

The South Deep Education Trust
(Registration no. IT 2711/2010)

Financial Statements
for the year ended 31 December 2018

Trustees' Responsibility and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of the affairs of The South Deep Education Trust ("trust") as at 31 December 2018 and the result of its operation and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied, except for the adoption of new accounting standards as set out in the accounting policies, and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established for the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees 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 duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and the trust administrator is 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.

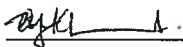
The trustees are of the opinion, based on the information and explanations given by trustees that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control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

The trustees have reviewed the trust cash flow forecast for the year to 31 December 2019 and, in the light of this review and the current financial position, they are satisfied that the trust has access to adequate resources to continue in operational existence for the foreseeable future.

Although the trustees are primarily responsible for the financial affairs of the trust, they are supported by the audit performed by the trust's external auditors. Refer to page 4-5 for a copy of their opinion.

Approval of the financial statements

The financial statements of The South Deep Education Trust, were approved by the trustees on 07 February 2020 and are signed on their behalf by



Alex Khumalo
Chairperson

**The South Deep Education Trust
Registration no. IT 2711/2010)**

Country of incorporation and domicile	South Africa
Type of the trust	Discretionary
Registered office	150 Helen Road Sandown Sandton 2146
Postal address	705 Salmon Grove Chambers 407 Anton Lembede Street Durban 4001
Bankers	The Standard Bank of South Africa Limited
Auditor	KPMG Inc. Registered Auditor
Trust registration number	IT 2711/2010
Tax reference number	3834903159
Level of assurance	These financial statements have been audited
Preparer	Licksman Accounting Services 88 Homestead Avenue Homelake Randfontein
Trust administrator	NLA Legal Inc Fancourt Office Park, Block 2 Corner Northumberland & Felstead avenue Northriding ext 17 2169

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Trustees' Report

The trustees have pleasure in presenting their report for the year ended 31 December 2018.

1. The Trust

The objective of the trust shall be to produce and utilise donations and other accruals to the trust for payment to or on behalf of any one or more of the beneficiaries of the trust for:

- Projects which are geared towards education development;
- The promotion of education based projects related to self help, poverty alleviation, empowerment and capacity building;
- Provision of training or to support or assist emerging micro enterprises;
- Provision of training, support or assistance to education based projects; and
- Provisions of funding to charitable organisations which have similar objectives to those of the trust.

The trust deed was executed on 6 October 2010 for this purpose. The trust deed has been amended by a supplementary notarial deed in 2014 and 2016 and a change in financial year end resolution in 2017.

Founding contribution

GFI Mining South Africa (Pty) Ltd made an irrevocable donation of R100 to the trust.

In addition, Gold Fields Operations Ltd and GFI Joint Venture Holdings (Pty) Ltd have made a donation to the trust of the Education Trust 'B' Shares Subscription Price and GFI Mining South Africa (Pty) Ltd have made a donation to the trust of the Education Trust Transformation Shares Subscription Price respectively.

-The provision of benefits by the trust to Non-Public benefit organisations who carry on one or more of the activities set out above, in respect of which only distributions income may be applied.

The beneficiaries of the trust need to be charitable organisations which comply to:

- The objectives and activities of the charitable organisations must be similar to those as set out in clause 6 of the trust deed;
- The objectives of the charitable organisation must be for the benefit of historically disadvantaged person's in the education; and
- Any decision made by the trustees in the election of a charitable organisation must be made by an unanimous decision of the trustees.

2. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies have been applied consistently compared to the prior year except for the new standards adopted in the current year.

Trustees' Report (continued)

3. Distributions to beneficiaries

The beneficiaries of the trust during the financial year were as follows:

Bursaries	R6 463 188
EDUMAP	R3 045 000
LIMA	R 790 012
Clifton	R4 493 596
Phakamani Impact Capital Pty Ltd	R1 002 963
Bokamoso Education Trust	R 636 000
Kiddies Comfort zone	R 98 451
St Martins school	R1 610 691
Philani Community Development Centre	R 643 000
Faded Black Innovations	R 87 840
Simunye Secondary School	R 148 059
Ikhayalami Design Studio	R 121 800
Total	R19 140 600

4. Trustees

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

Trustees

Neville Melville
Thulani Mashibini
Abraham Mokome
Tebogo Makolwane

Appointments

Alex Khumalo (23 April 2018) (Chairperson)
Thandile Ntshwanti (23 April 2018)

Resignations

Lucy Mokoka (30 June 2019)

5. Right of indemnity

The trustees shall be indemnified by the trust fund against all claims and demands of whatever nature which may be made against them arising out of the exercise, or purported exercise, in good faith, of any of the powers hereby conferred upon them, subjected however to the provisions of section 9 of the Trust Property Control Act 57 of 1988.

6. Chairman

Alex Khumalo was appointed as Chairman of the Trust on 03 May 2018 replacing Neville Melville.

7. Events after the reporting year

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

Trustees' Report (continued)

8. Going concern

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the 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 cash resources 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.

9. Public Benefit Organisational status

The trust was granted Public Benefit Organisation status on 8 June 2016 with effect from 16 July 2012. The trust is in the process of claiming the income tax payments made to SARS from July 2012.



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Independent Auditor's Report

To the trustees of The South Deep Education Trust

Opinion

We have audited the financial statements of The South Deep Education Trust (the trust) set out on pages 6 to 16, which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, accounting policies and notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The South Deep Education Trust as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the trust in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinion.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the document titled "The South Deep Education Trust Financial Statements for the year ended 31 December 2018". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

KPMG Inc. is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc. is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005

Registration number 1999/021543/21

Chairman Wiseman Nkuhlu

Chief Executive Officer Ignatius Sehoole

Directors Full list on website

The company's principal place of business is at KPMG Crescent,
85 Empire Road, Parktown.



Auditor's responsibilities for the audit of the financial statements

Our 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 our 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust 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.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Per ML Watson
Chartered Accountant (SA)
Registered Auditor
Director
7 February 2020

THE SOUTH DEEP EDUCATION TRUST
STATEMENT OF FINANCIAL POSITION
as at 31 December 2018

ASSETS	Note	2018 ZAR	2017 ZAR
Non-current assets			
Financial assets	1	44 557 345	50 836 641
		<u>44 557 345</u>	<u>50 836 641</u>
Current assets			
Financial assets	1	6 279 296	5 760 823
Prepaid expenditure	5	756 264	490 537
Cash and cash equivalents	2	7 005 190	18 591 877
Restricted cash and cash equivalents	3	11 999 226	-
		<u>26 039 976</u>	<u>24 843 237</u>
Total assets		<u><u>70 597 321</u></u>	<u><u>75 679 878</u></u>
EQUITY AND LIABILITIES			
Equity			
Contributors' interest		100	100
Accumulated surplus		58 592 421	75 679 778
		<u>58 592 521</u>	<u>75 679 878</u>
Current liabilities			
Deferred income	7	12 004 800	-
		<u>12 004 800</u>	<u>-</u>
Total equity and liabilities		<u><u>70 597 321</u></u>	<u><u>75 679 878</u></u>

THE SOUTH DEEP EDUCATION TRUST
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2018

	Note	2018 ZAR	2017 ZAR
Other income		115 307	122 124
Other expenses		<u>(22 888 551)</u>	<u>(17 493 834)</u>
Operating loss		(22 773 244)	(17 371 710)
Finance income	6	<u>5 685 887</u>	<u>6 568 372</u>
Loss before taxation		(17 087 357)	(10 803 338)
Taxation	8	<u>-</u>	<u>(10 097 638)</u>
Loss for the year		(17 087 357)	(20 900 976)
Other comprehensive income, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		(17 087 357)	(20 900 976)

THE SOUTH DEEP EDUCATION TRUST
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2018

	Contributors' interest ZAR	Accumulated surplus ZAR	Total ZAR
Balance at 31 December 2016	100	96 580 754	96 580 854
Comprehensive income for the year	-	(20 900 976)	(20 900 976)
Balance at 31 December 2017	100	75 679 778	75 679 878
Comprehensive income for the year	-	(17 087 357)	(17 087 357)
Balance at 31 December 2018	100	58 592 421	58 592 521

THE SOUTH DEEP EDUCATION TRUST
STATEMENT OF CASH FLOWS
for the year 31 December 2018

	Note	2018 ZAR	2017 ZAR
CASH FLOW FROM OPERATING ACTIVITIES			
Cash used in operations	9	(22 773 244)	(17 371 710)
		<u>(22 773 244)</u>	<u>(17 371 710)</u>
Finance income		646 710	1 053 530
Dividend income		10 800 000	8 640 000
		<u>11 326 534</u>	<u>8 640 000</u>
Cash outflow before changes in working capital		(11 326 534)	(7 678 180)
Changes in working capital		11 739 073	(490 537)
		<u>412 539</u>	<u>(8 168 717)</u>
NET CASH USED IN OPERATING ACTIVITIES			
		<u>412 539</u>	<u>(8 168 717)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of the year	2	18 591 877	26 760 594
		<u>18 591 877</u>	<u>26 760 594</u>
Cash and cash equivalents at end of the year	2 and 3	<u><u>19 004 416</u></u>	<u><u>18 591 877</u></u>

THE SOUTH DEEP EDUCATION TRUST
ACCOUNTING POLICIES
for the year 31 December 2018

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rand.

The accounting policies are consistent with the previous year, except for the adoption of the new standards set out in 1.6 below.

The trustees approved the financial statements on 07 February 2020.

1.1 SIGNIFICANT JUDGEMENTS

Use of estimates: The preparation of the financial estimates requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting year. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results differ from those estimates.

The more significant areas requiring the use of management estimates and assumptions relate to the fair value and accounting treatment of financial assets. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1.2 FINANCIAL INSTRUMENTS

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

Broadly, the classification possibilities, which are adopted by the Trust, 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.

Financial assets which are debt instruments:

- Amortised cost; or
- Fair value through other comprehensive income; or
- Mandatorily at fair value through profit or loss; or
- Designated at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss; or
- Designated at fair value through profit or loss.

Note 9 Financial instruments and risk management presents the financial instruments held by the Trust based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Investments

The investments consist of ordinary shares in Invictus Gold (Pty) Ltd. The investments in the unlisted company is accounted for at fair value through profit or loss (FVTPL). Purchases and sales of investment are recognised on the trade date, which is the date that the trust commits to purchase or sell the assets. The cost of the purchased investment excludes transaction cost. Realised gains and losses are included in determining net profit or loss.

THE SOUTH DEEP EDUCATION TRUST
ACCOUNTING POLICIES
for the year 31 December 2018

Trade and other receivables

Loans and other receivables are measured at initial recognition at fair value and subsequently measured at amortised cost less allowance for impairment. Estimates made for impairment are based on a review of outstanding amounts at year end and irrecoverable amounts are written off during the year which they were identified.

Cash and cash equivalents

Cash, cash equivalents and restricted cash are measured at amortised cost which is deemed to be fair value as they have a short term maturity.

1.3 INCOME RECOGNITION

Other income is recognised when the right to receive payment has been established. Finance income is recognised on a time proportion basis taking account of the principal outstanding and the effective rate over the year to maturity.

Investment income comprises of finance income on funds invested.

Cash flow finance income and other income are classified under operating activities in the statement of cash flows.

1.4 FINANCE COSTS

Finance costs are recognised as an expense in the year in which they are incurred.

1.5 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS

Certain new standards, amendments and interpretations to existing standards have been published that apply to the Trust's accounting periods beginning on or after 1 January but have not been early adopted by the Trust. Other than disclosure, the impact of these standards is not expected to be significant. The standards, amendments and interpretations that are applicable to the Trust are:

Effective for the financial year commencing 01 January 2019

- Annual improvements to IFRS Standards 2015/17 cycle various standards

Effective for the financial year commencing 01 January 2020

- Amendments to references to Conceptual Framework in IFRS Standards
- Definition of material (Amendments to IAS 1 and IAS 8)

Effective standards adopted in the current year

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from contracts with customers

1.6 CHANGES IN ACCOUNTING POLICY

The financial statements have been prepared in accordance with the International Financial Reporting Standards on the basis consistent with prior year except for the adoption of the following new or revised standards.

Application of IFRS 9 financial instruments

In the current year, the Trust has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRSs. IFRS 9 replaces IAS 39 Financial Instruments and introduces new requirements for:

- (a) The classification and measurement of financial assets and financial liabilities,
- (b) Impairment for financial assets and
- (c) General hedge accounting.

Details of these new requirements and their impact on the Trust's financial statements are described below. The Trust has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Trust has assessed its existing financial assets in terms of the requirements of IFRS 9) is 01 January 2018. Accordingly, the Trustees reviewed and assessed the Trust's existing financial assets as at 01 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had no impact on the Trust's financial assets as regards to their classification and measurement.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Trust to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in the credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

As at 01 January 2018, the trustees reviewed and assessed the Trust's existing financial assets for impairment using reasonable and supportable information that was available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk of the respective financial assets at the date they were initially recognised, and compared that to the credit risk as at 01 January 2018. Based on the review performed, the Trust did not identify any material credit risk that would result in expected credit losses.

Financial impact of initial application of IFRS 9

There has been no financial impact on profit or loss, or on assets and liabilities, as a result of the adoption of IFRS 9 in the current year.

The table below details the change in naming convention applied to financial assets of the Trust as at 1 January 2018. The comparative carrying amount and the fair value of each instrument at year end under both accounting standards is shown on the next page:

THE SOUTH DEEP EDUCATION TRUST
ACCOUNTING POLICIES (continued)
for the year 31 December 2018

Financial Asset	Original classification under IAS 39	New classification under IFRS 9	Carrying amount under IAS 39	Carrying amount under IFRS 9
Investment – Invictus Group	Fair value	Fair value	R 606 000.00	R 606 000.00
Loan and receivables	Amortised cost	Amortised cost	R 55 990 864.00	R 55 990 864.00
Cash and cash equivalents	Amortised cost	Amortised cost	R 18 591 877.00	R 18 591 877.00

Application of IFRS 15 Revenue from contracts with customers

The adoption had no impact on the Trust's financial statements.

1.7 DEFERRED INCOME

Deferred income is recognised when there is a reasonable assurance that:

- (a) the company will comply with the conditions attaching to them, and
- (b) the income will be received

Deferred income is recognised as income over the periods necessary to match them with related costs that they are intended to compensate.

THE SOUTH DEEP EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

	2018 ZAR	2017 ZAR
1. Financial assets		
Financial assets at fair value through profit or loss		
Invictus Gold (Pty) Ltd	606 600	606 600
Financial assets at amortised cost		
Loans and receivables	50 230 041	55 990 864
	<u>50 836 641</u>	<u>56 597 464</u>
Financial assets		
The investment consists of 1 "A" ordinary shares in Invictus (Pty) Ltd ('Invictus'), this "A" share carries the right to receive 60% of the distributions made by Invictus.		
The investment was originally purchased for an initial amount of R1 and fair valued on purchase date to R606, 600. The financial asset was fair valued at 0.09% of the equity component (R674 000 000) of the South Deep transaction share-based payment by Gold Fields Ltd. Newco is a wholly owned subsidiary of Gold Fields Ltd that owns the South Deep Mine.		
In terms of the transaction Newco issued 10 million Class B ordinary shares representing 10% of South Deep's net worth to a consortium of BEE partners, including Invictus. The trust holds 0.1% of the shares in Invictus. The trust does not intend to dispose of these shares.		
Financial assets-loans and receivables		
Each B share on the Newco investment guarantees the following dividend payments from Newco		
-R 18 000 000 per year for 10 years between 2010 and 2020		
-R 12 000 000 per year for 5 years between 2021 and 2025 and		
-R 6 000 000 per year for 5 years between 2026 and 2030		
The initial application of IFRS 9 had no impact on the value of the loans and receivables. Refer to note 6 for interest related to this financial asset.		
Non-current assets		
Financial assets	606 600	606 600
Loans and receivables	43 950 745	50 230 041
	<u>44 557 345</u>	<u>50 836 641</u>
Current assets		
Loans and receivables (short term portion)	6 279 296	5 760 823
	<u>50 836 641</u>	<u>56 597 464</u>
2. Cash and cash equivalents		
Call account	6 995 462	18 506 680
Current account	9 728	85 197
	<u>7 005 190</u>	<u>18 591 877</u>
3. Restricted cash and cash equivalents	<u>11 999 226</u>	<u>-</u>

The funds were received from Westonaria Community Trust for the sole purpose of funding the TVET College establishment.

THE SOUTH DEEP EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

	2018 ZAR	2017 ZAR
4. Tax receivable		
Amount recognised in profit or loss		
Taxes written off	-	(10 097 638)
	<u>-</u>	<u>(10 097 638)</u>
Amount recognised in statement of financial position		
At the beginning of the year	-	7 937 638
Dividend tax withheld	-	2 160 000
Amounts written off in profit and loss	-	(10 097 638)
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

Tax written off relates to dividend tax that was withheld by Invictus (Pty) Ltd and income tax paid in prior years. The entity has not been successful in claiming the dividend withheld from Invictus (Pty) Ltd and prior year payments made to SARS and it was written off in current year.

5. Prepaid expenses		
South Deep Education NLA trust account	756 264	490 537
	<u>756 264</u>	<u>490 537</u>
	<u><u>756 264</u></u>	<u><u>490 537</u></u>

The administrator of the trust opened a trust bank account in terms of section 78(2A) of the Attorneys Act to cater for the future expenses.

6. Finance income		
Accretion interest: Financial asset	5 039 177	5 514 842
Bank interest	646 710	1 053 530
	<u>5 685 887</u>	<u>6 568 372</u>
	<u><u>5 685 887</u></u>	<u><u>6 568 372</u></u>
7. Deferred income		
Total income received	12 004 800	-
Utilised during the year	-	-
	<u>12 004 800</u>	<u>-</u>
	<u><u>12 004 800</u></u>	<u><u>-</u></u>

The funds were received from Westonaria Community Trust for the sole purpose of funding the TVET College establishment.

8. Taxation		
Dividend tax		
Dividend tax withheld in prior year	-	(9 180 000)
Current tax		
Prior year current tax recognised	-	-
Prior year current tax written off	-	(917 638)
Deferred tax		
Deferred tax written back	-	-
	<u>-</u>	<u>(10 097 638)</u>
	<u><u>-</u></u>	<u><u>(10 097 638)</u></u>

The entity obtained its PBO status in June 2016. No current tax or deferred taxes provision for 2018 financial year.

THE SOUTH DEEP EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

9. Cash used in operations		
Loss before taxation	(17 087 357)	(10 803 338)
Adjustments for:		
Finance income	(5 685 887)	(6 568 372)
	<u>(22 773 244)</u>	<u>(17 371 710)</u>

10. Risk management

Liquidity risk

The trustees risk to liquidity is a result of the equity available to cover future commitments. The trust manages liquidity risk through an ongoing review of future commitments and interest income. Cash flow forecasts are prepared and matched to the interest income receivable by the trust.

Interest rate risk

The trust is exposed to interest rate risk on deposits held at financial institutions. These deposits are held in current and other short term accounts on which interest is earned at variable interest rates.

As the trust has significant interest-bearing assets, the trust's income and operating cash flows are substantially dependent of changes in market interest rates.

The trust manages interest rate risk by identifying opportunities to prudently manage interest rate exposures.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade and other receivables. The trust only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

The trust manages credit risk by only dealing with approved counterparts that are of a sound financial standing.

11. Related parties

Relationships

Substantial investment Refer to note 1
Common trustees of The South Deep Education Trust and The South Deep Community Trust

Related party balances and transactions with other related parties

Related party balances

Investments in related parties

Invictus Gold (Pty) Ltd	<u>606 600</u>	<u>606 600</u>
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Loans and receivables owing by related parties

Invictus Gold (Pty) Ltd	<u>50 230 041</u>	<u>55 990 864</u>
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Related party transactions

Finance income received from related parties		
Invictus Gold (Pty) Ltd- accretion interest	<u>5 039 177</u>	<u>5 514 842</u>

	Note	2018 ZAR	2017 ZAR
Other income			
Finance income	6	5 685 887	6 568 372
Refunds		115 307	122 124
Other expenses			
Accounting fees		(246 263)	(118 529)
Bank charges		(13 541)	(10 880)
Catering		-	-
Consulting fees		(788 360)	(327 482)
Monitoring		(222 884)	(70 960)
Distributions		(19 140 600)	(15 107 078)
Travel-Local		(142 925)	(18 705)
Trust administration fees		(1 594 105)	(1 602 010)
Trustees' fees		(331 591)	(174 339)
Donations		(94 954)	(39 921)
Website costs		-	(15 000)
Fines and penalties		(299 869)	-
Workshop costs		(13 459)	(8 930)
Total other expenses		(22 888 551)	(17 493 834)
Operating loss		(17 087 357)	(10 803 338)
Loss before taxation		(17 087 357)	(10 803 338)
Taxation	8	-	(10 097 638)
Loss for the year		(17 087 357)	(20 900 976)