bond: AIR05	
FRB ITF NINETY ONE CORPORATE BOND FUND	12
GEPF BONDS	12
STANDARD CHARTERED BANK AS TRUSTEE FOR CORO SPECIALIST BOND FUND – COS	6
SBSA ITF OLD MUTUAL MULTI-MANAGERS INCOME FUND NO.4	5
SBSA ITF MANDG CORPORATE BOND FUND	5
NINETY ONE AL EVERGREEN CREDIT OPPORTUNITIES FUND	11

Bondholder	Holding %
Bond: AIR04	
STANDARD CHARTERED BANK AS TRUSTEE FOR CORO STRATEGIC INCOME FUND – CO	26
GEPF BONDS	22
PIC UIF	9
GOVERNMENT EMPLOYEE MEDICAL SCHEME	7
AIPF-NT(STD007)	6
SBSA ITF OLD MUTUAL MUTI-MANAGERS INCOMING FUND NO.2	6

Bondholder	Holding %
Bond: AIR04U	
OLD MUTUAL LIFE ASSURANCE CO SA LTD	100

Bondholder	Holding %
Bond: AIRF02	
RMB CAPITAL MARKETS PROP ACCOUNT	28
GEPF BONDS	28
NINETY ONE AL EVERGREEN CREDIT OPPORTUNITIES FUND	23

Bondholder	Holding %
Bond: AIRF03	
GEPF BONDS	31
NINETY ONE AL EVERGREEN CREDIT OPPORTUNITIES FUND	28
RMB CAPITAL MARKETS PROP ACCOUNT	5
NEDBANK ITF PRESCIENT INCOME PLUS F	5

Bondholder	Holding %
Bond: AIRF04	
NINETY ONE AL EVERGREEN CREDIT OPPORTUNITIES FUND	26
FRB ITF NINETY ONE DIVERSIFIED INCOME FUND	14
FRB ITF NINETY ONE CORPORATE BOND FUND	13
STANDARD CHARTERED BANK AS TRUSTEE FOR DIS	6
IAL CREDIT OPPORTUNITIES FUND 13	–

C. Debt and cash management continued

C.2 Finance income and expense

Accounting policy

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

Finance expenses comprise interest expense on borrowings and are recognised using the effective interest method in profit and loss. Trading financial instruments comprise derivatives and investments.

Finance income and expenses are recognised as an expense in the period in which they are incurred.

	Group		Company	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023
Interest received on cash and cash equivalents	**193 265**	86 774	**269 578**	159 262
Interest charged on overdue debtors	**78 246**	177 513	**78 246**	177 513
Net exchange differences	**–**	5 831	**–**	–
Finance income	**271 511**	270 118	**347 824**	336 775
Interest on borrowings	**(768 196)**	(902 968)	**(768 038)**	(902 795)
Unwinding of discount (see note G.8)	**(3 818)**	(3 532)	**(3 818)**	(3 532)
Total finance expense	**(772 014)**	(906 500)	**(771 856)**	(906 327)
Gains on remeasurement and disposal of trading financial instruments	**146 596**	89 555	**146 596**	89 555
Net finance expense	**(353 907)**	(546 827)	**(277 436)**	(479 997)

C.3 Derivative financial instruments and hedging information

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss. The Group has not designated its derivatives as hedging instruments.

The following information relates to derivative financial instruments included in the Consolidated Annual Financial Statements:

Interest rate swaps

The notional principal amounts of the outstanding derivative contracts were as follows:

			Notional amount		Fair value	
Figures in Rand thousand	Receive	Pay	March 2024	March 2023	March 2024	March 2023
Interest rate swaps	3 month JIBAR + 1.90%	10.98%	**250 000**	250 000	**–**	89
Total derivatives					**–**	89

C. Debt and cash management continued

C.3 Derivative financial instruments and hedging information continued

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

Figures in Rand thousand	Carrying amount	Contractual cash flows	6 months or fewer	Between 6–12 months	Between 1–2 years	Between 2–5 years	More than 5 years
March 2024	–	–	–	–	–	–	–
March 2023	89	89	89	–	–	–	–

Repayments of R109 000 (2023: R1.1 million) were made in the current financial year. The derivative was settled on 30 November 2023.

D. Managing working capital

D.1 Trade and other receivables

	Group		Company	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023
Trade receivables	**1 782 817**	1 942 601	**1 585 913**	1 751 051
Impairment loss allowance	**(418 695)**	(456 190)	**(238 576)**	(277 416)
Loan to joint venture/associate[10]	**–**	1 765	**–**	1 765
Loans and receivables	**1 364 122**	1 488 176	**1 347 337**	1 475 400
Prepayment	**32 932**	35 402	**32 486**	34 918
Insurance receivable[8]	**147 228**	107 324	**147 203**	107 301
Lease receivables	**22 630**	962	**22 630**	962
Other receivables[9]	**93 566**	63 499	**92 785**	62 899
	1 660 478	1 695 363	**1 642 441**	1 681 480

8 *Includes a contingency policy underwritten by Centriq. The amount receivable represents the balance of the special experience account. The special experience account is payable on demand and is measured at fair value.*

9 *Other receivables comprise mainly staff housing subsidies and a rates refund based on valuation appeal outcomes.*

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

The average credit period is 88 days (2023: 104 days). Trade receivables are carried at cost which normally approximates their fair value due to the short-term maturity thereof. An adjustment for impairment of receivables has been made for estimated irrecoverable amounts.

D. Managing working capital continued

D.1 Trade and other receivables continued

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

	Group		Company	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023
Aeronautical	**532 937**	465 002	**532 937**	465 002
Commercial	**1 047 844**	1 491 504	**1 047 844**	1 310 288
Other[11]	**157 590**	20 395	**(31 612)**	21 289
	1 738 371	1 976 901	**1 549 169**	1 796 579

[11] *Other includes debtors for permits and airports management services.*

Credit risk

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about the customer. Before accepting any new customer, the Group and Company use an external credit scoring system to assess the potential customer's credit quality and define credit limits by customer. Limits and scoring attributed to customers are reviewed periodically. 20% of the trade receivables that are neither past due nor impaired were recovered within one month after the reporting date. Of the trade receivables balance, for both the Group and Company, at the end of the year, R98 million (March 2023: R129 million) is due from one significant client. Details of concentrations of debtors and revenue are disclosed above, as well as in note A.1. The credit risk for loans to joint ventures and associates, lease receivables and other receivables is assessed to be immaterial.

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

Recognition of expected credit losses (ECL)

The Group and Company measures the loss allowance for trade receivables at an amount equal to lifetime ECL using the simplified approach. The ECL on trade receivables are estimated by assigning probabilities to loss events associated with the debtor, and an analysis of the debtor's current financial position, adjusted for forward-looking factors that are specific to the debtors, in relation to economic conditions in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. These loss events are identified mainly with reference to passenger volumes within the airport precincts, which drive both aeronautical and non-aeronautical revenue and debtor balances in a similar manner and are thus considered to be a good prediction of future debtor balances behaviour. The Group therefore assigned the following loss factors:

- Customers undergoing business rescue/administration and liquidation;
- Customers who have ceased operations;
- Debt balances under dispute and handed over;
- Individual factors that may affect a customer's ability to pay; and
- Security deposits and guarantees held in favour of the customer.

Based on the Group's credit policy, a debtor's balance is considered to be in default when that debt is 60 days overdue, and a letter of breach and demand has been sent to them, indicating that they have defaulted.

There is a large number of debtors with balances varying from significant to insignificant. Loss rates are calculated based on the probability of a receivable progressing through successive stages of delinquency to write-off, as well as economic conditions and actual credit loss experience over the past several years. Probabilities are assigned separately for exposures in different segments based on the following common credit risk characteristics – revenue stream, industry classification, and age of customer relationship.

D. Managing working capital continued

D.1 Trade and other receivables continued

The Group and Company has determined that trade and lease receivables are not credit impaired.

The Group and Company holds deposits as collateral from its debtors of R210 million at 31 March 2024 (March 2023: R201 million). However, there are no trade receivables amounts for which no loss allowance is recognised because of collateral. The deposits relate to rental of properties and aeronautical services rendered and is an average of 3 months' rent.

The decrease in the loss allowance is attributable to the following:

- A more optimistic outlook and expectation for the Group's performance, with the current year exceeding pre-covid numbers on collections and passenger volumes; and
- Lower losses experienced in the current year than projected and provided for in the prior year.

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

	Group		Company	
Figures in Rand thousand	**March 2024**	**March 2023**	**March 2024**	**March 2023**
Balance at 1 April	**456 190**	396 162	**277 415**	257 417
Reversal of impairment	**–**	(18 763)	**–**	–
Increase in allowance	**51 149**	541 715	**49 804**	482 922
Bad debts written-off	**(88 644)**	(462 924)	**(88 644)**	(462 924)
Balance at 31 March	**418 695**	456 190	**238 575**	277 415

D.2 Cash and cash equivalents

Cash and cash equivalents consist of:

	Group		Company	
Figures in Rand thousand	**March 2024**	**March 2023**	**March 2024**	**March 2023**
Cash on hand	**683**	668	**577**	525
Bank balances	**1 317 230**	999 246	**1 151 501**	855 803
Money markets	**1 532 253**	1 183 710	**1 532 253**	1 183 710
	2 850 166	2 183 624	**2 684 331**	2 040 038

The Group and Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note F.2. Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or fewer, and bank overdrafts and is available for use by the Group and Company.

D. Managing working capital continued

D3. Trade and other payables

Figures in Rand thousand	Group March 2024	Group March 2023	Company March 2024	Company March 2023
Trade payables	**1 099 397**	855 907	**974 766**	764 564
13th cheque accrual	**25 907**	22 511	**25 907**	22 511
Leave payable	**144 944**	125 992	**144 944**	125 989
Deposits received[1]	**210 406**	176 244	**199 132**	168 984
Lease payable	**–**	68	**–**	–
Other payables*	**81 209**	76 305	**84 086**	79 466
VAT	**61 500**	56 938	**63 724**	55 442
	1 623 363	1 313 965	**1 492 559**	1 216 956

[1] *The deposits relate to rental of properties and aeronautical services rendered and is an average of 3 months' rent.*
* *Other payables include overtime accruals.*

The Group and Company's exposure to liquidity risk related to trade and other payables is disclosed in note F2.

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

Group

Figures in Rand thousand	Carrying amount	Contractual cash flows	6 months or fewer	Between 6–12 months	Between 1–2 years	Between 2–5 years	More than 5 years
March 2024	**1 623 363**	**1 623 363**	**1 623 363**	**–**	**–**	**–**	**–**
March 2023	1 313 965	1 313 965	1 313 965	–	–	–	–

Company

Figures in Rand thousand	Carrying amount	Contractual cash flows	6 months or fewer	Between 6–12 months	Between 1–2 years	Between 2–5 years	More than 5 years
March 2024	**1 492 559**	**1 492 559**	**1 492 559**	**–**	**–**	**–**	**–**
March 2023	1 216 956	1 216 956	1 216 956	–	–	–	–

D. Managing working capital continued

D.4 Cash generated from operations

	Group		Company	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023
Profit/(loss) Profit (loss) before taxation	1 454 441	(245 671)	1 458 049	(123 330)
Adjustments for:				
Depreciation and amortisation	1 291 603	1 385 857	1 286 287	1 380 939
Impairment of trade receivables	51 149	541 716	49 804	482 923
Loss on sale of assets	38 716	1 080	38 615	1 057
Fair value loss/(gain) on investment property	(243 339)	208 781	(209 319)	149 381
Gains from equity-accounted investments	2 918	(6 519)	–	–
Finance income	(271 511)	(270 118)	(347 824)	(336 775)
Finance costs	772 014	906 500	771 856	906 327
Movements in retirement benefit obligation	2 248	773	2 247	773
Movements in provisions	129 139	(2 676)	128 926	(3 565)
Deferred income	(1 184)	(2 013)	(3 057)	(3 058)
Movement in non-current assets	85 378	(18 424)	85 391	(18 345)
Dividend income	(5 000)	–	(5 000)	–
Losses on property and equipment	7 916	27	7 916	27
Unrealised gains and losses	28 991	5 178	26 010	(1 372)
SARS penalties	100 567	145 121	100 567	145 121
	3 444 046	2 649 612	3 390 468	2 580 103
Changes in working capital:				
Inventories	(39)	(451)	–	–
Trade and other receivables	(16 264)	(530 684)	(10 765)	(468 267)
Trade and other payables	192 179	110 943	158 384	52 123
	3 619 922	2 229 420	3 538 087	2 163 959

D. Managing working capital continued

D.5 Other non-current assets

Figures in Rand thousand	Group		Company	
	March 2024	March 2023	March 2024	March 2023
Lease receivable non-current portion	**237 763**	323 913	**237 763**	323 913
Investments#	**16 224**	15 452	**16 211**	15 452
	253 987	339 365	**253 974**	339 365

Investments relate to the acquisition made by the Company of 100 % shareholding in a cell captive with Guardrisk Life Ltd in September 2003 to fund its obligation arising from 2002, whereby the Company agreed to increase the minimum pension pay-out to employees. Guardrisk performs a half-yearly review per individual covered to establish the present value of the Company's obligation on the prescribed valuation basis (as approved by Guardrisk Life Statutory Actuaries) in order to assess the Company's commitment as per the assets and expressed liabilities and ensure sufficient life funds are transferred to the non-distributable reserves. This investment is accessible to the Group in the short term and can be applied for other purposes if the arrangement is cancelled. The arrangement therefore does not meet the definition of a plan asset or a qualifying insurance policy. The liability has been disclosed in note G.3 – Retirement benefits (B. Life Fund).

E. Investments

E.1 Subsidiaries

Accounting policy

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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

Details of the Company's subsidiaries at 31 March 2024 are indicated below. All subsidiaries are incorporated in South Africa except for ACSA Global Ltd which is incorporated in Mauritius.

Subsidiaries	Principal activity	Interest held	
		March 2024	March 2023
OSI Airport Systems (Pty) Ltd	Dormant	**51%**	51%
Precinct 2A (Pty) Ltd	Property owning	**100%**	100%
JIA Piazza Park (Pty) Ltd	Hotel operations	**100%**	100%
ACSA Global Ltd	Investment holding	**100%**	100%
Airport Consultancy and Advisory Services	Dormant	**100%**	100%
Special purpose entities			
Lexshell 342 Investment Holdings (Pty) Ltd*	Employee share option plan	**–**	–
Airports Management Share Incentive Scheme Company (Pty) Ltd*	Employee share option plan	**–**	–
Sakhisizwe Community Programme (NPC)*	Non-profit company (education)	**–**	–

* *The Company's accounts include the consolidation of the Airport Management Share Incentive Scheme Company Proprietary Limited and Lexshell 342 Investment Holdings Proprietary Limited. Although the Airport Management Share Incentive Scheme Company Proprietary Limited is wholly owned by the Airports Company Management Share Incentive Scheme Trust and Lexshell 342 Investment Holdings Proprietary Limited is wholly owned by the ACSA Kagano Trust, in terms of IFRS 10:" The Group consolidates these entities as it is exposed to significant risks that are associated with loans extended to the entities to acquire shares of the Company." Sakhisizwe Community Programme NPC is a special purpose entity created and controlled by the Company from a Government grant received from the Department of Transport. There are no share-based payments due to employees in terms of the shares held by Lexshell 342, Kagano Trust and Airports Management Share Incentive Scheme.*

E. Investments continued

E.1 Subsidiaries continued

Non-controlling Interest

The Group has one subsidiary with non-controlling interest ("OSI" with OSI Airport Systems (Pty) Ltd). The subsidiary is dormant.

E.2. Joint venture

Accounting policy

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

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which joint control ceases.

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

Summarised financial information of material joint ventures

Figures in Rand thousand	Airport Logistics Property Holdings (Pty) Ltd
Opening balance at 1 April 2022	**222 596**
Share of profit	**18 167**
Opening balance at 1 April 2023	**240 763**
Share of profits	**4 266**
Closing balance at 31 March 2024	**245 029**

E. Investments continued

E.2. Joint venture continued

Figures in Rand thousand	Group March 2024	Group March 2023
Summarised statement of comprehensive income		
Revenue	**29 928**	30 280
Depreciation and amortisation	**(3 465)**	(3 465)
Fair value gain/loss on investment	**–**	–
Other operating expenses	**(387)**	(282)
Operating profit before interest and tax	**26 076**	26 533
Finance income	**1 124**	793
Finance costs	**(126)**	(2 220)
Profit before tax	**27 074**	25 106
Taxation	**–**	–
Loss for the period	**27 074**	25 106
Total comprehensive income	**27 074**	25 106

Figures in Rand thousand	Group March 2024	Group March 2023
Summarised statement of financial position		
Non-current assets	**122 022**	129 455
Cash and cash equivalents	**16 435**	1 172
Current assets	**21 531**	16 392
Total assets	**159 988**	147 019
Non-current liabilities	**–**	3 531
Current liabilities	**510**	557
Total liabilities	**510**	4 088
Net assets	**159 478**	142 931
Group's share of net assets	**50%**	50%
Carrying value of equity-accounted investment	**79 739**	71 466
Fair valuation of investment properties	**165 290**	169 297
Net assets at the end of the year	**245 029**	240 763

E. Investments continued

E.2. Joint venture continued

Judgement

ALPH is considered to be a strategically material investment and is therefore closely monitored by the Group and reported on to decision-makers.

Contingent liabilities

There were no contingent liabilities at 31 March 2024 relating to the Group's joint ventures.

Commitments

There were no commitments at 31 March 2024 relating to the Group's joint ventures.

Impairment testing of joint venture

The Group assessed whether there were any impairment indicators at each reporting date and there were none.

Restrictions

There are no significant restrictions on the ability of ALPH to transfer funds to the Group in the form of cash dividends or repayments of loans or advances.

Summarised financial information of material joint ventures

Commitments and Contingencies

Refer to note E.4 Commitments and note G.12 Contingencies for details of commitments and contingencies related to joint ventures.

E.3 Investments in associates

Accounting policy

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence ceases.

The following associates exist in the Group and Company:

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

Airports Company South Africa and the Dube Trade Port Company Limited ("LMJVC") have 40% and 60% interest in La Mercy Joint Venture Company (Proprietary) Limited, respectively. The objective of this entity is to commercially enable land holdings in excess of 848 hectares. The vast majority of the land is zoned undetermined, and the objective is to rezone and service the properties to unlock development opportunities. Although the statutory name of the entity contains the words "Joint Venture", the Group holds significant influence over it and not joint control.

E. Investments continued

E.3 Investments in associates continued

Summarised financial information of material associates

Investments in associates

Figures in Rand thousand	Company March 2024	Company March 2023
Investment in associate	**38 173**	38 173

Reconciliation of movement in investments in associates

Figures in Rand thousand	Group La Mercy JV Property Investments (Pty) Ltd	Group Total
Investment at 31 March 2022	198 790	226 601
Share of loss	(11 648)	(11 648)
Investment at 31 March 2023	187 142	187 142
Share of profit/(loss)	(7 184)	(7 158)
Investment at 31 March 2024	**179 958**	**179 984**

E. Investments continued

E.3 Investments in associates continued

Summarised financial information of associates for March 2024

Figures in Rand thousand	La Mercy JV Property Investments (Pty) Ltd	Aeroporto de Guarulhos Participações S.A.	Total
Summarised statement of comprehensive income			
Revenue	7 837	–	7 837
Depreciation and amortisation	(5 122)	–	(5 122)
Fair value loss on investment	(6 200)	–	(6 200)
Other operating expenses	(4 135)	(375 284)	(379 419)
Loss before tax	(7 620)	(375 284)	(382 904)
Taxation	(1 009)	–	(1 009)
Loss for the period	(8 629)	(375 284)	(383 913)
Total comprehensive loss	(8 629)	(375 284)	(383 913)
Summarised statement of financial position			
Non-current assets	216 056	30	216 086
Current assets	235 073	1 944	237 017
Total assets	451 129	1 974	453 103
Non-current liabilities	–	(6 388 173)	(6 388 173)
Current liabilities	(1 231)	4	(1 227)
Total liabilities	(1 231)	(6 388 169)	(6 389 400)
Total net assets/(liability)	449 898	(6 386 195)	(5 936 297)
Group's share of net assets	40%	20%	
Carrying amount	179 959	(1 277 239)	(1 097 280)
Limitation of losses	–	1 277 239	1 277 239
Carrying amount	179 959	–	179 959

E. Investments continued

E.3 Investments in associates continued

Summarised financial information of associates for March 2023

Figures in Rand thousand	La Mercy JV Property Investments (Pty) Ltd	Aeroporto de Guarulhos Participações S.A.	Total
Summarised statement of comprehensive income			
Revenue	6 150	–	6 150
Depreciation and amortisation	(5 114)	–	(5 114)
Fair value gain on investment	(10 100)	–	(10 100)
Other operating expenses	(4 163)	(233 151)	(237 314)
Profit before tax	(13 227)	(233 151)	(246 378)
Taxation	(741)	–	(741)
Profit for the period	(13 968)	(233 151)	(247 119)
Total comprehensive loss	(13 968)	(233 151)	(247 119)
Summarised statement of financial position			
Non-current assets	486 205	3 045	489 250
Current assets	(16 928)	25	(16 903)
Total assets	469 277	3 070	472 347
Non-current liabilities	(561)	(3 182 714)	(3 183 275)
Current liabilities	(860)	(34)	(894)
Total liabilities	(1 421)	(3 182 748)	(3 184 169)
Total net assets/(liability)	467 856	(3 179 678)	(2 711 822)
Group's share of net assets	40%	20%	
Carrying amount	187 158	(635 936)	(448 778)
Limitation of losses	–	635 936	635 936
Net assets at the end of the year	187 158	–	187 158

E. Investments continued

E.3 Investments in associates continued

Judgement

Associates are assessed for materiality based on the fact that they need monitoring by those charged with governance. Aeroporto de Guarulhos Participações S.A. and La Mercy Joint Venture Company (Proprietary) Limited (Dube Trade Port) are considered to be material as it is closely monitored by and reported on to the decision makers and is considered to be a strategically material investment.

There are no guarantees issued in favour of the Group's associates.

Commitments

At 31 March 2024, there were no capital commitments in the associates (2023: Rnil).

Restrictions

There are no significant restrictions on the ability of the associate to transfer funds to ACSA in the form of cash dividends or repayment of loans or advances.

Impairment testing of associates

Based on impairment indicators at each reporting date, impairment tests in respect of investments in associates were performed and Aeroporto de Guarulhos Participações S.A. was found to be impaired.

The recoverable amount of the investment is compared to the carrying amount and the associate was carried at Rnil.

E.4 Commitments

Capital commitments

	Group		Company	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023
Contracted for				
– Within one year	**169 798**	360 147	**169 798**	360 147
– One to two years*	**729 546**	145 901	**729 546**	145 901
– Two to five years	**760 431**	1 101 720	**760 431**	1 101 720
– Over five years	**–**	28 948	**–**	28 948
	1 659 775	1 636 716	**1 659 775**	1 636 716

The capital commitments relate to future capital expenditure that the Group has committed to spending on property, plant and equipment and intangible assets as at the reporting date.

F. Financial instruments and financial instrument risk management

F.1A Accounting classifications and fair values

Accounting Policy

Classification of financial instruments

Financial liabilities held at amortised cost comprise trade and other payables, interest-bearing borrowings and lease liabilities. Financial assets held at amortised cost comprise trade and other receivables, investments and cash and cash equivalents.

Financial liabilities held at fair value through profit or loss comprise of derivatives.

Classifications of financial assets depend on the Group's and Company's business model for managing the financial instruments and the contractual terms of the cash flows. Specifically, the Group manages its financial instruments to ensure sufficient daily reserves on a daily and long-term basis to meet its financial obligations by collection of cash investments on maturity and payment of liabilities when due.

Initial recognition and measurement

The Group and Company initially recognise both financial assets and financial liabilities at fair value. Where transaction costs are incurred, they are recognised as part of the initial cost of the financial instrument, unless the financial assets or liabilities are classified as at fair value through profit or loss, in which case the transactional costs are recognised in profit or loss.

Redeemable preference shares are classified as financial liabilities and included in 'Interest-bearing borrowings' as they bear non-discretionary dividends and are redeemable in cash by the holder. Non-discretionary dividends are recognised as finance expense in profit or loss as accrued, and recognised as financial liabilities to the extent not paid.

Subsequent measurement

The Group's and Company's financial assets and liabilities (with the exception of investments and derivative financial instruments) are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment losses are recognised in profit or loss.

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

For the purpose of impairment assessment of intercompany loans, cash and investments, they are considered to have a low credit risk. The loss allowance is measured at 12 months ECL. In determining the ECL, management has taken into account the historical default practices, the financial position of the counterparties as well collateral held against the loans and has determined that there is no probability of default. Intercompany loans are considered low risk as have no repayment terms and bear no interest. Where terms and interest apply and the counterparty experiences financial difficulty, the Parent (in this case, the Company), extends support to the extent that it does not have assets to back the loan. Cash and investments are considered to have low credit risk when their credit risk ratings are equivalent to the globally understood definition of 'investment grade'. The expected credit loss is therefore immaterial, and no impairment has been recognised in the current year.

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred, or the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

F. Financial instruments and financial instrument risk management continued

F.1A Accounting classifications and fair values continued

Fair values

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1	Derived from quoted prices (unadjusted) in active markets for identical
Level 2	Derived from inputs other than quoted prices included within Level 1
Level 3	Derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There were no transfers between levels 1, 2 or 3 in the hierarchy in the current financial year. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		March 2024						
		Carrying amount				Fair value		
Figures in Rand thousand	Note	Amortised cost	Fair value	Other financial liabilities	Total	Level 1	Level 2	Total
Financial assets not measured at fair value								
– Trade and other receivables[1]	D.1	**1 627 546**	–	–	**1 627 546**	*	*	*
– Income funds	G.4	**2 335 705**	–	–	**2 335 705**	*	*	*
– Cash and cash equivalents	D.2	**2 850 166**	–	–	**2 850 166**	*	*	*
Financial liabilities measured at fair value								
– Derivative financial instruments	C.3	–	–	–	–	*	–	–
Financial liabilities not measured at fair value								
– Interest-bearing borrowings	C.1	**8 982 140**	–	–	**8 982 140**	**4 638 288**	**3 667 794**	**8 306 082**
– Trade and other payables[1]	D.3	**1 552 159**	–	–	**1 552 159**	*	*	*

[1] *Prepayments of R32 million and VAT of R63 million are not included as they are not financial assets or liabilities.*

F. Financial instruments and financial instrument risk management continued

F.1A Accounting classifications and fair values continued

		March 2023						
		Carrying amount				Fair value		
Figures in Rand thousand	Note	Amortised cost	Fair value	Other financial liabilities	Total	Level 1	Level 2	Total
Financial assets not measured at fair value								
– Trade and other receivables[1]	D.1	1 659 961	–	–	1 659 961	*	*	*
– Income funds	G.4	–	2 723 056	–	2 723 056	*	*	*
– Cash and cash equivalents	D.2	2 183 624	–	–	2 183 624	*	*	*
Financial liabilities measured at fair value								
– Derivative financial instruments	C.3		89	–	89	–	–	–
Financial liabilities not measured at fair value								
– Interest-bearing borrowings	C.1	10 963 553	–	–	10 846 941	5 763 256	3 733 768	9 497 024
– Trade and other payables	D.3	1 659 961	–	–	1 659 961	*	*	*

[1] *Prepayments of R35 million and VAT of 57 million that are not financial assets are not included.*

* *The Group and Company have not disclosed fair values for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of their fair values (expected to be realised within 6 months of the reporting date).*

F.1B Measurement of fair values

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

Financial assets at amortised cost

The carrying amounts of the Group and Company's financial assets carried at amortised cost, which includes investments and cash, and cash equivalents approximate their fair values due to their short-term, highly liquid nature.

Financial liabilities at amortised cost

The carrying amounts of the Group and Company's trade and other payables approximate their fair values due to their short-term, highly liquid nature. The fair values of interest-bearing borrowing are determined with reference to quoted prices (listed bonds) or a net present value calculated using discount rates derived from quoted yields of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.

Financial liabilities at fair value through profit or loss

The Group and Company's financial liabilities carried at fair value consist of its derivatives, comprising an interest rate swap.

The fair value is calculated as the present value of the estimated future cash flows based on observable yield curve, using a valuation technique which uses inputs that are directly or indirectly observable. Derivatives are therefore classified as Level 2 on the fair value hierarchy.

F. Financial instruments and financial instrument risk management continued

F.2 Financial risk management

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

Sound financial risk management framework is in place at the Group and Company, based on a best-practice enterprise risk management framework, built on rigorous governance structures.

Credit risk

Credit risk is the risk of loss to the Group as a result of the failure by a customer or counterparty to meet its contractual obligations. This is mitigated by the guarantees held for the exposure at a given period. Credit risks can also arise from cash and cash equivalents and investments. These risks are effectively managed in terms of the Board-approved financial risk management framework that specifies the investment and counterparty policies. For credit risk management related to trade receivables, refer to note D.1.

Investments and cash and cash equivalents

Surplus monies are invested only with institutions and funds with a minimum national long-term credit rating of A – or equivalent and/or minimum national short-term credit rating of F1 or equivalent.

Market risk

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

Interest rate risk

The Group's interest rate risk arises from its borrowings and cash and cash equivalents. The Group's policy is to maintain a mix of fixed to floating rate debt within the Board-approved parameters. The policy allows for a fixed rate portion of no less than 50% and a variable-rate portion of no more than 50%. These thresholds are set to enable the Group to minimise the impact of rising interest rates while taking advantage of falling interest rates.

As at 31 March 2024, the Group's fixed to floating rate profile after hedging on net debt was 85% fixed (March 2023: 88% fixed).

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

	Fixed-rate instruments		Variable-rate instruments		Total	
Figures in Rand thousand	**March 2024**	**March 2023**	**March 2024**	**March 2023**	**March 2024**	**March 2023**
Carrying amount						
Interest-bearing borrowings	**6 007 996**	8 021 390	**1 078 281**	1 091 548	**7 086 277**	10 862 638
	85%	88.0%	**15%**	12.0%		

A 5% change in interest rates would have had the effect of changing profit for the period by R4.9 million (March 2023: R18 million).

The AIRL01 bond of R1.90 billion (March 2023: R1.87 billion) exposes the Group to inflation risk and has been excluded from the ratios above. A 5% change in interest rates on cash and cash equivalents would have the effect of changing profit for the period by R4.9 million (March 2023: R112 million).

Tariff risk

Aeronautical revenue, contributing 51% (March 2023: 49%) of the Group's revenue, is regulated by an independent economic regulator using a price cap methodology. The regulated tariff is linked to CPI. A change in CPI has a positive or a negative impact on the revenue earned by the Group. However, the Group is allowed to adjust the difference between actual and forecast CPI in future tariffs. The tariff is determined for a five-year period every three years, with a two-year overlap. The Board has approved a regulatory strategy which seeks to proactively influence the regulatory approach in line with best practice. In this regard, the Group proactively manages the economic regulatory risk while balancing the interests of both the Group and the customers.

F. Financial instruments and financial instrument risk management continued

F.2 Financial risk management continued

Price risk

The Group is exposed to price risk on various investments ("Income funds" per note G.4) which are based on quoted prices.

A 5% change in the quoted price of the investments as at 31 March 2024 would have had the effect of changing profit for the period by R117 million (March 2023: R136 million), all other variables held constant.

Foreign exchange risk

The Group has two foreign investments that give rise to exposure to foreign currency risk, arising primarily with respect to the Brazilian Real and United States Dollar. All foreign borrowings are denominated in Rand. The Group uses foreign exchange contracts to hedge material expenditure once the project or purchase cash flows are certain.

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

Figures in thousands of Dollars	March 2024 USD	March 2023 USD
Trade receivables	**309**	203
Cash and cash equivalents	**1 807**	1 817
Gross exposure	**2 116**	2 020

	Average rate		Reporting spot rate	
	March 2024	March 2023	March 2024	March 2023
The following significant exchange rates applied during the year:				
USD	**18.74**	16.94	**18.73**	17.80

Sensitivity analysis

A 10% weakening of the Rand against the following currencies at 31 March 2024 would have increased/(decreased) equity and profit or 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 March 2022.

	Equity		Profit or loss	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023
USD	**(13 597)**	18 673	**209**	20 281

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

F. Financial instruments and financial instrument risk management continued

F.2 Financial risk management continued

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

To manage liquidity risk, the Group has the following measures currently in place:

Facilities

The Group maintains short-term committed banking facilities for bridging finance purposes and to comply with the requirements of credit ratings agencies. As at 31 March 2024, the Group had facilities of R1.8 billion (31 March 2023: R1.8 billion), of which none have been utilised for both periods, respectively.

Figures in Rand thousand	March 2024 Facility Amount	March 2023 Facility Amount
Available facilities	**1 800 000**	1 800 000

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

The full facility of R1.8 billion was available at 31 March 2024.

Capital risk management

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

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

F. Financial instruments and financial instrument risk management continued

F.2 Financial risk management continued

The Group's maximum gearing ratio is up to 60% (2023: up to 60%). The gearing ratio is determined by the Treasury department and approved by Airports Company South Africa's Board. The objective is to minimise the weighted average cost of debt. The gearing ratios as at 31 March 2024 and 2023 were as follows:

	Group		Company	
Figures in Rand thousand	**March 2024**	**March 2023**	**March 2024**	**March 2023**
Total borrowings	**8 982 140**	10 963 553	**8 980 641**	10 845 441
Less: cash and cash equivalents and income funds	**(5 185 871)**	(4 906 680)	**(6 102 327)**	(5 812 210)
Net debt	**3 796 269**	6 056 873	**2 878 314**	5 033 231
Total equity	**18 827 290**	18 363 324	**18 788 760**	18 069 012
Total capital	**22 623 559**	24 420 197	**21 667 074**	23 102 243
Gearing ratio (net debt divided by total capital)	**17%**	24%	**13%**	22%

None of the entities in the Group are subject to externally imposed capital requirements.

G. Other

G1. Intangible assets

Accounting policy

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

Amortisation is provided for computer software on a straight-line basis to its residual value over a period of 2 to 16 years.

Amortisation on internally generated intangible assets is calculated using the straight-line method to allocate costs to the residual values over the estimated useful lives, which are currently estimated to be between three to five years.

The assets' useful lives are annually reviewed and adjusted where appropriate.

	March 2024			March 2023		
Figures in Rand thousand	**Cost**	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Group						
Computer software	**309 019**	**(231 032)**	**77 987**	426 200	(367 057)	59 143
Computer software – WIP	**45 024**	**–**	**45 024**	31 605	–	31 605
Total	**354 043**	**(231 032)**	**123 011**	457 805	(367 057)	90 748
Company						
Computer software	**308 985**	**(231 016)**	**77 969**	426 180	(367 049)	59 131
Computer software – WIP	**45 024**	**–**	**45 024**	31 605	–	31 605
Total	**354 009**	**(231 016)**	**122 993**	457 785	(367 049)	90 736

G. Other continued

G.1 Intangible assets continued

	Opening balance	Restatements	Opening balance Restated	Additions	Reclassification from PPE	Transfers	Amortisation	Disposal/ Retirements	Total
Reconciliation of intangible assets – Group – 2024									
Computer software	**70 119**	**5 150**	**75 269**	**4 449**	**–**	**33 581**	**(35 295)**	**(17)**	**77 987**
Computer software – WIP	**31 605**	**(16 126)**	**15 479**	**63 126**	**–**	**(33 581)**	**–**	**–**	**45 024**
	101 724	**(10 976)**	**90 748**	**67 575**	**–**	**–**	**(35 295)**	**(17)**	**123 011**
Reconciliation of intangible assets – Group – 2023									
Computer software	70 806	(2 525)	68 281	10 351	–	47 572	(56 078)	(7)	70 119
Computer software – WIP	–	–	–	73 264	5 913	(47 572)	–	–	31 605
	70 806	(2 525)	68 281	83 615	5 913	–	(56 078)	(7)	101 724
Reconciliation of intangible assets – Company – 2024									
Computer software	**70 107**	**5 150**	**75 257**	**4 436**	**–**	**33 581**	**(35 287)**	**(17)**	**77 970**
Computer software – WIP	**31 605**	**(16 126)**	**15 479**	**63 126**	**–**	**(33 581)**	**–**	**–**	**45 024**
	101 712	**(10 976)**	**90 736**	**67 562**	**–**	**–**	**(35 287)**	**(17)**	**122 994**
Reconciliation of intangible assets – Company – 2023									
Computer software	70 783	(2 525)	68 258	10 351	–	47 572	(56 067)	(7)	70 107
Intangible assets under development	–	–	–	73 264	5 913	(47 572)	–	–	31 605
	70 783	(2 525)	68 258	83 615	5 913	–	(56 067)	(7)	101 712

Transfers comprise assets under construction transferred to intangible assets upon completion.

G.2 Deferred tax

Accounting policy

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realised or liability is settled, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would flow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 be realised. The most significant management assumption is the forecasts used to support the probability assessment that sufficient taxable profits will be generated by the entities in the Group in order to utilise the deferred tax assets.

G. Other continued

G.2 Deferred tax continued

Figures in Rand thousand	Group March 2024	Group March 2023	Company March 2024	Company March 2023
Deferred tax liability				
Property and equipment	**1 143 605**	1 137 681	**1 143 605**	1 137 681
Investment property	**1 384 290**	1 242 200	**1 343 606**	1 291 788
Lease receivable	**76 318**	93 728	**76 318**	93 728
Investments in associates	**(364 170)**	(364 170)	**–**	–
Impairment of trade and other receivables	**(38 649)**	(44 941)	**(38 649)**	(44 941)
Other assets	**(4 259)**	(168 494)	**(280)**	(2 040)
Prepayments	**7 890**	6 684	**7 889**	6 684
Provisions	**(111 073)**	(37 564)	**(109 753)**	(35 679)
Deferred income	**(18 629)**	(6 718)	**(18 629)**	(6 718)
Tax loss	**(602 304)**	(1 152 053)	**(602 304)**	(1 152 053)
	1 473 019	706 353	**1 801 803**	1 288 450

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

Reconciliation of deferred tax liability

Figures in Rand thousand	Group March 2024	Group March 2023	Company March 2024	Company March 2023
At beginning of year – previously reported	**737 838**	608 775	**1 319 935**	1 203 075
Prior period error – note G.13	**(31 485)**	(17 119)	**(31 485)**	(17 119)
Balance at the beginning of year	**706 353**	591 656	**1 288 450**	1 185 956
Movements during the year:				
– recognised in the statement of comprehensive income	**753 319**	71 194	**512 328**	116 504
– restatement – note G.13	**–**	(14 366)	**–**	(14 366)
– recognised directly in other comprehensive income	**5 005**	23 634	**1 026**	356
Exchange differences	**8 342**	34 235	**–**	–
	1 473 019	706 353	**1 801 804**	1 288 450
Deferred tax liabilities expected to be recovered after more than 12 months	**1 427 460**	650 882	**1 756 245**	1 232 979
Deferred tax liabilities expected to be recovered within the next 12 months	**45 559**	55 471	**45 559**	55 471
	1 473 019	706 353	**1 801 804**	1 288 450

G. Other continued

G.3. Retirement benefits

Group and Company

The retirement benefits have been accounted for in accordance with the requirements of IAS 19.

Figures in Rand thousand	March 2024	March 2023
Post-retirement medical benefit – plan asset	**(8 162)**	(7 440)
Post-retirement medical benefit – plan liability	**18 467**	19 695
A. Net post-retirement medical benefit liability – defined benefit plan	**10 305**	12 255
B. Life fund – plan liability – defined benefit plan	**15 459**	15 062
Total employee benefit liabilities	**25 764**	27 317

A. Post-retirement medical benefit

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

Movement in net defined benefit liability:

Group and Company

	Present value of plan liability		Fair value of plan asset		Net liability	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023	March 2024	March 2023
Balance at 1 April 2023	**19 695**	19 341	**(7 440)**	(7 298)	**12 255**	12 043
Included in other comprehensive income:						
– Actuarial (gains)/losses arising from:	**(5 018)**	(957)	**821**	396	**(4 197)**	(561)
– Financial assumptions	**(2 230)**	(2 685)	**522**	120	**(1 708)**	(2 565)
– Demographic assumptions	**(2 788)**	1 728	**299**	276	**(2 489)**	2 004
Included in profit or loss:	**4 931**	2 510	**(842)**	(811)	**4 089**	1 699
– Current service cost	**196**	259	**–**	–	**196**	259
– Interest cost	**2 338**	2 251	**–**	–	**2 338**	2 251
– Past service cost	**2 397**	–	**–**	–	**–**	–
– Return on plan assets	**–**	–	**(842)**	(811)	**(842)**	(811)
Other:						
Benefits paid	**(1 141)**	(1 199)	**1 141**	990	**–**	(209)
Contributions by employer	**–**	–	**(1 842)**	(717)	**(1 842)**	(717)
Balance at 31 March	**18 467**	19 695	**(8 162)**	(7 440)	**10 305**	12 255

G. Other continued

G.3. Retirement benefits continued

Plan asset

An insured annuity policy was purchased from Sanlam Life, in the Company's name, to fund the contribution subsidies paid to current pensioners. The policies will pay a level amount each month to the relevant medical schemes on behalf of the Company, for as long as the pensioners and/or the pensioners' spouses are still alive. The insured annuity policy can only be used to fund medical aid contributions and is not available as an asset to the Company's creditors. The full fair value of R8.2 million (2023: R7.4 million) per the reconciliation above relates to that annuity policy.

The Group has also set aside an amount of R15.4 million (2023: R15 million) as a funding vehicle. As this amount is not protected against its creditors, it has not been included as a plan asset but rather as cash and cash equivalents in note D.2.

The Group does not expect to pay contributions to this plan in 2025 as future contributions were already factored in the total service obligation. There have been no curtailments, amendments or settlements to the plan since the 2014 financial year. The Group does not have any other responsibilities for the governance of the plan.

Net expense recognised in profit or loss Group and Company

Figures in Rand thousand	March 2024	March 2023
Current service cost	**196**	259
Interest cost	**2 338**	2 251
Return on plan asset	**(842)**	(811)
	1 692	1 699
Cumulative expenses recognised in other comprehensive income		
Balance at 1 April 2023	**(27 650)**	(27 089)
Actuarial gains recognised during the year	**(4 197)**	(561)
Balance at 31 March	**(31 847)**	(27 650)
Principal assumptions at the reporting date:		
Discount rates used	**13.40%**	12.20%
Healthcare cost inflation	**8.00%**	8.80%
Average retirement age (years)	**60**	60

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

The "gap" is referred to as the net discount rate and is the difference between the discount rate and the expected medical inflation. The current year net discount rate is 5.4% (2023: 4.2%) per annum.

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

	1% increase		1% decrease	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023
Effect on liability	**16 910**	17 844	**20 295**	21 903

G. Other continued

G.3. Retirement benefits continued

B. Life Fund

Figures in Rand thousand	March 2024	March 2023
Balance at 1 April 2023	**15 062**	15 820
Actuarial (gains)/losses recognised in other comprehensive income during the year	**397**	(758)
Balance at 31 March	**15 459**	15 062

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

Exposure to risks

Market risk:

The risk that the market value of the assets will decrease due to the value being held by Sanlam being less than estimated or due to unexpected movements in market/membership factors.

Risk of future changes in legislation:

The risk that changes to legislation may increase the liability for the entity.

Inflation Risk:

The risk that future CPI inflation, and healthcare cost inflation are higher than expected and uncontrolled.

G.4 Investments

	Company		Company	
Figures in Rand thousand	**March 2024**	**March 2023**	**March 2024**	**March 2023**
Investments short-term				
Income funds	**2 335 705**	2 723 055	**2 335 718**	2 723 055
Intercompany loans	**–**	1	**1 082 278**	1 049 117
	2 335 705	2 723 056	**3 417 996**	3 772 172
Investments long-term				
Intercompany loans	**–**	–	**45 945**	44 585
	–		**45 945**	44 585

Refer to note F1 for Accounting Policy.

Refer to note G11 for detailed intercompany loan balances and terms.

G. Other continued

G.5 Share capital

Ordinary shares

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.

There were no changes to the number of shares outstanding (in issue) at 31 March 2024 and 31 March 2023.

Authorised – Group and Company

1 000 000 000 Ordinary shares of R1 par value each

Issued – Group and Company

Figures in Rand thousand	March 2024	March 2023
500 000 000 Ordinary shares of R1 par value each	**500 000**	500 000
Share premium	**250 000**	250 000
	750 000	750 000

Unissued – Group and Company

500 000 000 Ordinary shares of R1 par value each

The unissued ordinary shares are under the general authority of the Board of directors.

Shareholder	Shareholding (%)
South African Government	74.6
Public Investment Corporation	20
Empowerment investors	4.2
Staff share incentive scheme	1.2

Preference shares

The Group's redeemable preference shares are classified as financial liabilities, as they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued. Refer to note C.1 for further disclosures related to the Group's redeemable preference shares.

G. Other continued

G.6. Other reserves

Group Figures in Rand thousand	Total	Fair value	Foreign currency translation reserve	Actuarial reserve
Balance at 1 April 2022	444 262	70 608	384 121	(10 467)
Remeasurements of retirement benefit obligations net of tax	963	–	–	963
Foreign currency translation differences, net of tax	(62 937)	–	(62 937)	–
Balance at 1 April 2023	382 288	70 608	321 184	(9 504)
Remeasurements of retirement benefit obligations net of tax	2 774	–	–	2 774
Foreign currency translation differences, net of tax	(10 760)	–	(10 760)	–
Balance at 31 March 2024	374 302	70 608	310 424	(6 730)

Company Figures in Rand thousand	Total	Fair value	Actuarial reserve
Balance at 1 April 2022	206 280	216 747	(10 467)
Remeasurements of retirement benefit obligations net of tax	963	–	963
Balance at 1 April 2023	207 243	216 747	(9 504)
Remeasurements of retirement benefit obligations, net of tax	2 774	–	2 774
Balance at 31 March 2024	210 017	216 747	(6 730)

Nature and purpose of reserves

Fair value reserve

The fair value reserve relates to the revaluation of property and equipment immediately before its reclassification as investment property.

Foreign currency translation

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. Refer to note 1.6.1 for the accounting policy.

Actuarial reserve

The actuarial value reserve relates to decreases or increases in plan assets and plan liabilities due to changes in actuarial assumptions. Refer to note A.3 for the accounting policy for defined benefit plans.

G. Other continued

G.7. Deferred income

Deferred income consists of the following balances:

Group Figures in Rand thousand	March 2024	March 2023
Dube Trade Port rentals	**17 314**	18 690
Gautrain development	**4 253**	4 942
Cape Town Construction	**19 385**	20 377
Other	**2 915**	1 045
	43 867	45 054

Company Figures in Rand thousand	March 2024	March 2023
Dube Trade Port rentals	**17 314**	18 690
Gautrain development	**4 253**	4 942
Cape Town Construction	**19 385**	20 377
	40 952	44 009

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 and Company will comply with the conditions associated with the grant. Grants that compensate the Group and Company 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.

Government grants in relation to assets comprise the following:

- A grant of R35.1 million was received in the 2010 financial year. This grant was used for the construction of the road within the Cape Town International Airport precinct.
- Gautrain Development relates to a grant received by the Group in the 2009 financial year from the Gautrain operator relating to assets belonging to the Group located at the OR Tambo International Airport's central terminal building being used by the Gautrain operator.
- Rentals received in advance from Dube Trade Port for a portion of land leased adjacent to King Shaka International Airport.

G. Other continued

G.7. Deferred income continued

Group

The deferred income is allocated as follows:	March 2024	March 2023
Current	**5 973**	4 103
Non-current	**37 894**	40 951
	43 867	45 054

Company

The deferred income is allocated as follows:	March 2024	March 2023
Current	**3 058**	3 058
Non-current	**37 894**	40 951
	40 952	44 009

G.8 Provisions

	Group			Company		
Figures in Rand thousand	March 2024	March 2023	March 2022	March 2024	March 2023	March 2022
Non-current liabilities	**122 468**	113 262	104 793	**122 468**	113 262	104 793
Current liabilities	**161 902**	41 969	53 114	**159 462**	39 742	51 776
	284 370	155 231	157 907	**281 930**	153 004	156 569

Accounting policy

Provisions are recognised when the Group and Company have a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

The Group and Company provide for staff incentive bonuses. The provision for bonuses is payable within three months of finalisation of the audited Consolidated Annual Financial Statements. As such it is not present valued as the effect of the time value of money is not expected to be material.

Provisions are not recognised for future operating losses.

G. Other continued

G.8 Provisions continued

Levies on infrastructure projects, where these levies do not meet the probability criteria defined within IFRS are not provided for, but disclosed as contingent liabilities.

Figures in Rand thousand	Project terminations	Staff incentive bonus	Land rehabilitation	Environmental rehabilitation	Other provisions	Total
Reconciliation of provisions – Group						
Opening balance at 1 April 2022 – previously stated	17 875	1 338	–	24 271	396	43 880
Restatement – G.13	–	–	114 027	–	–	114 027
Opening balance at 1 April 2022 – restated	17 875	1 338	114 027	24 271	396	157 907
Additions	–	2 088	5 701	–	–	7 789
Utilised during the year	(12 979)	(1 200)	–	(1 960)	(25)	(16 164)
Unwinding of discount	–	–	3 532	2 167	–	5 699
Closing balance at 31 March 2023	4 896	2 226	123 260	24 478	371	155 231
Additions	–	117 686	6 181	–	79	123 946
Utilised during the year	(1)	–	–	(1 363)	–	(1 363)
Unwinding of discount	–	–	3 818	2 738	–	6 556
Closing balance at 31 March 2024	4 895	119 912	133 259	25 853	450	284 370

Figures in Rand thousand	Project terminations	Staff incentive bonus	Land rehabilitation	Environmental rehabilitation	Other provisions	Total
Reconciliation of provisions – Company						
Opening balance at 1 April 2022 – previously stated	17 875	–	–	24 271	395	42 541
Restatement – G.13	–	–	114 027	–	–	114 027
Opening balance at 1 April 2022 – restated	17 875	–	114 027	24 271	395	156 568
Additions	–	–	5 701	–	–	5 701
Utilised during the year	(12 979)	–	–	(1 960)	(25)	(14 964)
Unwinding of discount	–	–	3 532	2 167	–	5 699
Closing balance at 31 March 2023	4 896	–	123 260	24 478	370	153 004
Additions	–	117 472	6 181	–	80	123 733
Utilised during the year	(1)	–	–	(1 363)	–	(1 363)
Unwinding of discount	–	–	3 818	2 738	–	6 556
Closing balance at 31 March 2024	4 895	117 472	133 259	25 853	450	281 930

G. **Other** continued

G.8 **Provisions** continued

Rehabilitation provision

The Group is required to rehabilitate land on which there are bulk aircraft fuel storage facilities at the OR Tambo, King Shaka, Cape Town, and Chief Dawid Stuurman International Airports.

The extent of the site rehabilitation entails demolition and removal of equipment from the sites, followed by rehabilitation of the earth in the direct vicinity of the fuel infrastructure.

Because of the long-term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will be incurred.

The provision for environmental rehabilitation is based on the estimated rehabilitation costs for historical contamination of land caused by oil spillages, based on risk assessments on possible areas of contamination.

The cost estimate assumes that as part of the rehabilitation; there will be no need for the following:

- groundwater rehabilitation; and/or
- restoration of compromised aquifers; and/or
- rehabilitation of neighbouring land/businesses; and/or
- ongoing management of contamination plumes.

A discount rate of 10.98% was used to calculate the provision, which is the Group's weighted average cost of capital. Assumed fuel volumes have a significant effect on the amounts recognised. A five-percentage point change in assumed litres of fuel stored would increase the provision at 31 March 2024 by R6.7 million (March 2023: R6.2 million; March 2022: R5.7 million).

Environmental provision

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

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

Staff incentive bonus

This represents the planned employee incentive bonus payment, dependent on an assessment of profitability and cash flow position at the time of consideration of payment.

G.9. Taxation

Accounting policy

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

The Group and Company recognise provisions for tax based on objective estimates of the amount of taxes that may be due. Where the final tax determination is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions respectively, in the period in which such determination is made.

There may be transactions and calculations for which the ultimate tax determination has an element of uncertainty during the ordinary course of business. Uncertain tax positions, which do not meet the probability criteria defined within IFRS, are not provided for but are rather disclosed as contingent liabilities or assets as appropriate.

There are no income tax implications on dividends paid by the Company to its shareholders.

This is because all ACSA shareholders are exempt "beneficial owners" of the Company shares in terms of section 64F of the Income Tax Act.

G. Other continued

G.9. Taxation continued

Major components of the tax expense/(income)

Figures in Rand thousand	Group March 2024	Group March 2023	Company March 2024	Company March 2023
Current				
Current year	**126 414**	37 691	**125 990**	36 436
Tax effects of restatements	**–**	113 901	**–**	113 901
Prior period under provision**	**102 756**	11 964	**102 756**	11 964
Total current tax	**229 170**	163 556	**228 746**	162 301
Deferred				
Current year	**730 195**	71 105	**489 204**	116 415
Tax effects of restatements	**–**	(14 366)	**–**	(14 366)
Prior period under provision	**23 124**	89	**23 124**	89
Total deferred tax	**753 319**	56 828	**512 328**	102 138
Total	**982 489**	220 384	741 074	264 439

** *Mainly relates to additional tax on re-assessment of the 2018, 2019 and 2020 tax returns to which the Group has conceded. SARS disallowed allowances on certain capital assets.*

Tax rate reconciliation

Reconciliation between applicable tax rate and average effective tax rate.

Figures in %	Group March 2024	Group March 2023	Company March 2024	Company March 2023
Applicable tax rate	**27.00**	(27.00)	**27.00**	(27.00)
Non-taxable income[1]	**(1.04)**	0.26	**(0.90)**	(0.21)
Non-deductible expenses[2]	**16.47**	51.28	**16.10**	102.14
Under/(over) provision current tax	**7.06**	65.13	**7.05**	139.41
Under/(over) provision – deferred tax	**1.59**	0.04	**1.59**	0.07
Deferred tax asset not raised	**16.47**	–	**–**	–
Effective tax rate	**67.55**	89.71	**50.84**	214.41

[1] *Non-taxable income mainly comprise receipts and/or accruals of capital nature, reversal of provisions and fair value adjustment on investment property.*

[2] *Non-deductible expenses mainly comprise capital expenditure; fruitless and wasteful expenditure; interest on preference shares; provisions, and depreciation on fixed assets.*

G. Other continued

G.10. Related parties

Airports Company South Africa SOC Ltd is one of the 21 Schedule 2 major public entities in terms of the Public Finance Management Act (Act 1 of 1999 as amended) and reports to the Department of Transport. It therefore has a significant number of related parties including other state-owned entities, Government departments and all other entities within the national sphere of Government. In addition, the Company has a related party relationship with its subsidiaries, associates and with its directors and executive officers (key management). Unless specifically disclosed, these transactions are concluded on an arm's-length basis and entities within the Group are able to transact with each other.

Key management personnel have been defined as Airports Company South Africa's Board of directors and prescribed officers effective for 2024 and 2023. Non-executive directors are included in the definition of key management personnel as required by IFRS. The definition of key management includes the close family members of key management personnel and any entity over which key management exercises control or joint control. Close family members are those family members who may be expected to influence or be influenced by, that person in their dealings with the Group. They may include the person's domestic partner and children, the children of the person's domestic partner, and dependents of the person or the person's domestic partner.

Related party transactions

	Services rendered		Services received		Amounts due from		Amounts due to	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023	March 2024	March 2023	March 2024	March 2023
Major public entities	**314 088**	294 920	**269 853**	280 529	**230 662**	216 608	**2 932**	3 579
National Government business	**52 024**	1	**2 605**	–	**47 548**	–	**–**	16
Other national public entities*	**–**	–	**–**	–	**–**	–	**1 880**	1 794
Subsidiaries, associates, special purpose entities and joint ventures	**203 752**	98 308	**–**	–	**1 128 222**	1 095 465	**20 192**	20 192

* *These are Schedule 3 other public entities in terms of Public Finance Management Act.*

Related party transactions relating to subsidiaries, special purpose entities, joint ventures and associates were as follows:

Subsidiaries

	Services rendered		Services received		Amounts due from		Amounts due to	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023	March 2024	March 2023	March 2024	March 2023
JIA Piazza Park (Pty) Ltd	**112 993**	17 784	**–**	–	**–**	–	**–**	–
Precinct 2A (Pty) Ltd	**84 336**	78 109	**–**	–	**1 038 801**	1 005 938	**–**	–
ACSA Global (Pty) Ltd	**–**	–	**–**	–	**13 157**	13 020	**–**	–

G. Other continued

G.10. Related parties continued

Special purpose entities

Figures in Rand thousand	Services rendered March 2024	Services rendered March 2023	Services received March 2024	Services received March 2023	Amounts due from March 2024	Amounts due from March 2023	Amounts due to March 2024	Amounts due to March 2023
Airports Company South Africa Kagano Trust	–	–	–	–	18 246	18 246	–	–
Lexshell 342 Investment Holdings (Pty) Ltd	1 360	1 305	–	–	27 698	26 338	5 930	5 930
Airports Company Share Incentive Scheme Trust	–	–	–	–	–	–	13 574	13 574
ACSA Management Share Incentive Company (Pty) Ltd	–	–	–	–	30 320	30 158	688	688

Joint ventures

Figures in Rand thousand	Services rendered March 2024	Services rendered March 2023	Services received March 2024	Services received March 2023	Amounts due from March 2024	Amounts due from March 2023	Amounts due to March 2024	Amounts due to March 2023
Airport Logistics Property Holdings (Pty) Ltd	5 063	1 110	–	–	–	1 765	–	–
Total subsidiaries, associates, special purpose entities and joint ventures	**203 752**	98 308	**–**	–	**1 128 222**	1 095 465	**20 192**	20 192

In the 2022 financial year, the Company provided financial assistance to JIA Piazza Park (Pty) Ltd, in terms of section 45 of the Companies Act, in the form of rental relief of R65 million. In the 2023 financial year, relief was not provided. Instead, the lease was amended to fully variable based on a percentage of revenue.

Key management personnel

Executive directors

Figures in Rand thousand	Salary March 2024	Salary March 2023	Pension fund contributions March 2024	Pension fund contributions March 2023	Other benefits* March 2024	Other benefits* March 2023	Total March 2024	Total March 2023
N Mpofu	4 567	4 349	428	400	1 556	433	6 551	5 182
S Mthethwa[1]	490	3 152	51	299	525	413	1 066	3 864
L Mbotya[2]	1 133	–	100	–	–	–	1 233	–
L Mukhudwani[3]	812	–	76	–	672	–	1 560	–
	7 002	7 501	**655**	699	**2 753**	846	**10 410**	9 046

* *Other benefits comprise of ex-gratia bonuses and long service awards.*
[1] *Chief Financial Officer – resigned with effect from 31 May 2023*
[2] *Chief Financial Officer – appointed 1 December 2023*
[3] *Acting Chief Financial Officer 1 June 2023 to 30 November 2023*

G. Other continued

G.10. Related parties continued

Directors' fees

Figures in Rand thousand	March 2024	March 2023
S Nogxina	**879**	840
D Hlatshwayo	**727**	667
N Nokwe-Macamo[1]	**–**	613
Y Pillay	**630**	628
N Zikalala-Mvelase	**736**	781
K Esterhuizen[2]	**–**	402
G Victor[3]	**–**	467
K Badimo	**522**	590
N Siyotula	**740**	15
G Mancotywa	**656**	15
SR Sambo	**551**	15
A Khumalo	**687**	15
	6 128	5 048

[1] *Resigned 2 March 2023.*
[2] *Resigned 18 December 2022.*
[3] *Resigned 14 December 2022.*

Prescribed officers

	Salary		Pension fund contributions		Other benefits*		Severance		Total	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023	March 2024	March 2023	March 2024	March 2023	March 2024	March 2023
B Mbomvu[1]	**–**	149	**–**	21	**–**	12	**–**	4 315	**–**	4 497
M Mncwabe	**3 057**	2 877	**283**	265	**865**	289	**–**	–	**4 205**	3 431
S Ngwenya	**2 762**	2 586	**243**	228	**602**	136	**–**	–	**3 607**	2 950
R Shinners[2]	**–**	152	**–**	21	**–**	10	**–**	2 012	**–**	2 195
S Sibiya[3]	**508**	–	**47**	–	**289**	–	**–**	–	**844**	–
C Shilowa	**3 243**	3 037	**286**	268	**710**	174	**–**	–	**4 239**	3 479
L Langa	**2 633**	2 485	**242**	227	**719**	228	**–**	–	**3 594**	2 940
M Petros	**3 325**	3 114	**–**	–	**689**	150	**–**	–	**4 014**	3 264
L Sesoko[4]	**159**	–	**14**	–	**–**	–	**–**	–	**173**	–
T Dolomoney	**2 667**	2 574	**256**	260	**870**	468	**–**	–	**3 793**	3 302
L Less	**2 487**	2 260	**224**	210	**620**	272	**–**	–	**3 331**	2 742
	20 841	19 234	**1 595**	1 500	**5 364**	1 739	**–**	6 327	**27 800**	28 800

[1] *Group Executive Governance and Assurance – resigned with effect from 30 April 2022 under the voluntary severance programme.*
[2] *Group Executive Corporate Affairs – resigned with effect from 30 April 2022 under the voluntary severance programme.*
[3] *Acting Group Executive Commercial and Business Development 1 June 2023, 30 September 2023 and 10 October 2023 to 10 March 2024.*
[4] *Group Executive Commercial and Business Development – Appointed 11 March 2024.*

G. Other continued

G.11. Irregular, fruitless and wasteful expenditure

	Group		Company	
Figures in Rand thousand	March 2024	March 2023	March 2024	March 2023
Current year expenditure				
A. Irregular expenditure	**97 719**	59 086	**97 719**	58 327
B. Fruitless and wasteful expenditure	**114**	10 743	**114**	10 558
Total	**97 833**	69 829	**97 833**	68 885

Irregular, fruitless and wasteful expenditure framework has been disclosed in line with National Treasury's Compliance and Reporting.

G.12 Contingencies

Contingent liabilities

Levy agreements

The Company has signed levy agreements in respect of infrastructure projects relating to the City of Cape Town for R13 million. The obligation to pay these levies is contingent upon the city choosing to invoke its right in terms of the agreement.

Minority shareholders litigation

The minority shareholders, Oppressed ACSA Minority 1 (Pty) Ltd (formerly known as African Harvest Strategic Investments (Pty) Ltd) and Up-Front Investments 65 (Pty) Ltd, are currently litigating against Airports Company South Africa SOC Limited ("ACSA") in terms of section 163 (2) of the Companies Act of 2008. The minority shareholders allege that they are oppressed minority shareholders, and as such, the Government of South Africa represented by the Department of Transport and ACSA must purchase their shares after the determination of the value of ACSA by an independent expert valuator based on a valuation methodology they have prescribed.

On 11 April 2022, the Supreme Court of Appeal dismissed an appeal brought by the minority shareholders against the rescission of the court order dated 1 August 2017. The order of 1 August 2017 ordered ACSA and the minority shareholders to appoint a valuator for ACSA and for ACSA to purchase the minority shareholders, shares based on that valuation. The valuation was conducted by Riscura in 2018. The consequence of the dismissal of the appeal was that the valuation by Riscura was no longer applicable.

On 14 September 2023, the minorities revived the section 163 (2) application by filing a Further Supplementary Affidavit amplifying the allegations they had made against ACSA in the initial affidavit as to the basis of their oppression and changing the valuation methodology they had initially proposed. ACSA has filed its Answering Affidavit, and the minority shareholders are due to file their Replying Affidavit in September 2024, thereafter the matter will be set down for hearing.

Contingencies relating to interests in other entities

Aeroporto de Guarulhos Participações S.A.

The Group has an airport operator guarantee to the GRU concession amounting to BRL R151 million, R568 million, which is renewed annually by the concession. (2023: BRL R151 million, R459 million).

Uncertain tax exposures

There are several tax disputes ongoing in the Company. The most significant pertains to the disallowance of capital allowances in respect of commercial buildings and airport assets in terms of sections 13quin and 12F of the Income Tax Act No. 58 of 1962 respectively, for the 2018, 2019 and 2020 tax years. The Company is contesting the matter with the South African Revenue Service ("SARS"). Based on internal and external legal and technical advice obtained, the Group remains confident that it has a robust legal case to contest the exposure. The cumulative amount of the contested taxes, penalties and interest was R392 million at 31 March 2024.

G. Other continued

G.12 Contingencies continued

The financial impact of the uncertain tax position is as follows:

Figures in Rand thousand	Group and Company 2020 tax year	2019 tax year	2018 tax year
Additional taxes	76 594	49 714	43 049
Penalties	75 592	69 925	52 529
Interest	–	12 473	12 251
	152 186	**132 112**	**107 829**

G.13 Prior period errors

Effect on statement of financial position

Property, plant and equipment and depreciation and intangible assets

1. In the current year, the Group performed a review of the useful lives of the property, plant and equipment (mainly buildings, equipment and computer equipment). Based on the assessment, it was concluded that there was evidence available in the prior year that certain assets had incorrect useful lives allocated to them and therefore the assets were depreciating over a shorter period than they should have. The correction resulted in the reduction in depreciation for the financial year ended 31 March 2023, and previous financial periods, as indicated below.
2. Upon completion of capital projects, assets were transferred prematurely from work in progress to the relevant category (mainly computer equipment). As a result, the depreciation and accumulated depreciation were overstated. The 2023 and 2022 amounts have been restated to correct the error.
3. The Group is required to rehabilitate land on which there are bulk aircraft fuel storage facilities at the OR Tambo, King Shaka, Cape Town, and Chief Dawid Stuurman International Airports. Evidence of the obligation was available in the prior years and therefore the carrying amount of the Group's land and provisions were understated in the 2023 and 2022 financial year, as detailed below.
4. The Company discovered that some capital expenditure invoices had been erroneously duplicated. As a consequence, trade payables and property, plant and equipment were overstated.

Intangible assets

In the current year, the Group confirmed that there were intangible assets that were not transferred from work in progress to the relevant category, due to completion. As a result, amortisation and accumulated amortisation were understated. The 2023 and 2022 amounts have been restated as detailed below.

Provisions, Finance costs and Operating costs

The Group is required to rehabilitate land on which there are bulk aircraft fuel storage facilities at the OR Tambo, King Shaka, Cape Town, and Chief Dawid Stuurman International Airports. Evidence of the obligation was available in the prior years and therefore the carrying amount of the Group's land and provisions (and related costs) were understated in the 2023 and 2022 financial year, as detailed below. The extent of the site rehabilitation entails demolition and removal of equipment from the sites, followed by rehabilitation of the earth in the direct vicinity of the fuel infrastructure. The restatement resulted in increases in property, plant and equipment (Land), provisions, operating expenses (Other) and finance expense.

Current tax payable

As described in note G.12 – Contingencies, there are several tax disputes ongoing in the Company. The most significant pertains to the disallowance of capital allowances in respect of commercial buildings and airport assets in terms of sections 13quin and 12F of the Income Tax Act No. 58 of 1962 respectively, for the 2018, 2019 and 2020 tax years. In the previous financial year, the Company had received a suspension of payment from SARS. Payment was made in October 2023, and although the Company continues to object, the financial statements have been restated to reflect the years in which the additional assessments were levied by SARS. The restatement resulted in increases in penalties (Operating expenses), Current tax and finance expense.

Deferred tax liability

The tax effects of the restatement of the interest-bearing borrowings (refer below) resulted in the restatement of the deferred tax liability.

Interest-bearing borrowings

There was an error in the calculation of the inflation-linked bond, AIRL01, which resulted in an understatement of borrowings and interest expense. The correction has been made retrospectively.

Trade and other payables

The Company discovered that some capital expenditure invoices had been erroneously duplicated. As a consequence, trade payables and property, plant and equipment were overstated.

G. Other continued

G.13 Prior period errors continued

The following tables summarise the impact of the correction of these errors on the Group's financial statements:

Effect on statement of financial position

	Group		Company	
Figures in Rand thousand	**March 2023**	**March 2022**	**March 2023**	**March 2022**
Property, plant and equipment				
Previously stated	16 484 080	17 499 808	16 446 644	17 459 418
Restatement	200 543	192 223	200 543	192 223
Restated amount	16 684 623	17 692 031	16 647 187	17 651 641
Intangible assets				
Previously stated	104 249	70 806	104 237	70 783
Restatement	(13 501)	(2 525)	(13 474)	(2 525)
Restated amount	90 748	68 281	90 763	68 258
Provisions – Non-current liabilities				
Previously stated	–	–	–	–
Restatement	113 262	104 793	113 262	104 793
Restated amount	113 262	104 793	113 262	104 793
Provisions – Current liabilities				
Previously stated	31 971	43 880	29 744	42 542
Restatement	9 998	9 234	9 998	9 234
Restated amount	41 969	53 114	39 742	51 776
Current tax payable				

G. Other continued

G.13 Prior period errors continued

Effect on statement of financial position continued

	Group		Company	
Figures in Rand thousand	**March 2023**	**March 2022**	**March 2023**	**March 2022**
Previously stated	(43 796)	(89 790)	46 328	68 540
Restatement	275 937	–	(275 937)	–
Restated amount	232 141	(89 790)	(229 609)	68 540
Deferred tax liability				
Previously stated	737 838	608 775	1 319 935	1 203 075
Restatement	(31 485)	(17 119)	(31 485)	(17 119)
Restated amount	706 353	591 656	1 288 450	1 185 956
Interest-bearing borrowings – Non-current liabilities				
Previously stated	8 130 232	8 141 783	8 130 232	8 141 784
Restatement	116 612	63 404	116 612	63 404
Restated amount	8 246 844	8 205 187	8 246 844	8 205 188
Trade and other payables				
Previously stated	1 317 555	1 292 501	1 220 733	1 242 586
Restatement	(3 590)	–	(3 777)	(499)
Restated amount	1 313 965	1 292 501	1 216 956	1 242 087

G. Other continued

G.13 Prior period errors continued

Effect on statement of comprehensive income

	Group		Company	
Figures in Rand thousand	**March 2023**	**March 2022**	**March 2023**	**March 2022**
Finance costs				
Previously stated	(832 831)	(777 555)	(832 673)	(777 073)
Adjustment	(73 654)	–	(73 654)	(63 404)
Restated amount	(906 485)	(777 555)	(906 327)	(840 477)
Depreciation, amortisation and impairments				
Previously stated	(1 386 914)	(1 200 697)	(1 381 996)	(1 195 384)
Restatement	1 058	87 367	1 057	87 367
Restated amount	(1 385 856)	(1 113 330)	(1 380 939)	(1 108 017)
Operating expenses				
Previously stated	(2 240 841)	(2 026 017)	(2 068 551)	(1 961 313)
Restatement	(151 258)	(11 197)	(151 258)	(11 197)
Restated amount	(2 392 099)	(2 037 214)	(2 219 809)	(1 972 510)
Taxation				
Previously stated	(120 849)	533 943	(164 904)	428 572
Restatement	(99 535)	17 119	(99 535)	17 119
Restated amount	(220 384)	551 062	(264 439)	445 691
Retained Earnings				
Previously stated	17 568 751	17 711 230	17 405 274	17 469 652
Restatement	(293 691)	29 886	(294 001)	29 885
Restated amount	17 275 060	17 741 116	17 111 273	17 499 537