

ACSA Kagano Trust
(Registration number 10452/99)
Annual Financial Statements
for the year ended 28 February 2021

ACSA Kagano Trust

(Registration number: 10452/99)

Annual Financial Statements for the year ended 28 February 2021

General Information

Country of incorporation and domicile	South Africa
Type of trust	Investment holding
Trustees	T. Delomoney M. Khoza
Registered office	The Maples, Riverwoods Office Park 24 Johnson Road Bedfordview 2008
Postal address	PO Box 75480 Gardenview 2047
Auditors	Auditor General of South Africa

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Annual Financial Statements for the year ended 28 February 2021

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Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the trust as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.


The trustees are 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 trustees have reviewed the trust's cash flow forecast for the year to 28 February 2022 and, in the light of this review and the current financial position, They are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on page 5 - 8.

The annual financial statements set out on pages 9 to 18, which have been prepared on the going concern basis, were approved by the board on 30 June 2021 and were signed on its behalf by:

Approval of annual financial statements



T. Delomoney

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Trustees' Report

The trustees have pleasure in submitting their report on the annual financial statements of ACSA Kagano Trust for the year ended 28 February 2021.

1. Nature of business

ACSA Kagano Trust was formed in South Africa with interests in the Investment holding industry. The trust operates in South Africa.

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

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. The accounting policies have been applied consistently compared to the prior year.

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

3. Trustees

The trustees in office at the date of this report are as follows:

Trustees

T. Delomoney

M. Khoza

4. Events after the reporting period

There were no material events that occurred after the reporting period that require disclosures or adjustments to the financial statements.

5. Going concern

The trustees believe that the trust 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 trustees have satisfied themselves that the trust is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust.

6. Auditors

Auditor General of South Africa continued in office as auditors for the trust for 2021.

They will continue in office for the 2022 financial year.

7. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the trustees on 30 June 2021. No authority was given to anyone to amend the annual financial statements after the date of issue.

Report of the auditor-general to trustees on ACSA Kagano Trust

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the ACSA Kagano Trust set out on pages 9 to 18, which comprise the statement of financial position as at 28 February 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the ACSA Kagano Trust as at 28 February 2021, and its financial performance and cash flows for the year then ended in accordance with International Reporting Framework for Small and Medium-sized entities (IFRS for SME).

Basis for opinion

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

Responsibilities of the board of trustees for the financial statements

6. The board of trustees, is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SME and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the trustee is responsible for assessing the ACSA Kagano Trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue

an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Performance information reporting

10. As the trust was dormant for the year under review, no work was performed on the audit of performance information.

Audit of compliance with legislation

11. As the trust was dormant for the year under review, no work was performed on the audit of compliance with legislation.

Other information

12. The ACSA Kagano Trust trustee is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report thereon.
13. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
14. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
15. If based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

16. I considered internal control relevant to my audit of the financial statements; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

1 July 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those responsible for the financial statements.
 - conclude on the appropriateness of the board of trustees' use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ACSA Kagano Trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the trustee that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.

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Statement of Financial Position as at 28 February 2021

Figures in Rand	Note	2021	2020
Assets			
Non-Current Assets			
Investments in subsidiaries	2	46,323,285	51,642,176
Total Assets		46,323,285	51,642,176
Equity and Liabilities			
Equity			
Trust capital	3	100	100
Accumulated surplus		28,000,131	33,319,022
		28,000,231	33,319,122
Liabilities			
Non-Current Liabilities			
Other financial liabilities	5	18,246,268	18,246,268
Current Liabilities			
Trade and other payables	6	100	100
Loan from group company	4	76,686	76,686
		76,786	76,786
Total Liabilities		18,323,054	18,323,054
Total Equity and Liabilities		46,323,285	51,642,176

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Statement of Comprehensive Income

Figures in Rand	Note	2021	2020
Fair value adjustments	7	(5,318,891)	3,099,256
(Deficit) surplus before taxation		(5,318,891)	3,099,256
Taxation	8	-	-
(Deficit) surplus for the year		(5,318,891)	3,099,256
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(5,318,891)	3,099,256

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Statement of Changes in Equity

Figures in Rand	Trust capital	Accumulated surplus	Total equity
Balance at 1 March 2019	100	30,219,766	30,219,866
Surplus for the year	-	3,099,256	3,099,256
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	3,099,256	3,099,256
Balance at 1 March 2020	100	33,319,022	33,319,122
Deficit for the year	-	(5,318,891)	(5,318,891)
Other comprehensive income	-	-	-
Total comprehensive deficit for the year	-	(5,318,891)	(5,318,891)
Balance at 28 February 2021	100	28,000,131	28,000,231
Note	3		

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Statement of Cash Flows

Figures in Rand	Note	2021	2020
Cash flows from operating activities			
Cash generated from operations	9	-	-
Cash flows from investing activities			
Net cash flows from investing activities		-	-
Net cash from investing activities		-	-
Cash flows from financing activities			
Net cash from financing activities		-	-
Net cash from financing activities		-	-
Total cash movement for the year		-	-
Cash at the beginning of the year		-	-
Total cash at end of the year		-	-

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Investments in subsidiaries

Investments in subsidiaries are measured at fair value through profit or loss.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through surplus and deficit.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.3 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.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

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Accounting Policies

1.4 Impairment of assets

The trust assesses at each reporting date whether there is any indication that assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
2. Investments in subsidiaries		
Name of subsidiary	% holding 2021	% holding 2020
Lexshell 342 Investment Holding (Pty) Ltd	100 %	100 %
Lexshell 343 Investment Holding (Pty) Ltd	100 %	100 %
	Carrying amount 2021	Carrying amount 2020
	46,323,185	51,642,076
	100	100
	46,323,285	51,642,176
All the entities are incorporated in South Africa and share the year end of the trust.		
The carrying amounts of subsidiaries are shown gross of impairment losses.		
Subsidiaries pledged as security		
Lexshell 342 Investment Holding (Pty) Ltd, with a carrying value of R 46,232,185 has been used to secure re granted to the trust of R 18,246,268 (2020: R 18,246,268).- refer to note 5.		
Subsidiaries which are not consolidated		
Total carrying amount of subsidiaries not consolidated:		
At cost less impairment	100	100
At fair value	46,323,185	51,642,176
3. Trust capital		
Trust capital		
Balance at beginning of year	100	100
4. Loan from group company		
Subsidiaries		
Lexshell 342 Investment Holding (Pty) Ltd	76,686	76,686
This loan is unsecured, interest free and has no fixed repayment terms.		
5. Other financial liabilities		
At amortised cost		
Airports Company South Africa SOC Limited	18,246,268	18,246,268
This loan is secured by 100 ordinary par value shares representing 100% of the issued shares in Lexshell 342 Investments Holdings Proprietary Limited, bears no interest and is repayable within the second anniversary of the signature date and a date that is two days prior to the winding-up of the trust.		
Non-current liabilities		
At amortised cost	18,246,268	18,246,268
6. Trade and other payables		
Other payables	100	100
7. Fair value adjustments		
Investment in subsidiaries	(5,318,891)	3,099,256

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Figures in Rand	2021	2020
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8. Taxation

Reconciliation of the tax expense

Reconciliation between accounting surplus and tax expense.

Accounting (deficit) surplus	(5,318,891)	3,099,256
Tax at the applicable tax rate of 45% (2020: 45%)	(2,393,501)	1,394,665
Tax effect of adjustments on taxable income		
Exempt income		
Fair value adjustment	-	(3,099,256)
	(2,393,501)	(1,704,591)

9. Cash generated from operations

(Deficit) surplus before taxation	(5,318,891)	3,099,256
Adjustments for:		
Fair value adjustments	5,318,891	(3,099,256)
	-	-

10. Related parties

Relationships	
Subsidiaries	Refer to note 2
Associates	Refer to note 5

Related party balances and transactions with entities over which the trust has control, joint control or significant influence

Related party balances

Loan accounts - Owing (to) by related parties

Lexshell 342 Investment Holdings Proprietary Limited	76,686	76,686
Airports Company South Africa SOC Limited	(18,246,268)	(18,246,268)

Investments held with related parties

Lexshell 342 Investment Holdings Proprietary Limited	46,323,185	51,642,076
Lexshell 343 Investment Holdings Proprietary Limited	100	100

11. 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.

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Notes to the Annual Financial Statements

12. Categories of financial instruments

	Note(s)	Financial assets at fair value through profit or loss	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2021					
Assets					
Non-Current Assets					
Investments in subsidiaries	2	51,642,176	-	(5,318,891)	46,323,285
Total Assets		51,642,176	-	(5,318,891)	46,323,285
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent:					
Trust capital	3	-	-	100	100
Accumulated profit		-	-	28,000,131	28,000,131
		-	-	28,000,231	28,000,231
Total Equity		-	-	28,000,231	28,000,231
Liabilities					
Non-Current Liabilities					
Other financial liabilities	5	-	18,246,268	-	18,246,268
Current Liabilities					
Loan from group company	4	-	76,686	-	76,686
Trade and other payables	6	-	100	-	100
		-	76,786	-	76,786
Total Liabilities		-	18,323,054	-	18,323,054
Total Equity and Liabilities		-	18,323,054	28,000,231	46,323,285

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12. Categories of financial instruments (continued)

	Note(s)	Financial assets at fair value through profit or loss	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2020					
Assets					
Non-Current Assets					
Investments in subsidiaries	2	51,642,176	-	-	51,642,176
Total Assets		51,642,176	-	-	51,642,176
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent:					
Trust capital	3	-	-	100	100
Accumulated profit		-	-	33,319,022	33,319,022
		-	-	33,319,122	33,319,122
Total Equity		-	-	33,319,122	33,319,122
Liabilities					
Non-Current Liabilities					
Other financial liabilities	5	-	18,246,268	-	18,246,268
Current Liabilities					
Loan from group company	4	-	76,686	-	76,686
Trade and other payables	6	-	100	-	100
		-	76,786	-	76,786
Total Liabilities		-	18,323,054	-	18,323,054
Total Equity and Liabilities		-	18,323,054	33,319,122	51,642,176