

**Airport Industria Investments Proprietary Limited  
(Registration number 1998/016924/07)**

**Annual Financial Statements  
for the period ended 31 December 2022**

# Airport Industria Investments Proprietary Limited

(Registration number 1998/016924/07)

Annual Financial Statements for the period ended 31 December 2022

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Property investment and all activities ancillary thereto
<b>Director</b>	SB Herring
<b>Registered office</b>	Suite 1 Ground floor 3 Melrose Boulevard Melrose Arch 2196
<b>Business address</b>	Suite 1 Ground floor 3 Melrose Boulevard Melrose Arch 2196
<b>Postal address</b>	PO Box 652737 Benmore 2010 Gauteng 2196
<b>Holding company</b>	Heriot Investments Pty Ltd incorporated in South Africa
<b>Bankers</b>	First National Bank Limited
<b>Reviewers</b>	BDO South Africa Incorporated Chartered Accountants (SA)
<b>Company registration number</b>	1998/016924/07
<b>Level of assurance</b>	These annual financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act of South Africa.
<b>Preparer</b>	These annual financial statements were prepared under the supervision of: Janys Ann Finn CA (SA)

# Airport Industria Investments Proprietary Limited

(Registration number 1998/016924/07)

Annual Financial Statements for the period ended 31 December 2022

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

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# Airport Industria Investments Proprietary Limited

(Registration number 1998/016924/07)

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## Director's Responsibilities and Approval

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The director is required in terms of the Companies Act of South Africa to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is his responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards for SME's.

The annual financial statements are prepared in accordance with International Financial Reporting Standards for SME's and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

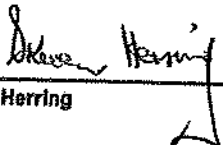
The director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the director sets standards for internal 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The director has reviewed the company's cash flow forecast for the period to 31 December 2023 and, in light of this review and the current financial position, he is satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewers are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's independent reviewers and their report is presented on page 6.

The annual financial statements set out on page 7 to 26, which have been prepared on the going concern basis, were approved by the director on 07 August 2023 and were signed on his behalf by:

  
\_\_\_\_\_  
SB Herring

# Airport Industria Investments Proprietary Limited

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## Director's Report

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The director has pleasure in submitting his report on the annual financial statements of Airport Industria Investments Proprietary Limited for the period ended 31 December 2022.

### 1. Nature of business

Airport Industria Investments Proprietary Limited was incorporated in South Africa. The company aircraft, which was available for charter, was sold in August 2017 for \$3,2 million. The company now has interests in the property holding industry.

### 2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for SME's and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior period.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

### 3. Stated capital

There have been no changes to the authorised or issued share capital during the period under review.

### 4. Directorate

The director in office at the date of this report is as follows:

Director	Appointment date
SB Herring	15 January 2021

### 5. Holding company

The company's holding company is Heriot Investments Pty Ltd which holds 100% (2021: 100%) of the company's equity. On the 15th of January 2021 Heriot Investments Pty Ltd acquired 100% of the share capital from The Gusi Trust. Heriot Investments Pty Ltd is incorporated in South Africa but is managed and controlled in Cyprus.

### 6. Events after the reporting period

Subsequent to the reporting date, on the Monday, 06 March 2023, the company entered into an agreement to sell a portion of its landholding consisting of erven 177268, 177269 and 177270 for R14,332,500. The property was revalued to its selling price and is disclosed as an asset held for sale in the statement of financial position.

The director is not aware of any other material event which occurred after the reporting date and up to the date of this report.

### 7. Going concern

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

The director believes that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The director has satisfied himself that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The director is not aware of any new material changes that may adversely impact the company. The director is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

### 8. Reviewer

BDO South Africa Incorporated continued in office as an Independent Reviewer for the company for 2022.

At the AGM, the shareholder will be requested to reappoint BDO South Africa Incorporated as the independent external reviewer of the company and to confirm as the designated lead audit partner for the 2022 financial period.

# **Airport Industria Investments Proprietary Limited**

(Registration number 1998/016924/07)

Annual Financial Statements for the period ended 31 December 2022

## **Director's Report**

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### **9. Review**

The financial statements are subject to an independent review and have been reviewed by BDO South Africa Incorporated.

### **10. Secretary**

The company has no secretary and all secretarial affairs are attended to in house.

### **11. Change of year end**

On the 10th of September 2021, the entity changed its year end from February to December.



## Independent Reviewer's Report

To the shareholders of  
**Airport Industria Investments Proprietary Limited**

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We have reviewed the financial statements of Airport Industria Investments Proprietary Limited set out on pages 7 to 26, which comprise the statement of financial position as at 31 December 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

### Director's Responsibility for the Financial Statements

The director is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements (ISRE 2400 (Revised))*. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Airport Industria Investments Proprietary Limited as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

### Other Reports required by the Companies Act of South Africa

The annual financial statements include the Director's Report as required by the Companies Act of South Africa. The director is responsible for the Director's Report. Our conclusion on the financial statements does not cover the Director's Report and we do not express any form of assurance conclusion thereon.

In connection with our independent review of the financial statements, we have read the Director's Report and, in doing so, considered whether the Director's Report is materially inconsistent with the financial statements or our knowledge obtained in the independent review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Director's Report, we will report that fact. We have nothing to report in this regard.

**BDO SA INC**

Paul Badrick (Aug 8, 2023 15:56 GMT+2)

**BDO South Africa Incorporated**  
Registered Auditors

**Paul Badrick**  
Director  
Registered Auditor

8 August 2023

Wanderers Office Park  
52 Corlett Drive  
Illovo, 2196

# Airport Industria Investments Proprietary Limited

(Registration number 1998/016924/07)

Annual Financial Statements for the period ended 31 December 2022

## Statement of Financial Position as at 31 December 2022

Figures in Rand	Note	31 December 2022	31 December 2021
<b>Assets</b>			
<b>Non-Current Assets</b>			
Investment property	2	9,402,952	19,680,000
<b>Current Assets</b>			
Loans to shareholders	4	13,132,869	13,586,399
Trade and other receivables	6	61,474	8,035
Cash and cash equivalents	7	5,287	89,363
		<b>13,199,630</b>	<b>13,683,797</b>
Non-current assets held for sale	3	14,332,500	-
<b>Total Assets</b>		<b>36,935,082</b>	<b>33,363,797</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	8	100	100
Retained income		20,907,742	16,539,411
		<b>20,907,842</b>	<b>16,539,511</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Secured borrowings	9	-	14,563,012
Deferred taxation	10	1,412,586	640,149
		<b>1,412,586</b>	<b>15,203,161</b>
<b>Current Liabilities</b>			
Trade and other payables	11	134,654	-
Secured borrowings	9	14,480,000	-
Current taxation payable		-	1,621,125
		<b>14,614,654</b>	<b>1,621,125</b>
<b>Total Liabilities</b>		<b>16,027,240</b>	<b>16,824,286</b>
<b>Total Equity and Liabilities</b>		<b>36,935,082</b>	<b>33,363,797</b>



# Airport Industria Investments Proprietary Limited

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## Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Note(s)	12 months ended 31 December 2022	10 months ended 31 December 2021
Fair value gains / (losses)		5,384,287	2,857,809
Other operating expenses		(228,963)	(27,545)
<b>Operating profit (loss)</b>	12	<b>5,155,324</b>	<b>2,830,264</b>
Investment income		405	-
Finance costs	13	(14,961)	(351,768)
<b>Profit (loss) before taxation</b>		<b>5,140,768</b>	<b>2,478,496</b>
Taxation	14	(772,437)	(1,909,546)
<b>Profit (loss) for the period</b>		<b>4,368,331</b>	<b>568,950</b>
Other comprehensive income		-	-
<b>Total comprehensive income (loss) for the period</b>		<b>4,368,331</b>	<b>568,950</b>

# Airport Industria Investments Proprietary Limited

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## Statement of Changes in Equity

Figures in Rand	Stated capital	Retained income	Total equity
<b>Balance at 28 February 2021</b>	<b>100</b>	<b>15,970,461</b>	<b>15,970,561</b>
Profit for the period	-	568,950	568,950
Other comprehensive income	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>568,950</b>	<b>568,950</b>
<b>Balance at 31 December 2021</b>	<b>100</b>	<b>16,539,411</b>	<b>16,539,511</b>
Profit for the period	-	4,368,331	4,368,331
Other comprehensive income	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>4,368,331</b>	<b>4,368,331</b>
<b>Balance at 31 December 2022</b>	<b>100</b>	<b>20,907,742</b>	<b>20,907,842</b>
Note(s)	8		

# Airport Industria Investments Proprietary Limited

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## Statement of Cash Flows

Figures in Rand	Note(s)	12 months ended 31 December 2022	10 months ended 31 December 2021
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations	15	(270,729)	1,578,118
Interest income		405	-
Finance costs	13	(7,556)	(39)
<b>Net cash from operating activities</b>		<b>(277,880)</b>	<b>1,578,079</b>
<b>Cash flows from investing activities</b>			
Additions and capitalisation of interest to investment property	2	(1,398,184)	(15,799,820)
Proceeds from sales of investment property	2	2,850,000	-
Loans repaid by shareholders	4	1,325,000	1,740,000
Loans advanced to shareholders	4	(2,500,000)	(2,000,000)
<b>Net cash from investing activities</b>		<b>276,816</b>	<b>(16,059,820)</b>
<b>Cash flows from financing activities</b>			
Proceeds/(repayment) from secured borrowings	9	(83,012)	14,563,012
<b>Total cash movement for the period</b>		<b>(84,076)</b>	<b>81,271</b>
Cash at the beginning of the period		89,363	8,092
<b>Cash at the end of the period</b>	7	<b>5,287</b>	<b>89,363</b>

# Airport Industria Investments Proprietary Limited

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Annual Financial Statements for the period ended 31 December 2022

## Accounting Policies

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### 1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

#### 1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standard for Small and Medium-sized entities and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

#### 1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS for SME's requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

#### Key sources of estimation uncertainty

The annual financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

#### 1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

#### Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

If the fair value of investment property under construction is not determinable, it is measured at cost until the earlier of the date it becomes determinable or construction is complete.

# Airport Industria Investments Proprietary Limited

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## Accounting Policies

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### 1.4 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

#### Loans receivable at amortised cost

##### Classification

Loans to group companies, loans to shareholders (note 4), loans to directors, managers and employees (note ), and short term loan receivable are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

##### Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

# Airport Industria Investments Proprietary Limited

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Annual Financial Statements for the period ended 31 December 2022

## Accounting Policies

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### 1.4 Financial instruments (continued)

#### Trade and other receivables

##### Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

##### Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

#### Trade and other payables

##### Classification

Trade and other payables (note 11), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

#### Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

### 1.5 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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## Accounting Policies

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### 1.5 Tax (continued)

#### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

#### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

### 1.6 Non-current assets (disposal groups) held for sale

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

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

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

### 1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

# Airport Industria Investments Proprietary Limited

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Annual Financial Statements for the period ended 31 December 2022

## Accounting Policies

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### 1.7 Impairment of assets (continued)

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

### 1.8 Stated capital and equity

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The company's ordinary shares are classified as equity instruments.



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## Notes to the Annual Financial Statements

Figures in Rand	12 months ended. 31 December 2022	10 months ended 31 December 2021
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### 2. Investment property

	2022			2021		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	9,402,952	-	9,402,952	19,680,000	-	19,680,000

#### Reconciliation of investment property - 2022

	Opening balance	Additions resulting from capitalised subsequent expenditure	Disposals	Classified as held for sale	Capitalised interest	Fair value adjustments	Total
Investment property	19,680,000	348,069	(2,850,000)	(14,332,500)	1,173,096	5,384,287	9,402,952

#### Reconciliation of investment property - 2021

	Opening balance	Additions	Additions resulting from capitalised subsequent expenditure	Capitalised interest	Fair value adjustments	Total
Investment property	1,022,371	14,696,463	547,237	556,120	2,857,809	19,680,000

#### Fair value of investment properties

**9,402,952**      **19,680,000**

#### Summary of cash flow movements

Additions - cash	-	14,696,463
Capital expenditure - cash	348,069	547,237
Capitalised interest	1,173,096	556,120
Non-cash portion of capitalised interest	(122,981)	-
	<b>1,398,184</b>	<b>15,799,820</b>

#### Pledged as security

Carrying value of assets pledged as security:

#### Cape Town Airport land (Property 2)

The property is pledged as security as set out in note 8.

23,735,452      16,830,000

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	12 months ended 31 December 2022	10 months ended 31 December 2021
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### 2. Investment property (continued)

#### Details of property

##### Knysna land (Property 1)

The property comprises ERF 13316 Knysna with buildings thereon

- Purchase price: 1 December 2005	1,022,371	1,022,371
- Capitalised expenditure	125,284	125,284
- Fair value reserve	1,702,345	1,702,345
- Disposals	(2,850,000)	-
	<u>-</u>	<u>2,850,000</u>

##### Cape Town Airport land (Property 2)

The property comprises of the following Erven:

- 177263, 177264, 177268, 177269 and 177270 City of Cape Town

- Purchase price:	14,696,463	14,696,463
- Capitalised expenditure	770,022	421,952
- Capitalised interest	1,729,216	556,120
- Fair value reserve	6,539,751	1,155,465
- Classified as held for sale	(14,332,500)	-
	<u>9,402,952</u>	<u>16,830,000</u>

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

### 3. Non-current assets held for sale

The landholding consisting of erven 177268, 177269 and 177270 (Note 2) was in the process of being sold as at 28 February 2023. The property was therefore transferred at its selling price being its fair value to non-current assets held for sale.

#### Non-current assets held for sale

Investment property				<b>14,332,500</b>	-
<b>Erven held for sale</b>	<b>Purchase price</b>	<b>Capitalised expenditure</b>	<b>Capitalised interest</b>	<b>Fair value adjustments</b>	<b>Total</b>
ERF 177268	2,725,238	144,464	320,657	1,211,023	4,401,382
ERF 177269	3,096,861	162,753	364,383	1,377,573	5,001,570
ERF 177270	3,052,266	155,187	359,136	1,362,959	4,929,548
	<u>8,874,365</u>	<u>462,404</u>	<u>1,044,176</u>	<u>3,951,555</u>	<u>14,332,500</u>

### 4. Loans to shareholders

Heriot Investments Pty Ltd	<u>13,132,869</u>	<u>13,586,399</u>
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Loan is interest free, unsecured and is repayable on demand.

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<b>4. Loans to shareholders (continued)</b>		
<b>Summary of movements in loans to shareholders</b>		
Opening balance	13,586,399	-
Cash advanced	2,500,000	2,000,000
Cash repaid	(1,325,000)	-
Transferred from the Gusi Trust - non-cash	-	11,586,399
Offset against tax paid	(1,621,125)	-
Offset against interest and penalties paid to Sars	(7,405)	-
	<u>13,132,869</u>	<u>13,586,399</u>
<b>5. Short term loan receivable</b>		
<b>The Gusi Trust</b>		
The loan was interest free, unsecured and repayable on demand. The loan was ceded to Heriot Investments in 2021.		
<b>Short term loan receivable</b>		
At beginning of the year	-	14,936,961
Cash repayments by group company	-	(1,740,000)
Non-cash journals	-	(1,610,562)
Loan transferred to shareholder - non-cash	-	(11,586,399)
	<u>-</u>	<u>-</u>
<b>6. Trade and other receivables</b>		
<b>Non-financial instruments:</b>		
Value added taxation	61,474	8,035
<b>Total trade and other receivables</b>	<u>61,474</u>	<u>8,035</u>
<b>Split between non-current and current portions</b>		
Current assets	61,474	8,035
<b>7. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	5,287	89,363
<b>8. Share capital</b>		
<b>Authorised</b>		
1000 Ordinary shares of R1 each	1,000	1,000
<b>Issued</b>		
100 Ordinary shares	100	100

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## Notes to the Annual Financial Statements

Figures in Rand	12 months ended 31 December 2022	10 months ended 31 December 2021
<b>9. Secured borrowings</b>		
<b>Held at amortised cost</b>		
<b>Secured</b>		
Loan from Investec Bank Limited	14,480,000	14,563,012
<b>Split between non-current and current portions</b>		
Non-current liabilities	-	14,563,012
Current liabilities	14,480,000	-
	<b>14,480,000</b>	<b>14,563,012</b>
<p>The loan bears interest at a rate of prime less 0.5% and is repayable by no later than 1 June 2023. The loan is secured against property 2 (refer to note 2 for further details).</p>		
<b>10. Deferred taxation</b>		
<b>Deferred tax liability</b>		
Investment property section (s13quin commercial allowances)	(1,412,586)	(640,149)
<b>Deferred tax asset</b>		
<p>The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:</p>		
Deferred tax liability	(1,412,586)	(640,149)
<b>Reconciliation of deferred tax asset / (liability)</b>		
At beginning of year	(640,149)	-
Reduction due to rate change	9,244	-
Taxable / (deductible) temporary difference movement investment property at fair value	(781,681)	(640,149)
	<b>(1,412,586)</b>	<b>(640,149)</b>
<b>11. Trade and other payables</b>		
<b>Financial instruments:</b>		
Accrued expenses	11,673	-
Interest accrual - secured borrowings	122,981	-
	<b>134,654</b>	<b>-</b>
<b>Summary of cash flow movements trade and other payables</b>		
Opening balance	-	(2,084)
Closing balance	134,654	-
Interest accrual - non-cash movement	(122,981)	-
	<b>11,673</b>	<b>(2,084)</b>

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## Notes to the Annual Financial Statements

Figures in Rand	12 months ended 31 December 2022	10 months ended 31 December 2021
<b>12. Operating profit (loss)</b>		
Operating profit (loss) for the period is stated after charging (crediting) the following, amongst others:		
<b>Expenses by nature</b>		
Accounting and other professional fees	43,955	25,989
Bank charges	1,925	1,556
Property and other expenses	183,083	-
	<b>228,963</b>	<b>27,545</b>
<b>13. Finance costs</b>		
Bank overdraft	151	39
Secured borrowings	1,173,096	556,120
Interest and penalties - SARS	14,810	351,729
<b>Total finance costs</b>	<b>1,188,057</b>	<b>907,888</b>
Less: Capitalised interest	(1,173,096)	(556,120)
<b>Total finance costs expensed</b>	<b>14,961</b>	<b>351,768</b>
<b>Finance costs cash flow summary</b>		
Bank and interest paid	7,556	39
Interest due to SARS - non cash	7,405	351,729
	<b>14,961</b>	<b>351,768</b>

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## Notes to the Annual Financial Statements

Figures in Rand	12 months ended 31 December 2022	10 months ended 31 December 2021
<b>14. Taxation</b>		
<b>Major components of the tax expense</b>		
<b>Current</b>		
Local income tax - current period	-	-
Local income tax - prior period under provision	-	1,269,397
	<u>-</u>	<u>1,269,397</u>
<b>Deferred</b>		
Originating and reversing temporary differences	772,437	640,149
	<u>772,437</u>	<u>1,909,546</u>
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense.		
Accounting profit	5,140,768	2,478,496
Tax at the applicable tax rate of 28% (2021: 28%)	1,439,415	693,979
<b>Tax effect of adjustments on taxable income</b>		
Non-deductible expenses	64,038	7,724
Fair value adjustments	(1,507,600)	(800,187)
Tax under provision for prior periods	-	1,269,397
SARS interest non-deductible	4,147	98,484
Deferred tax for fair value movements on investment property	772,437	640,149
	<u>772,437</u>	<u>1,909,546</u>
<b>15. Cash (used in)/generated from operations</b>		
(Loss) / Profit before taxation	5,140,768	2,478,496
<b>Adjustments for non-cash items:</b>		
Fair value gains	(5,384,287)	(2,857,809)
Non-cash - Short term loan receivable repaid / (advanced)	-	1,610,562
Non-cash - Interest and penalties due to SARS	7,404	351,729
<b>Adjust for items which are presented separately:</b>		
Interest income	(405)	-
Finance costs	7,556	39
<b>Changes in working capital:</b>		
Trade and other receivables	(53,439)	(2,815)
Trade and other payables	11,673	(2,084)
Rounding	1	-
	<u>(270,729)</u>	<u>1,578,118</u>

# Airport Industria Investments Proprietary Limited

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## Notes to the Annual Financial Statements

Figures in Rand	12 months ended 31 December 2022	10 months ended 31 December 2021
<b>16. Tax paid</b>		
Balance at beginning of the period	(1,621,126)	-
Current tax recognised in profit or loss	-	(1,269,397)
Paid by shareholder on behalf of company	1,621,126	-
Interest and penalties on underprovision prior tax period	-	(351,729)
Taxation owing at the end of the year	-	1,621,126
	<u>-</u>	<u>-</u>

### 17. Related parties

#### Relationships

Ultimate holding company  
Holding company

The Gusi Trust  
Heriot Investments Pty Ltd

#### Related party balances

##### Loans to shareholder

Heriot Investments (Proprietary) Limited	13,132,869	13,586,399
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### 18. Going concern

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

The director believes that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The director has satisfied himself that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The director is not aware of any new material changes that may adversely impact the company. The director is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

### 19. Events after the reporting period

Subsequent to the reporting date, on 6 March 2023, the company has entered into an agreement to sell a portion of its landholding consisting of erven 177268, 177269 and 177270 for R14,332,500.

The property was revalued to its selling price and is disclosed as an asset held for sale in the statement of financial position

### 20. Comparative figures

The December 2021 reporting period is 10 months while the December 2022 period is 12 months, therefore comparative amounts are not comparable to the current balances.

### 21. Financial instruments and risk management

#### Categories of financial instruments

#### Categories of financial assets

# Airport Industria Investments Proprietary Limited

(Registration number 1998/016924/07)

Annual Financial Statements for the period ended 31 December 2022

## Notes to the Annual Financial Statements

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	12 months ended 31 December 2022	10 months ended 31 December 2021
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Figures in Rand

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### 21. Financial instruments and risk management (continued)

#### 2022

	Note(s)	Amortised cost	Total
Loans to shareholders	4	13,132,869	13,132,869
Cash and cash equivalents	7	5,287	5,287
		<b>13,138,156</b>	<b>13,138,156</b>

#### 2021

	Note(s)	Amortised cost	Total
Loans to shareholders	4	13,586,399	13,586,399
Cash and cash equivalents	7	89,363	89,363
		<b>13,675,762</b>	<b>13,675,762</b>

### Categories of financial liabilities

#### 2022

	Note(s)	Amortised cost	Total
Trade and other payables	11	134,654	134,654
Borrowings	9	14,480,000	14,480,000
		<b>14,614,654</b>	<b>14,614,654</b>

#### 2021

	Note(s)	Amortised cost	Total
Borrowings	9	14,563,012	14,563,012



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## Notes to the Annual Financial Statements

		12 months ended 31 December 2022	10 months ended 31 December 2021
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<b>21. Financial instruments and risk management (continued)</b>			
<b>Capital risk management</b>			
Capital risk is managed at group level. The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders. The group assesses each entity's ability to continue as a going concern and provides letters of support or subordinations to the entities, as and when required.			
Borrowings	9	14,480,000	14,563,012
Trade and other payables	11	134,654	-
<b>Total borrowings</b>		<b>14,614,654</b>	<b>14,563,012</b>
Cash and cash equivalents	7	(5,287)	(89,363)
<b>Net borrowings</b>		<b>14,609,367</b>	<b>14,473,649</b>
Equity		20,907,842	16,539,511
Gearing ratio		70 %	88 %

# Airport Industria Investments Proprietary Limited

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## Notes to the Annual Financial Statements

Figures in Rand	12 months ended 31 December 2022	10 months ended 31 December 2021
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### 21. Financial instruments and risk management (continued)

#### Financial risk management

##### Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (including, fair value interest rate risk and cash flow interest rate risk).

##### Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is presented in the table below:

		2022			2021		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to shareholders	4	13,132,869	-	13,132,869	13,586,399	-	13,586,399
Trade and other receivables	6	61,474	-	61,474	8,035	-	8,035
Cash and cash equivalents	7	5,287	-	5,287	89,363	-	89,363
		<b>13,199,630</b>	<b>-</b>	<b>13,199,630</b>	<b>13,683,797</b>	<b>-</b>	<b>13,683,797</b>

##### Liquidity risk

The company's exposure to liquidity risk is low as it has funds available to cover future commitments. The company manages liquidity risks through an ongoing review of future commitments and credit facilities.

##### 2022

		Less than 1 year	Total	Carrying amount
<b>Current liabilities</b>				
Trade and other payables		134,654	134,654	134,654
Secured borrowings	9	14,480,000	14,480,000	14,480,000
Interest on secured borrowings		624,723	624,723	-

##### 2021

		2 to 5 years	Total	Carrying amount
<b>Non-current liabilities</b>				
Secured borrowings	9	14,563,012	14,563,012	14,563,012

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## Notes to the Annual Financial Statements

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	12 months ended 31 December 2022	10 months ended 31 December 2021
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### 22. Director's emoluments

No emoluments were paid to the director during the period.