ANNUAL FINANCIAL STATEMENTS 2004

INDEX

FOR THE YEAR ENDED 31 MARCH 2004

The directors are responsible for the preparation, integrity and fair presentation of the financial statements of Airports Company South Africa Limited and its subsidiaries. The financial statements presented on pages 52 to 73 have been prepared in accordance with Statements of Generally Accepted Accounting Practice in South Africa, and include amounts based on judgments and estimates made by management. The Directors also confirm the other information included in the annual report and are responsible for both its accuracy and its consistency with the financial statements.

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

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

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

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

The financial statements have been audited by the independent auditing firms, KPMG Inc and SAB&T Inc, which were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Directors and committees of the Board. The Directors believe that all representations made to the independent auditors during their audit are valid and appropriate. KPMG Inc and SAB&T Inc audit report is presented on page 51.

The financial statements were approved by the Board of Directors on 29 June 2004 and are signed on its behalf.

T R A Oliphant
Chairman

M W Hlahla
Managing Director

Certificate by Company Secretary

FOR THE YEAR ENDED 31 MARCH 2004

In my opinion as Company Secretary, I hereby confirm, in terms of the Companies Act, 1973, that for the year ended 31 March 2004, the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

M R Wiswe
Company Secretary

AT 31 MARCH 2004

Information presented in terms of Section 55(2) of the Public Finance Management Act, No. 1 of 1999.

Section 55 (2)(a)

The annual financial statements for the year ended 31 March 2004 fairly present the state of affairs of Airports Company South Africa Limited (ACSA), its business, its financial results and its financial position as at 31 March 2004, as confirmed by the reference to the following:

The business of ACSA

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

The performance of ACSA against predetermined objectives:

Financial performance
- The Company exceeded its budgeted profit for the year, after excluding the exceptional item adjustment of R127,1 million.

Capital expenditure
- The Company did not spend its entire capital expenditure budget during the year due to uncertainty regarding the regulatory framework that arose during the year under review.

Infrastructure
- The following major developments took place:

Johannesburg International Airport
- Completion of Charlie Apron in June 2003
- Completion of Domtex Pier is scheduled for completion during May 2004
- Completion of Super South Gate in November 2003
- Completion of 03L/21R Runway overlay in February 2004

Cape Town International Airport
- Interim domestic terminal upgrade completed
- Work commenced on the apron expansion

Port Elizabeth Airport
- Work scheduled for completion on the new terminal for April 2004

Procurement
- As part of its Procurement policies ACSA supports small, medium and micro enterprises and large black businesses by the procurement and supply of goods and services from black businesses, thereby contributing to BEE. An amount of R306m was spent in this regard, against a target of R331 million, all amounts exclusive of value added tax (VAT).
- The Company procured 47% of its targeted 50% in supplies from BEE companies.
- 46% of ACSA's spend was procured from BEE companies
- 56% spent on consultants were made to BEE companies (inclusive of spend to organs of state)

Employment equity
- By year-end the Company exceeded its employment equity target of 50% at executive & management level.

Service levels
- Independent customer service assessments indicate that ACSA's service levels as assessed by passengers, airlines and other airport stakeholders are good.

Section 55 (2)(b)

(i) Particulars of material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year:

There were no such instances.

(ii) Particulars of any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure:

There were no such instances.

(iii) Particulars of any losses recovered or written off:

No losses were recovered or written off other than in the ordinary course of business, none of which was material.

During the year, the investment in OSI Airport Systems (Pty) Ltd has been written down as management considered this investment to be impaired.

(iv) Particulars of any financial assistance received from the State and commitments made by the State on behalf of ACSA:

No such financial assistance was received.

Section 55 (2)(c)

The financial results and financial position of the subsidiaries has been included in the consolidated annual financial statements of ACSA set out on pages 52 to 73.

TO THE MINISTER OF TRANSPORT AND OTHER STAKEHOLDERS
OF AIRPORTS COMPANY SOUTH AFRICA LIMITED

FOR THE YEAR ENDED 31 MARCH 2004

We have audited the annual financial statements and Group annual financial statements of Airports Company South Africa Limited that are set out on pages 52 to 73 and the performance information set out on page 50 for the year ended 31 March 2004. These financial statements are the responsibility of the directors of the Company. Our responsibility is to express an opinion on these financial statements based on our audit and to express an opinion on whether the performance information furnished in terms of section 55(2)(a) of the Public Finance Management Act (Act 1 of 1999), is fair in all material respects.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. The audit was also planned and performed to obtain reasonable assurance that our duties in terms of section 60 and 61 of the Public Finance Management Act 1999 (Act 1 of 1999), have been complied with. An audit includes:

- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.
- Assessing the accounting principles used and significant estimates made by management.
- Evaluating the overall financial statement presentation.

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

Audit opinion

In our opinion:

- The financial statements fairly present, in all material respects, the financial position of the Company and the Group at 31 March 2004, and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act in South Africa and other reporting requirements as set out in the Public Finance Management Act, 1999.
- The performance information furnished in terms of Section 55 (2) (a) of the Public Finance Management Act, 1999, fairly presents, in all material respects, its performance for the year ended at 31 March 2004 against predetermined objectives, as set out on page 50 on a basis consistent with that of the previous year.
- The transactions of Airports Company South Africa Limited which were examined during the course of our audit were in all material respects, in accordance with the mandatory functions of Airports Company South Africa Limited as determined by law or otherwise.

KPMG Inc

KPMG Inc
Chartered Accountants (SA)
Registered Accountants and Auditors
Parktown
29 June 2004

SABꝸT inc.

SAB&T Inc
Chartered Accountants (SA)
Registered Accountants and Auditors
Centurion
29 June 2004

FOR THE YEAR ENDED 31 MARCH 2004

The Directors present their eleventh annual report, which forms part of the audited financial statements of the Company and the Group for the year ended 31 March 2004.

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

Nature of business

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

Review of operations

Revenue for the Group amounted to R1 865 million (2003: R1 589 million) including non-aeronautical revenue of R1 007,7 million (2003: R842,3 million).

Profit before taxation for the Group amounted to R715,5 million (2003: R879,5 million).

The net profit for the year for the Group was R471,6 million (2003: R660,7 million) after making provision for taxation of R242,9 million (2003: R217,5 million). The net profit for 2004 was after taking into account an exceptional item of R127,1 million for a provision for a correction factor relating to 2002/2003.

During the year R473 million (2003: R870 million) was spent on capital expenditure for improvements, expansions and replacements.

Dividends

It is the Group's intention to maintain a sustainable growth in dividends and there is a need to be prudent in the management of funds based on capital expenditure requirements necessitating the retention of a portion of after-tax profits. The Group strives to secure a sound long-term growth of shareholders' investment.

The ordinary dividend proposed amounts to R360 million (2003: R330 million), which has not been raised as a liability at 31 March 2004 in accordance with South African Statements of Generally Accepted Accounting Practice.

Share capital

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

Going concern

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

Events subsequent to balance sheet date

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

After the year end the Company entered into a tripartite agreement in order to appoint an independent consultant to determine the quantum and methodology of calculating the correction factor. At year end a provision of R127,1 million was accounted for.

Subsidiaries and joint ventures

The following information relates to the Company's financial interests in its subsidiaries and joint ventures. The nature of the subsidiaries businesses is information technology, airport management and hotel operations.
Details of the holding company's interest in the subsidiaries are set out below:

	Issued share capital	% Holding		Cost of shares		Loans to/(from) less provisions		After tax profit/(loss)	
		2004	2003	**2004**	2003	**2004**	2003	**2004**	2003
	R	%	%	R'000	R'000	R'000	R'000	R'000	R'000
OSI Airport Systems (Pty) Ltd	1 000	51	51	–	1 700	3 000	3 500	1 969	2 526
Pilanesberg International Airport (Pty) Ltd	1 000	100	100	1	1	936	698	(2 494)	(2 629)
Precinct 2A (Pty) Ltd *	1	100	100	–	–	–	–	–	–
JIA Piazza Park (Pty) Ltd	100	100	100	–	–	9 489	15 481	(3 352)	3 220
Guardrisk Life Ltd (cell captive)	20	100	–	100	–	–	–	13 104	–
				101	1 701	13 425	19 679	9 227	3 117

* Dormant

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

Details of the assets, liabilities, revenues and expenses of the joint venture that are included in the consolidated income statement and balance sheets are set out in note 4 of the annual financial statements.

The investment in OSI Airport Systems (Pty) Ltd has been written down during the year under review as management has considered this investment to be impaired.

The Company acquired 100% shareholding in a cell captive with Guardrisk Life Limited in September 2003 to fund its obligation arising from 2002 whereby the Company agreed to increase the minimum pension payout to employees from R1 200 to R1 500.

Ordinary shareholding analysis

Listed below is an analysis of holdings extracted from the register of ordinary shareholders at 31 March 2004:

	Number of shares	% of share capital
SA Government – Minister of Transport	372 994 884	74,60
ADR International Airports SA (Pty) Ltd	100 000 000	20,00
Staff Share Incentive Schemes	5 962 452	1,19
Empowerment Investors		
G10 Investments (Pty) Ltd	6 042 664	1,21
Eighty One Main Street Nominees Ltd (South African Empowerment Fund)	6 000 000	1,20
Other	9 000 000	1,80
	500 000 000	100,00

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

ADR International Airports SA (Pty) Ltd has an option until 31 December 2004 to take up a further 10% of ACSA's issued share capital.

Directors and secretary

Details of the directors and secretary of the Company are given on page 79 of this annual report.

Interests of directors and officers

During the financial year, no contracts were entered into in which directors and officers of the Company had an interest and which significantly affected the business of the Group. The Directors had no interest in any third party or company responsible for managing any of the business activities of the Group. The emoluments of Directors are determined by the Group Remuneration Committee. No long term service contracts exist between directors and the Company.

Auditors

SAB&T Inc & KPMG Inc will continue in office in accordance with Section 270 (2) of the Companies Act.
In terms of rotation, KPMG Inc was appointed at the AGM of 4 September 2003.

AT 31 MARCH 2004		GROUP		COMPANY	
		2004	2003	**2004**	2003
	Note	**R'000**	R'000	**R'000**	R'000
ASSETS					
Non-current assets					
Vehicles and equipment	1	**628 168**	559 181	**613 504**	533 447
Land and buildings	2	**3 131 873**	2 951 440	**3 126 031**	2 951 440
Interest in subsidiaries	3	**–**	–	**13 525**	21 379
Interest in joint venture	4	**2 304**	2 555	**–**	–
Investments	5	**13 236**	–	**–**	–
Intangible assets	6	**1 828**	4 334	**–**	–
Non-current receivables	7	**43 949**	55 897	**43 949**	55 897
Deferred taxation	8	**5 077**	–	**4 979**	–
Deferred expenditure	9	**–**	12 658	**–**	12 658
		3 826 435	3 586 065	**3 801 988**	3 574 821
Current assets					
Inventories	10	**1 381**	767	**1 224**	606
Taxation prepaid		**–**	4 034	**–**	4 034
Receivables and prepayments	11	**238 182**	212 301	**228 611**	206 935
Deferred expenditure	9	**12 658**	15 703	**12 658**	15 703
Cash and cash equivalents	12	**2 668**	6 405	**–**	–
		254 889	239 210	**242 493**	227 278
TOTAL ASSETS		**4 081 324**	3 825 275	**4 044 481**	3 802 099
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and premium	13	**750 000**	750 000	**750 000**	750 000
Non distributable reserves	14	**12 720**	213	**–**	–
Retained earnings		**2 280 549**	2 152 007	**2 276 350**	2 150 682
		3 043 269	2 902 220	**3 026 350**	2 900 682
Debentures	15	**6 000**	6 000	**–**	–
Minority interest		**3 196**	2 952	**–**	–
Total shareholders' interest		**3 052 465**	2 911 172	**3 026 350**	2 900 682
Non-current liabilities					
Long term borrowings	16	**99 152**	197 402	**96 966**	195 041
Deferred taxation	8	**–**	11 171	**–**	11 909
Retirement benefit obligations	17	**23 333**	43 115	**23 333**	43 115
Deferred revenue	18	**3 813**	6 027	**3 813**	6 027
		126 298	257 715	**124 112**	256 092
Current liabilities					
Trade and other payables	19	**530 952**	393 856	**522 671**	383 653
Bank overdraft	12	**266 650**	170 538	**266 650**	170 536
Current tax liabilities		**4 669**	858	**4 408**	–
Current portion of long-term borrowings	16	**98 076**	88 544	**98 076**	88 544
Deferred revenue	18	**2 214**	2 592	**2 214**	2 592
		902 561	656 388	**894 019**	645 325
TOTAL LIABILITIES		**1 028 859**	914 103	**1 018 131**	901 417
TOTAL EQUITY AND LIABILITIES		**4 081 324**	3 825 275	**4 044 481**	3 802 099

FOR THE YEAR ENDED 31 MARCH 2004		GROUP		COMPANY	
	Note	**2004 R'000**	2003 R'000	**2004 R'000**	2003 R'000
Revenue	20	**1 864 883**	1 588 866	**1 797 489**	1 535 236
Other operating income		**8 680**	6 272	**6 105**	4 606
Operating expenses		**(971 228)**	(835 553)	**(922 161)**	(789 047)
Operating profit	21	**902 335**	759 585	**881 433**	750 795
Exceptional items	22	**(127 100)**	118 548	**(127 100)**	118 548
Finance (costs)/income	23	**(59 686)**	1 376	**(56 967)**	5 240
Profit before tax		**715 549**	879 509	**697 366**	874 583
Taxation	24	**(242 954)**	(217 551)	**(241 698)**	(215 794)
Profit after tax		**472 595**	661 958	**455 668**	658 789
Minority interest		**(965)**	(1 238)	**–**	–
Net profit for the year		**471 630**	660 720	**455 668**	658 789
Earnings per share(cents)	25	**94.33**	132.14		
Headline earnings per share(cents)	25	**94.33**	108.43		
Dividends per share(cents)		**66.00**	32.00		

FOR THE YEAR ENDED 31 MARCH 2004	Note	Share capital R'000	Share premium R'000	Retained earnings R'000	Non-distributable reserves R'000	Total R'000
GROUP						
Balance at 1 April 2002		500 000	250 000	1 651 287	–	2 401 287
Net profit		–	–	660 720	–	660 720
Dividend paid		–	–	(160 000)	–	(160 000)
Translation reserve adjustment		–	–	–	213	213
Balance at 31 March 2003		**500 000**	**250 000**	**2 152 007**	**213**	**2 902 220**
Balance at 1 April 2003		500 000	250 000	2 152 007	213	2 902 220
Net profit		–	–	471 630	–	471 630
Transfer between reserves	14	–	–	(13 088)	13 088	–
Dividend paid		–	–	(330 000)	–	(330 000)
Translation reserve adjustment		–	–	–	(581)	(581)
Balance at 31 March 2004		**500 000**	**250 000**	**2 280 549**	**12 720**	**3 043 269**

FOR THE YEAR ENDED 31 MARCH 2004	Share capital R'000	Share premium R'000	Retained earnings R'000	Non-distributable reserves R'000	Total R'000
COMPANY					
Balance at 1 April 2002	500 000	250 000	1 651 893	–	2 401 893
Net profit	–	–	658 789	–	658 789
Dividend paid	–	–	(160 000)	–	(160 000)
Balance at 31 March 2003	**500 000**	**250 000**	**2 150 682**	**–**	**2 900 682**
Balance at 1 April 2003	500 000	250 000	2 150 682	–	2 900 682
Net profit	–	–	455 668	–	455 668
Dividend paid	–	–	(330 000)	–	(330 000)
Balance at 31 March 2004	**500 000**	**250 000**	**2 276 350**	**–**	**3 026 350**

FOR THE YEAR ENDED 31 MARCH 2004		GROUP		COMPANY	
	Note	**2004 R'000**	2003 R'000	**2004 R'000**	2003 R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		**1 722 830**	1 596 810	**1 679 851**	1 525 455
Cash paid to suppliers and employees		**(623 081)**	(599 511)	**(595 979)**	(546 554)
Cash generated from operations	30	**1 099 749**	997 299	**1 083 872**	978 901
Interest received		**22 244**	14 516	**21 779**	14 147
Interest paid less capitalised		**(100 950)**	(25 084)	**(98 149)**	(20 851)
Dividends received		**19 020**	11 944	**19 403**	11 944
Dividend paid		**(330 000)**	(160 000)	**(330 000)**	(160 000)
Dividend paid to minority shareholders		**(368)**	(345)	**–**	–
Taxation paid	30	**(251 357)**	(224 160)	**(250 144)**	(222 699)
Net cash inflow from operating activities		**458 338**	614 170	**446 761**	601 442
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in investments		**(13 236)**	–	**(100)**	–
Movement in Joint Venture		**(518)**	(1 054)	**–**	–
Proceeds on disposal of vehicles, equipment and land and buildings		**4 933**	151 288	**4 476**	150 840
Proceeds on disposal of intangible assets		**866**	–	**–**	–
Decrease/(Increase) in non-current receivables		**11 948**	(21 937)	**11 948**	(21 937)
Receipts from subsidiaries		**–**	–	**408**	5 933
Additions to vehicles, equipment and land and buildings		**(473 462)**	(870 046)	**(471 064)**	(868 433)
Net cash outflow from investing activities		**(469 469)**	(741 749)	**(454 332)**	(733 597)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of long-term borrowings		**(88 718)**	(81 149)	**(88 543)**	(80 125)
Net cash outflow from financing activities		**(88 718)**	(81 149)	**(88 543)**	(80 125)
Net decrease in cash and cash equivalents		**(99 849)**	(208 728)	**(96 114)**	(212 280)
Cash and cash equivalents at beginning of year		**(164 133)**	44 595	**(170 536)**	41 744
Cash and cash equivalents at end of year	12	**(263 982)**	(164 133)	**(266 650)**	(170 536)

FOR THE YEAR ENDED 31 MARCH 2004

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and are consistent with those of the previous year, except as stated in note 31 below:

Basis of preparation

The consolidated financial statements are prepared in accordance with and comply with Statements of Generally Accepted Accounting Practice and the requirements of the South African Companies Act and the requirements of the Public Finance Management Act. The consolidated financial statements are prepared under the historical cost convention, except for financial instruments which are carried at fair value.

Consolidation

Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are not consolidated from the date of disposal. The Group financial statements incorporate the assets, liabilities and results of the operations of the Company and its subsidiaries. All inter-company transactions, balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

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

Foreign currencies

Income statements of foreign entities are translated into the Group's reporting currency at average exchange rates for the year and the balance sheets are translated at the year-end exchange rates ruling on 31 March. Exchange differences arising from the translation of the net investment in foreign subsidiaries are taken to "Translation reserve" in shareholders' equity. On disposal of the foreign entity, such translation differences are recognised in the income statement as part of the gain or loss of sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Foreign currency transactions in Group companies are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Such balances are translated at year-end exchange rates.

Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, trade creditors, leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as follows:

Investments

Unlisted investments are shown at fair value, unless their fair value cannot be reliably determined, in which case they are shown at cost less accumulated depreciation.

Cash and cash equivalents

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

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments are included in net profit or loss in the period in which the change arises.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company is also party to financial instruments that reduce exposure to fluctuations in foreign currency exchange rates. These instruments, which mainly comprise foreign currency forward contracts, are not recognised in the financial statements on inception. The purpose of these instruments is to reduce risk.

Disclosure about financial instruments to which the Group is a party are provided in note 27 to the annual financial statements.

Inventories

Inventory is valued at the lower of cost and net realisable value. Cost is determined by using the first in first out method. Adequate provision is made for all slow moving and obsolete stock.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisition is reported on the balance sheet as an intangible asset and is amortised using the straight line method over its estimated useful life which is 20 years.

The carrying amount of goodwill is reviewed annually and written down for permanent impairment where it is considered necessary.

Joint venture

The Group's interest in a jointly controlled entity is accounted for by proportionate consolidation. Under this method, the Group includes its share of the joint venture's individual income and expenses, assets and liabilities, in the relevant components of the financial statements on a line-by-line basis. Further details about the joint venture are shown in note 4 to the annual financial statements.

Adjustments are made to bring the accounting policies of jointly controlled entities in line with those of the Group, where appropriate.

Vehicles and equipment

All vehicles and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over its estimated useful life as follows:

• Equipment	3-12 years
• Motor vehicles	4 years

Capital work in progress is not depreciated until such time as the asset is brought into use.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use. In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years.

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

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

Subsequent expenditure relating to an item of vehicles and equipment is capitalised to the extent that it improves the condition of the asset beyond its originally assessed standard of performance. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Accounting for leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charges is charged to the income statement over the lease period. Property and equipment acquired under finance leasing contracts are depreciated over the useful life of the assets.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged against income on a straight line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Land and buildings

Buildings are carried at depreciated cost. Depreciation is calculated on the straight line method to write off the cost of each property to their residual values over their estimated useful lives of 50 years. Land is not depreciated as it is deemed to have an indefinite life.

Intangible assets

Intangible assets acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

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

Amortisation is charged to the income statement on a straight line basis over the estimated useful lives of intangible assets.

The difference between the net disposal proceeds and the carrying amount of an intangible asset is the gain or loss on disposal of that asset. These gains and losses are recognised in income.

Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and investments in money market instruments, net of bank overdraft.

Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to annual leave and long service leave are recognised on accrual to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

Pension and other post – employment obligations
The Group's contribution to the defined contribution pension plans and medical-aid schemes are charged to the income statement in the year to which they relate.

The expected costs of post-employment medical benefits are accrued over the period of employment. Any liability for post-employment medical benefits arising from past service is recognised with effect from 1st April 2000 over five years in terms of AC116 revised. Valuations of these obligations are carried out by independent qualified actuaries.

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

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

Retirement benefits
The Company and its subsidiaries contribute to defined contribution plans.

Tax
Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the balance sheet date, and any adjustments of tax payable for previous years.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on a deferred tax of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Revenue recognition
Revenue is recognised upon delivery of products and customer acceptance, if any, or performance of services, net of value added taxes and discounts, and after eliminating sales within the Group.

Other revenues earned by the Group are recognised on the following basis:
• Interest income: as it accrues unless collectability is in doubt
• Dividend income: when the shareholders' right to receive payment is established.

Comparative figures
Where necessary comparative figures have been reclassified.

FOR THE YEAR ENDED 31 MARCH 2004	GROUP		COMPANY	
	2004 R'000	2003 R'000	**2004 R'000**	2003 R'000
1 VEHICLES AND EQUIPMENT				
Cost				
Equipment	**556 496**	485 190	**527 442**	450 167
Owned	**481 079**	408 668	**452 097**	373 645
Leased	**75 417**	76 522	**75 345**	76 522
Vehicles	**52 084**	51 449	**51 891**	51 349
Capital work in progress	**325 578**	240 911	**325 221**	240 911
	934 158	777 550	**904 554**	742 427
Accumulated depreciation				
Equipment	**266 625**	181 454	**251 748**	172 090
Owned	**219 537**	145 349	**204 663**	135 985
Leased	**47 088**	36 105	**47 085**	36 105
Vehicles	**39 365**	36 915	**39 302**	36 890
	305 990	218 369	**291 050**	208 980
Book value				
Equipment	**289 871**	303 736	**275 694**	278 077
Owned	**261 542**	263 319	**247 434**	237 660
Leased	**28 329**	40 417	**28 260**	40 417
Vehicles	**12 719**	14 534	**12 589**	14 459
Capital work in progress	**325 578**	240 911	**325 221**	240 911
	628 168	559 181	**613 504**	533 447
Movement for the year				
Book value at beginning of year	**559 181**	834 179	**533 447**	803 259
Additions/reclassification	**163 300**	(183 697)	**167 031**	(186 134)
Equipment				
Owned	**77 359**	130 709	**81 052**	128 272
Leased	**71**	–	–	–
Vehicles	**1 763**	3 947	**1 668**	3 947
Capital work in progress	**84 107**	(318 353)	**84 311**	(318 353)
Disposals	**1 430**	28 930	**965**	25 852
Equipment				
Owned	**1 108**	27 731	**643**	25 430
Leased	**322**	809	**322**	32
Vehicles	–	390	–	390
Depreciation	**92 883**	62 371	**86 009**	57 826
Equipment				
Owned	**77 467**	44 062	**70 635**	39 537
Leased	**11 839**	14 440	**11 835**	14 440
Vehicles	**3 577**	3 869	**3 539**	3 849
Book value at end of year	**628 168**	559 181	**613 504**	533 447

*Leased assets are secured for the instalment sale agreement as per note 16.

FOR THE YEAR ENDED 31 MARCH 2004	GROUP		COMPANY	
	2004 R'000	2003 R'000	**2004 R'000**	2003 R'000
2 LAND AND BUILDINGS				
Cost				
Property	**2 005 045**	1 969 908	**2 005 045**	1 969 908
Leasehold Improvements	**825**	825	**825**	825
Equipment	**1 688 914**	1 414 866	**1 681 849**	1 414 866
Owned	**1 549 752**	1 276 450	**1 542 687**	1 276 450
Leasehold Improvements	**13 333**	13 333	**13 333**	13 333
Leased	**125 829**	125 083	**125 829**	125 083
	3 694 784	3 385 599	**3 687 719**	3 385 599
Accumulated depreciation				
Property	**173 835**	134 917	**173 835**	134 917
Leasehold Improvements	**66**	33	**66**	33
Equipment	**389 010**	299 209	**387 787**	299 209
Owned	**320 424**	250 475	**319 201**	250 475
Leasehold Improvements	**3 854**	2 986	**3 854**	2 986
Leased	**64 732**	45 748	**64 732**	45 748
	562 911	434 159	**561 688**	434 159
Book value				
Property	**1 831 210**	1 834 991	**1 831 210**	1 834 991
Leasehold Improvements	**759**	792	**759**	792
Equipment	**1 299 904**	1 115 657	**1 294 062**	1 115 657
Owned	**1 229 328**	1 025 975	**1 223 486**	1 025 975
Leasehold Improvements	**9 479**	10 347	**9 479**	10 347
Leased	**61 097**	79 335	**61 097**	79 335
	3 131 873	2 951 440	**3 126 031**	2 951 440
Movement for the year				
Book value at beginning of the year	**2 951 440**	1 993 578	**2 951 440**	1 993 578
Additions/reclassifications	**310 162**	1 057 443	**304 033**	1 057 443
Property	**35 653**	527 912	**35 653**	527 912
Equipment				
Owned	**274 187**	529 531	**268 058**	529 531
Leased	**322**	–	**322**	–
Disposals	**892**	5 030	**892**	5 030
Property	**487**	3 252	**487**	3 252
Equipment				
Owned	**257**	1 720	**257**	1 720
Leased	**148**	58	**148**	58
Depreciation	**128 837**	94 551	**128 551**	94 551
Property	**38 948**	26 715	**38 948**	26 715
Leasehold Improvements	**33**	33	**33**	33
Equipment				
Owned	**70 576**	48 649	**70 290**	48 649
Leasehold Improvements	**868**	868	**868**	868
Leased	**18 412**	18 286	**18 412**	18 286
Book value at end of year	**3 131 873**	2 951 440	**3 126 031**	2 951 440

2 LAND AND BUILDINGS (continued)

Details of the fixed properties are recorded in a register which may be inspected by the members or their duly authorised agents at the Company's registered office.

The registration of ownership of assets has been substantially completed at year-end. In accordance with section 6(6) of the Airports Company Act, the Company became the owner of these assets on vesting date irrespective of the date of registration of ownership.

The Company's land and buildings consist of land, buildings and equipment including runway systems, air corridors and other related equipment. The fair value of the investment properties cannot be accurately determined due to their nature and as there is no active market for similar properties. The discounted cash flow method of determining fair value is also considered inappropriate as a significant portion of the investment properties relate to those used in airport management and this income stream cannot be determined reliably due to the tariffs being determined by the Regulating Committee.

The Company has entered into limited recourse loan agreements with Nedcor Investment Bank Limited ("Nedcor") and the lease has been ceded to Nedcor. The substance of the loan agreement is that Nedcor would only have recourse to the Company should the Company receive lease payments but do not pay those amounts to Nedcor. As the Company will only incure a legal obligation to Nedcor if the circumstances set out above arise and substantially all the economic benefits from the property will accrue to Nedcor until the loan has been fully paid the asset and liability are not recognised in the financial statements. The fair value of the building which was previously constructed was R57 million (2003: R38,5 million) and the amount owing to Nedcor at 31 March 2004 was R31,1 million (2003: R27,6 million).

Encumbrances

Capitalised leased assets are encumbered in respect of the capitalised lease liability. Assets with a book value of R89,4 million (2003: R119,8 million) are encumbered in terms of the lease agreement.

	GROUP		COMPANY	
	2004 R'000	2003 R'000	**2004 R'000**	2003 R'000
3 INTEREST IN SUBSIDIARIES				
Shares at cost			**1 801**	1 701
Less write down in value of shares			**(1 701)**	–
Indebtedness:				
Owing by subsidiaries (interest bearing)*			**17 515**	20 155
Owing by subsidiaries (interest free)*			**11 787**	9 055
Owing by subsidiaries (interest free)**			**3 000**	3 500
Less provisions			**(18 877)**	(13 032)
			13 525	21 379

* The above loans are unsecured

The Company has subordinated loans to the extent of losses incurred until such time that the fair value of the assets exceed the fair value of the liabilities.

Where indicated, the loan is subject to an interest charge of 9,78% per annum with half yearly terms of repayment

** The loan is unsecured, interest free and is repayable over 10 years in equal annual installments of R500 000

AT 31 MARCH 2004	GROUP 2004 R'000	GROUP 2003 R'000	COMPANY 2004 R'000	COMPANY 2003 R'000
4 INTEREST IN JOINT VENTURE				
e.Airports Limited				
Indebtness	**804**	805	**–**	–
Indebtness in respect of intellectual property	**1 500**	1 750	**–**	–
	2 304	2 555	**–**	–
The Group has a 50% interest in a joint venture, e.Airports Limited, which provides airports systems and services to the airport industry worldwide. The following amounts represent the Group's share of the assets and liabilities and revenue and expenses of the joint venture and are included in the consolidated balance sheet and income statement.				
Property, plant and equipment	**167**	230		
Intangible assets	**1 828**	2 372		
Deferred tax debit balances	**19**	166		
Current assets	**3 005**	4 560		
	5 019	7 328		
Non-interest bearing borrowings	**686**	861		
Provisions for liabilities and charges	**3 209**	4 365		
	3 895	5 226		
Net assets	**1 124**	2 102		
Profit before tax	**159**	1 574		
Income taxes	**(203)**	(523)		
(Loss)/Profit after tax	**(44)**	1 051		
Operating cash flows	**(406)**	1 638		
Investing cash flows	**(116)**	404		
Effects of exchange rate changes	**(934)**	(989)		
Total cash flows	**(1 456)**	1 053		
5 INVESTMENTS				
Old Mutual Asset Managers Absolute Return Fund	**13 236**	–	**–**	–
The market value of the above fund as at 31 March 2004 is R13,2 million				
6 INTANGIBLE ASSETS				
Goodwill				
Opening carrying amount	**1 095**	1 173	**–**	–
Amortisation charge	**(1 095)**	(78)	**–**	–
Closing carrying amount	**–**	1 095	**–**	–
Intellectual property				
Opening carrying amount	**3 239**	–	**–**	–
Additions	**–**	3 984	**–**	–
Disposals	**(866)**	–	**–**	–
Amortisation charge	**(332)**	(379)	**–**	–
Translation difference to translation reserve	**(213)**	(366)	**–**	–
	1 828	3 239	**–**	–
Total	**1 828**	4 334	**–**	–
Cost	**3 255**	4 791	**–**	–
Accumulated depreciation	**(1 427)**	(457)	**–**	–
Carrying amount	**1 828**	4 334	**–**	–

FOR THE YEAR ENDED 31 MARCH 2004	GROUP		COMPANY	
	2004 R'000	2003 R'000	**2004 R'000**	2003 R'000
7 NON-CURRENT RECEIVABLES				
Loans to finance employee share participation schemes				
– Airports Management Share Scheme Company (Pty) Ltd (interest bearing)	**30 098**	30 098	**30 098**	30 098
– Lexshell 342 Investment Holdings (Pty) Ltd (interest free)	**13 851**	13 851	**13 851**	13 851
	43 949	43 949	**43 949**	43 949
The loans are unsecured and have no fixed terms of repayment				
Lease debtor – non-current portion	**–**	11 948	**–**	11 948
Total non-current receivables	**43 949**	55 897	**43 949**	55 897
The fair value of the loans is equal to the cost.				
Future minimum installment receipts				
Year 1	**13 055**	13 055	**13 055**	13 055
Year 2 to 5	**–**	13 055	**–**	13 055
	13 055	26 110	**13 055**	26 110
8 DEFERRED TAXATION				
Balance at beginning of the year	**11 171**	24 953	**11 909**	26 361
Movements during the year:				
Timing differences	**(16 248)**	(13 782)	**(16 888)**	(14 452)
Balance at end of year	**(5 077)**	11 171	**(4 979)**	11 909
Deferred taxation comprises:				
Deferred tax assets				
Provisions	**(58 618)**	(26 225)	**(58 618)**	(26 225)
Bad debts provision	**(1 435)**	(1 507)	**(1 435)**	(1 507)
Other	**(686)**	(865)	**(686)**	(375)
Deferred tax liabilities				
Capital allowances	**38 862**	20 027	**38 960**	20 275
Leased assets	**7 263**	6 928	**7 263**	6 928
Hotel allowances	**5 740**	4 305	**5 740**	4 305
Premium on foreign based loan	**3 797**	8 508	**3 797**	8 508
	(5 077)	11 171	**(4 979)**	11 909
9 DEFERRED EXPENDITURE				
Premium paid on converting a foreign loan to a rand loan	**65 240**	65 240	**65 240**	65 240
Less: Amounts expensed	**(52 582)**	(36 879)	**(52 582)**	(36 879)
	12 658	28 361	**12 658**	28 361
Less: Current portion	**(12 658)**	(15 703)	**(12 658)**	(15 703)
	–	12 658	**–**	12 658

During 2001, the Group converted an existing US dollar loan to a rand loan. The foreign loan was hedged against a US dollar lease agreement. The terms and conditions of the lease agreement were amended to enable the lessee to pay its obligations in rands. The lessee undertook to pay a premium as additional rentals which will be received by 2006.

AT 31 MARCH 2004	GROUP		COMPANY	
	2004 R'000	2003 R'000	**2004 R'000**	2003 R'000
10 INVENTORIES				
Inventories comprises				
Consumables	**1 224**	606	**1 224**	606
Hotel, food and beverages	**157**	161	**–**	–
	1 381	767	**1 224**	606
11 RECEIVABLES AND PREPAYMENTS				
Trade receivables	**218 065**	197 304	**210 805**	192 856
Provision for bad debts	**(6 429)**	(6 761)	**(6 376)**	(6 699)
Prepayments	**2 230**	1 193	**865**	1 019
Lease debtor – non-current portion	**11 948**	9 989	**11 948**	9 989
Other receivables	**12 368**	10 576	**11 369**	9 770
	238 182	212 301	**228 611**	206 935
12 CASH AND CASH EQUIVALENTS				
Cash and cash equivalents consists of:				
Cash on hand and balances with banks	**2 668**	6 405	**–**	–
Bank overdrafts	**(266 650)**	(170 538)	**(266 650)**	(170 536)
	(263 982)	(164 133)	**(266 650)**	(170 536)
13 SHARE CAPITAL				
Authorised:				
1 000 000 000 ordinary R1 par value shares	**1 000 000**	1 000 000	**1 000 000**	1 000 000
Issued:				
500 000 000 ordinary R1 par value shares	**500 000**	500 000	**500 000**	500 000
Share premium	**250 000**	250 000	**250 000**	250 000
	750 000	750 000	**750 000**	750 000
14 NON-DISTRIBUTABLE RESERVES				
Translation reserve	**(368)**	213		
Life Fund*	**13 088**	–		
Total	**12 720**	213		
* The transfer to non-distributable reserves represents amounts to fund future pension payments.				
15 DEBENTURES	**6 000**	6 000		
Debentures to the North West Government at zero coupon rate being in exchange for an allocation on 1 January 2009 of a 20% equity in Pilanesberg International Airport (Pty) Ltd and having simultaneously effected full payment of the sum of R6 000 000 to Pilanesberg International Airport				
16 LONG-TERM BORROWINGS				
Unsecured				
Southern Sun	**1 500**	1 500	**–**	–
	1 500	1 500	**–**	–
Secured				
Investec Bank Limited	**11 271**	20 974	**11 271**	20 974
Standard Corporate Merchant Bank	**50 101**	93 855	**50 101**	93 855
Nedcor Investment Bank Limited – Loan 1	**65 509**	96 874	**65 509**	96 874
Nedcor Investment Bank Limited – Loan 2	**68 160**	71 882	**68 160**	71 882
Other	**687**	861	**–**	–
	195 728	284 446	**195 041**	283 585
Total secured and unsecured	**197 228**	285 946	**195 041**	283 585
Current portion	**98 076**	88 544	**98 076**	88 544
Non-current portion	**99 152**	197 402	**96 965**	195 041

16 LONG-TERM BORROWINGS (continued)

The loan from Southern Sun bears interest at 2% above the RSA 153 or equivalent bond rate and is repayable on the earlier of termination of the contract or 2012.

The liability of Investec Bank is for instalment sale agreements secured over equipment and is repayable in bi–annual instalments of R6 068 757 commencing on 1 June 2002 for five years at fixed interest rate of 15,015%. (Refer to note 1)

The Company entered into a medium-term loan facility arrangement during March 2002 with Standard Corporate and Merchant Bank ("SCMB") totaling R100 000 000. The loan is repayable over sixty months at a fixed interest rate of 12,63%. In addition the Company entered into another medium-term loan facility arrangement with SCMB totaling R50 000 000. The loan is repayable over 60 months at a fixed rate of 11,13%.

The liability to Nedcor Investment Bank Ltd is for capitalised leased assets that are held under a finance sale and leaseback agreement that ranges from 3 to 10 years. The loan bears interest at the prime overdraft rate.

The Company acquired a loan facility from Nedcor Investment Bank Limited during March 2002 totaling R75 000 000. The loan is repayable in bi–annual installments of R4 361 030 on 1 September and 1st March over nine years at a fixed interest rate of 9,78739%.

Included in interest bearing borrowings above are finance sale and lease back liabilities in favour of Nedcor Investment Bank Limited details:

	GROUP		COMPANY	
	2004 R'000	2003 R'000	**2004 R'000**	2003 R'000
Future minimum lease payments				
Year 1	**70 908**	72 690	**70 908**	72 690
Year 2 to year 5	**308 830**	287 491	**308 830**	287 491
Above year 5	**103 201**	195 449	**103 201**	195 449
	482 939	555 630	**482 939**	555 630
Future interest				
Year 1	**39 544**	41 326	**39 544**	41 326
Year 2 to year 5	**279 835**	232 284	**279 835**	232 284
Above year 5	**98 050**	185 146	**98 050**	185 146
	417 429	458 756	**417 429**	458 756
Present value of future minimum lease payments				
Year 1	**63 354**	64 947	**63 354**	64 947
Year 2 to year 5	**275 931**	256 865	**275 931**	256 865
Above year 5	**92 207**	174 627	**92 207**	174 627
	431 492	496 439	**431 492**	496 439
Included in interest bearing borrowings above are instalment sale liabilities in favour of Investec Bank Limited details:				
Future minimum instalment payments				
Year 1	**12 138**	12 138	**12 138**	12 138
Year 2 to year 5	**–**	12 138	**–**	12 138
	12 138	24 276	**12 138**	24 276
Future interest				
Year 1	**867**	2 433	**867**	2 433
Year 2 to year 5	**–**	868	**–**	868
	867	3 301	**867**	3 301
Present value of future instalment payments				
Year 1	**11 271**	9 705	**11 271**	9 705
Year 2 to year 5	**–**	11 270	**–**	11 270
	11 271	20 975	**11 271**	20 975

AT 31 MARCH 2004	GROUP		COMPANY	
	2004 R'000	2003 R'000	**2004 R'000**	2003 R'000
17 RETIREMENT BENEFIT OBLIGATIONS				
Pension schemes	**–**	13 700	**–**	13 700
(Refer to note 14) The Group provides retirement benefits for all its permanent employees through a funded defined benefit pension scheme that is subject to the Pension Funds Act,1956 as amended.				
Post-retirement medical benefits				
Reconciliation of assets and liabilities recognised in balance sheet				
Present value of unfunded obligations	**30 042**	25 421	**30 042**	25 421
Present value of obligations in excess of plan assets	**30 042**	25 421	**30 042**	25 421
Unrecognised transitional liability/adjustment	**(6 709)**	3 994	**(6 709)**	3 994
Net liability in balance sheet	**23 333**	29 415	**23 333**	29 415
Reconciliation of present value of obligations in excess of plan assets				
Opening balance	**25 421**	21 336	**25 421**	21 336
Current service cost	**2 468**	2 286	**2 468**	2 286
Interest cost	**2 523**	2 118	**2 523**	2 118
Expected employer benefit payment	**(370)**	(319)	**(370)**	(319)
Closing Balance	**30 042**	25 421	**30 042**	25 421
Reconciliation of net liability recognised in the balance sheet				
Opening balance	**29 415**	15 520	**29 415**	15 520
Current service cost	**2 468**	2 286	**2 468**	2 286
Interest cost	**2 523**	2 118	**2 523**	2 118
Transitional liability recognised/adjustment	**(10 703)**	9 810	**(10 703)**	9 810
Expense recognised	**23 703**	29 734	**23 703**	29 734
Expected employer benefit payment	**(370)**	(319)	**(370)**	(319)
Closing balance	**23 333**	29 415	**23 333**	29 415
Total	**23 333**	43 115	**23 333**	43 115
Discount Rate	**10%**	11.5%	**10%**	11.5%
Health-care cost inflation	**8%**	9.5%	**8%**	9.5%
Average retirement age	**60**	60	**60**	60

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

During the year under review, a comprehensive valuation was undertaken which resulted in an unexpected gain which arose out of a combination of factors. The most significant being a change in the Company's subsidy policy and an unexpected change in membership. As such the transitional liability has been adjusted to take into account the unexpected gain.

All full-time employees of the Company are members of the pension fund, a defined contribution fund, subject to the Pension Funds Act 1956. On 28 February 2003, an actuarial valuation was performed by independent consulting actuaries who found the fund to be in a sound financial position. No events have had a significant effect on the fund's position since this valuation.

AT 31 MARCH 2004	GROUP		COMPANY	
	2004 **R'000**	2003 R'000	**2004** **R'000**	2003 R'000
18 DEFERRED REVENUE				
Profit on sale and leaseback transaction	**8 619**	16 431	**8 619**	16 431
Less: Amounts recognised to date	**(2 592)**	(7 812)	**(2 592)**	(7 812)
	6 027	8 619	**6 027**	8 619
Less: Current portion	**(2 214)**	(2 592)	**(2 214)**	(2 592)
	3 813	6 027	**3 813**	6 027
During 2001, the Company entered into a sale and financial leaseback transaction with Nedcor Investment Bank Ltd. The profit on the sale of the equipment is to be recognised over the lease term of the equipment leasebacked which is between three to ten years. Refer to notes 1 and 16.				
19 TRADE AND OTHER PAYABLES				
Trade and other payables comprise:				
Trade payables	**324 455**	282 698	**316 174**	273 590
Accrued expenses	**78 317**	86 837	**78 317**	85 747
Provision for correction factor relating to 2002 and 2003	**127 100**	–	**127 100**	–
Other payables	**1 080**	24 321	**1 080**	24 316
	530 952	393 856	**522 671**	383 653
20 REVENUE				
Revenue comprises:				
Aeronautical	**1 007 716**	842 385	**1 006 529**	840 861
Retail	**560 081**	488 818	**560 017**	488 818
Property	**138 471**	130 170	**138 445**	130 170
Integration of computer installation systems	**14 574**	12 798	**–**	–
Hotel operations	**37 798**	39 308	**–**	–
Premiums received	**13 700**	–	**–**	–
Other	**92 543**	75 387	**92 498**	75 387
	1 864 883	1 588 866	**1 797 489**	1 535 236
21 OPERATING PROFIT				
Operating profit is stated after charging:				
Staff costs	**297 713**	304 372	**277 271**	285 918
Amortisation of intangible assets	**1 427**	78	**–**	–
Auditors' remuneration				
– Fee for audits	**1 162**	901	**950**	800
– Other services	**794**	271	**794**	271
– Prior year adjustment	**15**	–	**15**	–
– Expenses	**86**	29	**86**	29
	2 057	1 201	**1 845**	1 100
Operating lease expense	**8 045**	7 072	**7 916**	7 060
Profit on sale of vehicles, equipment and land and buildings	**(2 611)**	(494)	**(2 619)**	(419)
Profit on sale and leaseback recognised	**(2 592)**	(3 868)	**(2 592)**	(3 868)
Masterplanning and technical consulting fees	**15 961**	13 421	**15 961**	13 421
Depreciation				
Owned assets – vehicles and equipment	**81 044**	47 931	**74 174**	43 386
– land and buildings	**110 425**	76 265	**110 139**	76 265
Leased assets – vehicles and equipment	**11 839**	14 440	**11 835**	14 440
– land and buildings	**18 412**	18 286	**18 412**	18 286
	221 720	156 922	**214 560**	152 377
Provision for impairment of loans to subsidiaries	**–**	–	**5 846**	590

AT 31 MARCH 2004	GROUP		COMPANY	
	2004 R'000	2003 R'000	**2004 R'000**	2003 R'000
22 EXCEPTIONAL ITEMS				
Profit on the sale of investment property	**–**	118 548	**–**	118 548
Provision for correction factor relating to 2002 and 2003	**(127 100)**	–	**(127 100)**	
	(127 100)	118 548	**(127 100)**	118 548
As indicated in the Managing Director's report, this provision relates to the dispute regarding the application of the regulatory environment by ACSA's Regulating Committee				
23 FINANCE INCOME/(COSTS)				
Finance income/(costs) comprise:				
Dividend received from subsidiary	**–**	–	**383**	–
Interest received	**22 244**	14 516	**21 779**	14 147
Preference dividend	**19 020**	11 944	**19 020**	11 944
Bank borrowings	**(72 408)**	(57 036)	**(69 609)**	(52 838)
Finance lease charges	**(39 381)**	(37 936)	**(39 381)**	(37 936)
Other borrowings	**(270)**	(302)	**(268)**	(267)
Less: Capitalised to building under construction	**11 109**	70 190	**11 109**	70 190
	(59 686)	1 376	**(56 967)**	5 240
24 TAXATION				
South African normal taxation:				
Current taxation				
Current year	**237 839**	211 661	**237 421**	210 574
Prior year	**(18 495)**	2 022	**(18 599)**	2 022
Deferred				
Current year	**(31 797)**	9 923	**(32 437)**	9 320
Prior year	**15 549**	(23 705)	**15 549**	(23 772)
Secondary tax on companies	**39 851**	17 650	**39 757**	17 650
Capital Gains taxation				
Current year	**–**	–	**–**	–
Prior year	**7**	–	**7**	–
	242 954	217 551	**241 698**	215 794
Normal tax-rate reconciliation:				
Standard tax rate	**30.00%**	30.00%	**30.00%**	30.00%
Permanent differences	**(1.20%)**	(4.77%)	**(0.60%)**	(4.83%)
Prior year adjustments	**(0.40%)**	(2.50%)	**(0.40%)**	(2.50%)
Secondary tax on companies	**5.60%**	2.00%	**5.70%**	2.00%
Effective tax rate	**34.00%**	24.73%	**34.70%**	24.67%
25 EARNINGS AND HEADLINE EARNINGS PER SHARE				
The calculation of earnings per ordinary share is based on the net profit attributable to ordinary shareholders of R471,6 million (2003: R660,7 million) and 500 000 000 (2003: 500 000 000) ordinary shares in issue during the year.				
Reconciliation between net profit and headline earnings				
Net profit for the year	**471 630**	660 720	**455 668**	658 789
Adjusted for:–				
Exceptional items	**–**	(118 548)	**–**	(118 548)
Headline earnings for the year	**471 630**	542 172	**455 668**	540 241

The exceptional item for 2003 represents a profit made on the sale of fixed assets and has thus been excluded from the calculation of headline earnings in terms of Circular 7/2002.

The exceptional item for 2004 represents the provision made for a correction factor for 2002 and 2003, this has been included in the calculation of headline earnings, as it represents a charge that has arisen in the normal course of business.

AT 31 MARCH 2004	GROUP		COMPANY	
	2004	2003	**2004**	2003
	R'000	R'000	**R'000**	R'000
26 RELATED PARTY TRANSACTIONS				
26.1 Purchases of goods and services:				
Technical consulting fees paid to ADR	**2 183**	1 305	**2 183**	1 305
Remuneration	**4 124**	3 856	**4 124**	3 856
Executive directors and staff				
Non-executive directors	**240**	158	**240**	158
	6 547	5 319	**6 547**	5 319
26.2 Balance owing to/by related parties				
Amounts owing by ADR	**1 086**	914	**1 086**	914
Amounts owing to ADR	**(6 502)**	(2 541)	**(6 502)**	(2 541)
Net due to ADR	**(5 416)**	(1 627)	**(5 416)**	(1 627)
ADR International Airports SA (Pty) Ltd owns 20% of the Company's issued share capital. The technical consulting fees are calculated on an arm's length basis.				
26.3 Directors remuneration:				
Executive directors	**4 999**	3 340	**3 434**	3 308
Non–executive directors	**862**	700	**814**	652
Executive management	**6 893**	8 271	**6 893**	8 239
	12 754	12 311	**11 141**	12 199

All executive directors are eligible for an annual performance bonus payment linked to appropriate targets targets to a maximum of 45% of the salary package. During the current year, a liability of R1 368 million was raised in terms of the performance management system. The structure of the individual bonus plans and awards is decided by the Remuneration Committee

The amount of salaries, performance bonuses and fees paid to individual directors is as follows:

Director	2004 Salary R'000	2003 Bonus R'000	2004 Fees R'000	Total R'000
Executive directors				
M W Hlahla	1 121	387	–	1 508
M S G Mareletse	874	341	–	1 215
W R C Holmes	711	–	–	711
C Bassetti (Italian) *	1 169	364	32	1 565
	3 875	1 092	32	4 999
*Paid to ADR excluding fees portion				
Non–executive directors				
T R A Oliphant	–	–	95	95
ADR	–	–	240	240
N N Gwagwa	–	–	113	113
S Sithole	–	–	155	155
F A Sonn	–	–	98	98
B M Stocks	–	–	161	161
	–	–	862	862

Executive management remuneration

During the year, amounts of R5 419 381 and R1 474 542 were paid as salaries and performance bonuses respectively to executive management.

AT 31 MARCH 2004	GROUP		COMPANY	
	2004 R'000	2003 R'000	**2004 R'000**	2003 R'000
27 FINANCIAL INSTRUMENTS				
Currency risk				
Objectives and significant terms and conditions				
In order to manage risks arising from fluctuations in currency exchange rates, the Group makes use of forward exchange contracts to manage exposure to fluctuations in foreign currency rates on importation of equipment. As at 31 March 2004 and 2003, the settlement dates on open forward contracts ranged between one month and eighteen months. The local currency amounts to be paid and contractual exchange rates of the Group's outstanding contracts were:				
US Dollars – at rates averaging R1 = USD 0.09	**–**	2 842	**–**	2 842
Danish Kroner – at rates averaging R1 = DKK 0.74	**–**	4 966	**–**	4 966
Swedish Kroner – at rates averaging R1 = SEK 0.95	**–**	4 953	**–**	4 953
British Pounds – at rates averaging R1 = GBP 0.13	**–**	–	**–**	–
Euro – at rates averaging R1 = E 0.13	**34 469**	–	**34 469**	–
	34 469	12 761	**34 469**	12 761

All forward exchange contracts entered into relate to specific balance sheet items.

Credit risk

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

Interest rate risk

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

Fair values

The carrying amounts of cash, investments, trade receivables and payables, borrowings and dividends payable approximate to their fair value.

28 INSURANCE

Certain risks are insured with recourse to the Company in that should claims arise in excess of the premiums paid by the Company the aggregate liability of the insurance company is limited to 20% of the premium paid. At 31 March 2004, the aggregate unutilised premiums available for future claims amounted to R41,7 million (2003: R66,5 million) and US$2,8 million (2003: US$ 0).

AT 31 MARCH 2004	GROUP		COMPANY	
	2004	2003	**2004**	2003
	R'000	R'000	**R'000**	R'000
29 COMMITMENTS				
Capital commitments				
– Contracted	**31 745**	177 487	**31 745**	177 487
– Authorised by the directors but not yet contracted for	**51 823**	117 937	**51 823**	117 937
Operating lease commitments				
– In respect of rental of property	**5 193**	4 068	**4 530**	4 068
– In respect of rentals other than property	**9 102**	10 034	**14 295**	10 034
	97 863	309 526	**102 393**	309 526
The capital expenditure is to be financed from internal funds as well as borrowing facilities of R630 million which are already in place.				
30 CASH GENERATED FROM OPERATIONS				
Operating profit	**902 335**	759 585	**881 433**	750 795
Adjustments:				
Amortisation of intangible assets	**1 427**	457	**–**	–
Depreciation	**221 720**	156 922	**214 560**	152 377
Profit on sale of vehicles, equipment and land and buildings	**(2 611)**	(494)	**(2 619)**	(419)
Profit on sale and leaseback recognised in current year	**(2 592)**	(3 868)	**(2 592)**	(3 868)
Post retirement liabilities	**(19 782)**	13 995	**(19 782)**	13 995
Provision for impairment on loans to subsidiaries	**–**	–	**5 845**	590
Write off of investment in subsidiary	**–**	–	**1 700**	–
Exchange differences – joint venture	**48**	33	**–**	–
Current year portion of deferred expenditure written off	**15 703**	16 538	**15 703**	16 538
	1 116 248	943 168	**1 094 248**	930 008
Working capital changes				
Increase in trade receivables	**(25 881)**	(22 488)	**(21 676)**	(26 909)
Increase in inventories	**(614)**	(594)	**(618)**	(606)
Increase in trade payables	**9 996**	77 213	**11 918**	76 408
	1 099 749	997 299	**1 083 872**	978 901
Taxation paid				
Balance at beginning of year	**(7 995)**	(14 604)	**(7 875)**	(14 780)
Income statement charge	**(242 954)**	(217 551)	**(241 698)**	(215 794)
Balance outstanding at end of year	**(408)**	7 995	**(571)**	7 875
	(251 357)	(224 160)	**(250 144)**	(222 699)

31 CHANGE IN ACCOUNTING POLICY

During the year, the Group changed the following accounting policy in response to changes to Statement of Generally Accepted Accounting Practice in South Africa, to comply with AC133 financial Instruments: Recognition and Measurement. The effect of the adjustments is considered immaterial.

FOR THE YEAR ENDED 31 MARCH 2004	2004 R'000	2003 R'000	2002 R'000	2001 R'000	2000 R'000
Operations					
Revenues	**1 864 883**	1 588 866	1 335 053	1 152 871	976 311
EBITDA	**1 124 055**	916 507	735 259	662 667	517 248
Operating profit	**902 335**	759 585	595 276	543 810	429 048
Profit before tax	**715 549**	879 508	593 026	537 160	443 831
Net profit	**471 630**	660 720	410 953	357 950	293 686
Depreciation	**221 720**	156 922	139 983	118 857	88 200
Dividends declared	**330 000**	160 000	105 000	68 000	60 000
Financial position					
Capital and reserves	**3 043 269**	2 902 220	2 401 287	2 096 507	1 731 992
Non-current liabilities	**126 298**	249 136	333 944	353 271	54 662
Deferred taxation	**–**	11 171	24 953	38 966	(1 422)
Debentures	**6 000**	6 000	–	–	–
Minority interest	**3 196**	2 952	2 303	3 604	2 984
	3 178 763	3 171 479	2 762 487	2 492 348	1 788 216
Land and buildings, vehicles and equipment	**3 760 041**	3 510 621	2 827 757	2 418 052	1 992 016
Investment in joint venture	**2 304**	2 555	–	–	–
Investments	**13 236**	–	–	–	–
Goodwill	**1 828**	4 334	1 173	1 251	1 329
Non-current receivables	**43 949**	65 886	43 949	103 949	103 949
Deferred taxation	**5 077**	–	–	–	–
Deferred expenditure	**–**	28 361	44 899	56 030	–
Current assets	**254 888**	213 518	239 262	361 450	115 341
Total assets	**4 081 324**	3 825 275	3 157 040	2 940 732	2 212 635
Current liabilities	**(902 561)**	(653 796)	(394 553)	(448 384)	(424 419)
	3 178 764	3 171 479	2 762 487	2 492 348	1 788 216
Cash flow					
Cash available from operating activities	**458 338**	613 769	433 896	385 291	292 084
Cash utilised in investing activities	**(469 469)**	(735 316)	(492 291)	(593 850)	(547 113)
Cash from financing activities	**(88 718)**	83 355	(16 104)	340 332	48 747
Net cash (outflow)/inflow	**(99 849)**	(38 192)	(74 499)	131 773	(206 282)
Profitability					
Return on investment	**18,8%**	18,4%	15,9%	16,7%	17,9%
Earnings per share (cents)	**94,3**	132,1	81,9	71,5	58,7
Dividends per share (cents)	**66,0**	32,0	21,0	13,6	12,0

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

Earnings and dividend per share information for the five accounting years ended 31 March 2004 have been calculated on the basis of 500 million ordinary shares in issue for the entire period.

FOR THE YEAR ENDED 31 MARCH 2004	2004	2003 R'000	2002 R'000	2001 R'000	2000 R'000
Productivity					
Number of employees	**1 795**	1 806	1 792	1 723	1 744
Revenue per employee	**1 038 932**	884 177	750 873	677 760	562 067
Operating income per employee	**502 694**	422 696	334 801	319 700	247 005
Departing passengers per employee	**6 630**	6 165	5 725	5 951	5 661
Cost to income	**52%**	52%			
Other key statistics					
Aircraft landings					
International	**23 683**	22 266	20 553	19 852	19 715
Domestic	**122 105**	119 330	119 613	112 385	112 346
Regional	**11 060**	11 299	10 486	10 614	10 124
Non-scheduled	**56 087**	64 932	60 586	54 143	49 832
	212 935	217 827	211 238	196 994	192 017
Departing passengers					
International	**3 430 664**	3 223 325	2 923 258	2 877 185	2 734 809
Domestic	**8 074 116**	7 477 651	6 942 513	6 903 680	6 792 497
Regional	**343 168**	314 223	279 101	266 569	249 812
Non-scheduled	**52 071**	62 925	50 664	75 597	56 878
	11 900 019	11 078 124	10 195 536	10 123 031	9 833 996
Number of airlines					
International	**39**	41	41	46	49
Domestic	**7**	7	6	6	11
	46	48	47	52	60
Aeronautical tariffs					
Passenger service charges					
Domestic	**30,70**	29,82	26,32	21,50	19,30
Regional	**64,04**	63,16	55,26	41,23	40,35
International	**89,47**	87,72	75,44	60,53	59,65
Landing fees (based on an aircraft with a maximum take off weight of 60 000kg)					
Domestic	**1 269,56**	1 148,83	1 083,73	1 048,02	1 048,02
Regional	**1 851,71**	1 675,83	1 580,93	1 528,85	1 528,85
International	**2 433,88**	2 202,60	2 077,90	2 009,69	2 009,69

FOR THE YEAR ENDED 31 MARCH 2004	2004 R'000	2003 R'000	2002 R'000	2001 R'000	2000 R'000
Operational volume (in numbers)					
Aircraft landings					
Johannesburg International (JIA)	**89 112**	87 517	85 825	80 343	76 866
Cape Town International (CIA)	**46 222**	49 076	46 125	41 969	41 220
Durban International (DIA)	**22 418**	21 362	21 676	20 608	21 773
Port Elizabeth (PE)	**16 950**	18 592	16 237	14 053	13 358
East London (EL)	**6 226**	9 362	9 592	8 809	9 043
George (GG)	**11 085**	9 933	9 791	9 636	6 023
Bloemfontein (BFN)	**10 804**	11 008	10 987	10 807	12 896
Kimberley (KIM)	**4 600**	4 830	4 979	4 596	4 910
Upington (UP)	**2 489**	2 970	3 001	3 062	2 858
Pilanesberg International (PIA)	**3 029**	3 177	3 025	3 111	3 070
Total	**212 935**	217 827	211 238	196 994	192 017
Departing passengers (x 1 000)					
Johannesburg International (JIA)	**6 637**	6 203	5 688	5 615	5 374
Cape Town International (CIA)	**2 748**	2 584	2 382	2 328	2 286
Durban International (DIA)	**1 440**	1 320	1 233	1 256	1 256
Port Elizabeth (PE)	**488**	442	410	423	424
East London (EL)	**201**	186	172	174	177
George (GG)	**199**	154	133	137	134
Bloemfontein (BFN)	**109**	109	102	109	109
Kimberley (KIM)	**46**	46	45	43	41
Upington (UP)	**16**	16	15	16	15
Pilanesberg International (PIA)	**15**	18	15	22	18
Total	**11 900**	11 078	10 195	10 123	9 834
Staff					
Johannesburg International (JIA)	**860**	847	803	766	787
Cape Town International (CIA)	**329**	335	358	344	335
Durban International (DIA)	**213**	221	209	212	209
Port Elizabeth (PE)	**81**	79	89	89	88
East London (EL)	**46**	52	50	48	56
George (GG)	**49**	51	52	49	53
Bloemfontein (BFN)	**55**	57	62	60	68
Kimberley (KIM)	**33**	37	36	36	39
Upington (UP)	**10**	10	12	10	12
Corporate Office	**84**	85	90	79	75
Regional Office	**18**	14	14	13	7
Pilanesberg International (PIA)	**17**	18	17	17	15
Total	**1 795**	1 806	1 792	1 723	1 744

FOR THE YEAR ENDED 31 MARCH 2004	REVENUE, OPERATING PROFIT AND CAPEX SPENT			
	Revenue R'000	Expenses R'000	Operating profit/(loss) R'000	Capex spent R'000
Johannesburg International	1 175 605	440 651	734 954	280 365
Cape Town International	344 519	186 186	158 333	91 921
Durban International	141 124	91 627	49 497	15 418
Port Elizabeth	44 513	25 679	18 834	40 694
East London	17 922	12 534	5 388	6 254
Bloemfontein	10 794	11 143	(349)	3 750
George	16 701	12 775	3 926	5 069
Kimberley	4 920	6 264	(1 344)	2 071
Upington	2 546	4 212	(1 666)	11 578
Pilanesberg International (subsidiary)	1 322	3 813	(2 491)	422
Regional Office	38	8 112	(8 074)	60
Corporate Office	44 913	122 979	(78 066)	13 462
	1 804 917	925 975	878 942	471 064

	REVENUE				
	Aeronautical revenue R'000	Commercial income R'000	Non-aeronautical charges R'000	Other R'000	Total revenue R'000
Johannesburg International	656 553	473 108	46 018	(74)	1 175 605
Cape Town International	195 993	134 334	14 186	6	344 519
Durban International	72 109	56 386	9 104	3 525	141 124
Port Elizabeth	26 462	15 615	2 419	17	44 513
East London	10 711	6 363	854	(6)	17 922
Bloemfontein	6 490	3 787	491	26	10 794
George	10 016	5 793	903	(11)	16 701
Kimberley	2 461	2 196	268	(5)	4 920
Upington	1 232	888	433	(7)	2 546
Pilanesberg International	1 187	82	62	(9)	1 322
Regional Office	–	–	38	–	38
Corporate Office	24 502	–	17 767	2 644	44 913
	1 007 716	698 552	92 543	6 106	1 804 917

	AIRPORT SERVICES				
	Aeronautical revenue R'000	Non-aeronautical charges R'000	Expenses R'000	Operating profit/(loss) R'000	Capex spent R'000
Johannesburg International	656 553	46 018	345 663	356 908	272 792
Cape Town International	195 993	14 186	158 801	51 378	84 418
Durban International	72 109	9 104	66 884	14 329	6 959
Port Elizabeth	26 462	2 419	23 326	5 555	37 400
East London	10 711	854	12 534	(969)	6 254
Bloemfontein	6 490	491	11 143	(4 162)	3 750
George	10 016	903	12 498	(1 579)	5 069
Kimberley	2 461	268	6 264	(3 535)	2 071
Upington	1 232	433	4 212	(2 547)	11 578
Pilanesberg International	1 187	62	3 813	(2 564)	422
Regional Office	–	38	8 112	(8 074)	60
Corporate Office	24 502	17 767	109 395	(67 126)	13 462
	1 007 716	92 543	762 645	337 614	444 235

FOR THE YEAR ENDED 31 MARCH 2004	COMMERCIAL				
	Property income R'000	Retail income R'000	Expenses R'000	Operating profit/(loss) R'000	Capex spent R'000
Johannesburg International	87 440	385 668	94 988	378 120	7 573
Cape Town International	29 051	105 283	27 385	106 949	7 503
Durban International	13 191	43 195	24 743	31 643	8 459
Port Elizabeth	5 468	10 147	2 353	13 262	3 294
East London	1 129	5 234	–	6 363	–
Bloemfontein	732	3 055	–	3 787	–
George	995	4 798	277	5 516	–
Kimberley	292	1 904	–	2 196	–
Upington	148	740	–	888	–
Pilanesberg International	25	57	–	82	–
Corporate Office	–	–	13 584	(13 584)	–
	138 471	560 081	163 330	535 222	26 829

	RETAIL INCOME				
	Advertising R'000	Parking R'000	Retail R'000	Duty free R'000	Car hire R'000
Johannesburg International	40 582	88 370	113 632	114 419	28 665
Cape Town International	14 278	26 649	22 118	18 081	24 157
Durban International	8 037	19 336	5 794	489	9 539
Port Elizabeth	1 756	2 547	680	–	5 164
East London	920	1 070	340	–	2 904
Bloemfontein	846	789	155	–	1 265
George	758	957	615	–	2 468
Kimberley	606	210	28	–	1 060
Upington	160	76	5	–	499
Pilanesberg International	17	–	11	–	29
	67 960	140 004	143 378	132 989	75 750

	STATISTICAL REVIEW		
	Aircraft landings R'000	Departing passengers R'000	Staff numbers R'000
Operational volume (in numbers)			
Johannesburg International (JIA)	89 112	6 637	860
Cape Town International (CIA)	46 222	2 748	329
Durban International (DIA)	22 418	1 440	213
Port Elizabeth (PE)	16 950	488	81
East London (EL)	6 226	201	46
George (GG)	11 085	199	49
Bloemfontein (BFN)	10 804	109	55
Kimberley (KIM)	4 600	46	33
Upington (UP)	2 489	16	10
Pilanesberg International (subsidiary) (PIA)	3 029	15	17
Regional Office	–	–	18
Corporate Office	–	–	84
Total	212 935	11 900	1 795

FOR THE YEAR ENDED 31 MARCH 2004

AIRPORTS COMPANY SOUTH AFRICA
Reg No 1993/004149/06

REGISTERED OFFICE
24 Johnson Road
Riverwoods
Bedfordview
2008

POSTAL ADDRESS
PO Box 75480
Gardenview
2047

BOARD OF DIRECTORS

T R A Oliphant	Appointed 4 September 2003
C Bassetti *#	
A Belardini #	
N N Gwagwa	
M W Hlahla *	
S Sithole	
F Sonn	
B M Stocks	

ALTERNATE DIRECTORS	**Alternate to**
M Martinelli #	E Giordano #
S Berlenghi #	A Belardini #

COMPANY SECRETARY
The secretary of the Company is Mrs M R Wiswe — Appointed 6 November 2003

DIRECTORS/OFFICERS RESIGNED

E Giordano #	01/03/2004
M Ramano	04/09/2003
W R C Holmes *	08/10/2003
M S G Mareletse *	31/05/2004
V Naidoo	04/07/2003
W McIver	06/11/2003

SUB-COMMITTEES

Audit Committee
B M Stocks (Chairperson)
R Tommasetti #
F A Sonn

Human Resources Transformation and Remuneration Committee
S Sithole (Chairperson)
A Belardini #
N N Gwagwa
T R A Oliphant
F Sonn

Risk Management Sub Committee
N N Gwagwa (Chairperson)
B M Stocks

Commercial Board Sub Committee
B M Stocks (Chairperson)
A Belardini #
N N Gwagwa
S Sithole

* Executive Director
\# Italian

19014|Citigate

The ACSA dynamic