

The Sibona Ilanga Trust
(Registration number: IT2222/2011)

Annual Financial Statements
for the year ended 29 February 2020

The Sibona Ilanga Trust

(Registration number: IT2222/2011)

Financial Statements for the year ended 29 February 2020

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

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The Sibona Ilanga Trust

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Financial Statements for the year ended 29 February 2020

Trustee's Responsibilities and Approvals

The trustees are responsible for the maintenance of adequate accounting records and the preparation, integrity and fair presentation of the financial statements of the Trust. The financial statements have been prepared in accordance with International Financial Reporting Standards and include amounts based on judgements and trust deed and estimates by management.

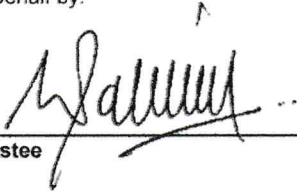
The trustees considered that in preparing the financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all International Reporting Standards that they consider to be applicable have been followed. The Trustees are satisfied that the information contained in financial statements fairly presents the results of operations for the year and the financial position of the Trust at year end. The trustees also prepared the other information included in the trustee report and is responsible for its accuracy and its consistency with the financial statements

The going concern basis has been adopted in preparing the financial statements. The trustees have no reason to believe that the Trust will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the trust.

The financial statements have been audited by the Independent Auditors, Ernst & Young Inc., who were given unrestricted access to all financial records and related data, including minutes of all meetings of the board of trustees. The trustees believe that all representations made to the independent auditors during their audit are valid and appropriate.

The audit report of Ernst & Young Inc. is presented on page 4 to 5.

The financial statements set out on pages 7 to 17 were approved by the trustees on 22 January 2021 and are signed on its behalf by:



Trustee

Cape Town



Trustee



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Port Elizabeth 6001
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Independent Auditor's Report

To the Trustees of The Sibona Ilanga Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Sibona Ilanga Trust ('the trust') set out on pages 7 to 17, which comprise the statement of financial position as at 29 February 2020, and the statement of 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Sibona Ilanga Trust as at 29 February 2020, 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 of the trust and 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 of the trust and 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 opinion.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the 17-page document titled "The Sibona Ilanga Trust Annual Financial Statements for the year ended 29 February 2020", which includes the Trustees' Report. 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 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.



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 trustees.
- 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.

A handwritten signature in black ink that reads 'Ernst & Young' with a stylized flourish at the end.

Ernst & Young Incorporated
 Director - Mark Biggs
 Registered Auditor
 Chartered Accountant (SA)
 Port Elizabeth
 22 January 2021

The Sibona Ilanga Trust

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Financial Statements for the year ended 29 February 2020

Trustee's Report

The trustees submit their report on the activities of the Trust for the year ended 29 February 2020.

Country of incorporation

The Trust is incorporated in South Africa.

Nature of business

The principal object of the Trust is to carry on public benefit activities within a 50 kilometre radius of the De Aar Solar Project by providing funds and resources to other organisations which are engaged in land reform, enterprise development, energy, education and healthcare activities. The Trust has an effective ownership of 8% of De Aar Solar Power (RF) (Pty) Ltd which is the entity that owns the De Aar Solar Project. The Trust's holding in the solar project is through a wholly-owned special purpose entity called Rebuna Litsatsi De Aar Renewable Energy Company (RF) (Pty) Ltd.

Financial Results

The results of the Trust are clearly set out in the accompanying financial statements.

Trustee and secretary

The trustees of the Trust during the financial period and at the date of this report are as follows:

NA Gabriel (Chairman)

MT Green-Thompson

AL Musialek

HT Radebe

RH Adam-Beukes

Trust secretarial work is performed by Kilgetty Statutory Services (Pty) Ltd.

Registered Office

Business address

5th Floor, Unit 5a
Sunclare Building
21 Dreyer Street
Claremont
7708
South Africa

Postal address

Postnet Suite 205
Private Bag X1005
Claremont
7735
South Africa

Going concern

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the Trust has adequate resources in place to continue in operation for the foreseeable future.

Audited financial statements

The financial statements have been audited in terms of clause 38 of the Trust Deed.

Events after reporting date

The trustee is not aware of any matter or circumstance arising since the end of the financial period, not otherwise dealt with in the financial statements, which significantly affects the financial position of the Trust or the results of its operations.

Also, refer to the Note 19 of the financial statements for events that occurred after year end, but did not result in an adjustment to the financial statements.

Preparation of the financial statements

These financial statements have been audited by our external auditor Ernst & Young Inc. in compliance with the applicable requirements of the Trust Deed. They were prepared by Tasneem Edwards, CA (SA).

The Sibona Ilanga Trust

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Financial Statements for the year ended 29 February 2020

Statement of Financial Position as at 29 February 2020

	Notes	<u>R</u> <u>2020</u>	<u>R</u> <u>2019</u>
Assets			
Non - Current Assets			
Investment in De Aar Solar Power (RF) Pty Ltd	5	128 871 536	128 504 852
Fixed Assets	4	52 542	19 984
		128 924 078	128 524 836
Current Assets			
Trade and other receivables	6	8 005 354	31 600
Cash and cash equivalent	7	12 450 576	6 219 658
		20 455 930	6 251 258
Total Assets		149 380 008	134 776 094
Capital and reserves			
Trust capital	8	100	100
Fair value reserve	9	128 870 536	128 503 852
Accumulated surplus / (deficit)		19 230 775	6 090 620
		148 101 411	134 594 572
Current Liabilities			
Trade Payables and other payables	10	1 278 597	181 522
		1 278 597	181 522
Total Liabilities		1 278 597	181 522
Total Reserves and Liabilities		149 380 008	134 776 094

The Sibona Ilanga Trust

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Financial Statements for the year ended 29 February 2020

Statement of Comprehensive Surplus for the year ended 29 February 2020

	Notes	<u>R</u> <u>2020</u>	<u>R</u> <u>2019</u>
Dividends income	11	18 350 000	9 900 000
Recovery of costs		2 075 676	-
Operating costs	12	(3 778 461)	(1 007 655)
Grant funding	13	(3 996 297)	(1 141 152)
Operating surplus / (deficit) for the year		12 650 918	7 751 193
Net financing costs		489 237	18 972
Surplus / (deficit) before taxation		13 140 155	7 770 165
Taxation	14	-	-
Surplus / (deficit) for the year		13 140 155	7 770 165
Other comprehensive surplus:			
Items that may be reclassified subsequently to surplus or deficit:			
Change in fair value of investment	5	366 684	17 478 829
Other comprehensive surplus for the year		366 684	17 478 829
Total comprehensive surplus for the year		13 506 839	25 248 994
Total comprehensive surplus attributable to:			
Equity holders of the trust		13 506 839	25 248 994

The Sibona Ilanga Trust

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Statement of Changes in Reserves for the period ended 29 February 2020

	R	R	R	R
	Trust Capital	Fair value reserve	Accumulated Profit/(Loss)	Total
Balance at 1 March 2018	100	111 025 023	(1 679 545)	109 345 578
Other comprehensive surplus	-	17 478 829	-	17 478 829
Surplus for the year	-	-	7 770 165	7 770 165
Balance at 28 February 2019	100	128 503 852	6 090 620	134 594 572
Other comprehensive surplus	-	366 684	-	366 684
Surplus for the year	-	-	13 140 155	13 140 155
Balance at 29 February 2020	100	128 870 536	19 230 775	148 101 411
Note(s)	8	9		

The Sibona Ilanga Trust

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Financial Statements for the year ended 29 February 2020

Statement of Cash Flows for the period ended 29 February 2020

	Notes	<u>R</u> <u>2020</u>	<u>R</u> <u>2019</u>
Cash flows from operating activities			
Cash generated by operations	15	(12 575 762)	(2 691 575)
Net financing costs		489 237	18 972
Net cash in / (outflow) from operating activities		(12 086 525)	(2 672 603)
Cash flows from investing activities			
Acquisition of PPE		(32 558)	(19 984)
Dividends received		18 350 000	9 900 000
Net cash outflow from investing activities		18 317 443	9 880 016
Cash flows from financing activities			
Repayment of loan from Investee		-	(1 101 000)
Net cash inflow from financing activities		-	(1 101 000)
Net increase in cash and cash equivalents for the year		6 230 918	6 106 413
Cash and cash equivalents at the beginning of the year		6 219 658	113 245
Cash and cash equivalents at the end of the year	7	12 450 576	6 219 658

The Sibona Ilanga Trust

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Financial Statements for the year ended 29 February 2020

Accounting Policies

1. Accounting policies

The annual financial statements have been prepared in accordance with the Trust Deed and International Financial Reporting Standards. The annual financial statements have been prepared on a historical basis and incorporate the following principal accounting policies which have been consistently applied in all material respects. They are presented in South African Rands.

1.1 Fixed assets

The cost of an item of fixed asset is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the trust, and
- the cost of the item can be measured

Fixed assets are initially measured at cost. Cost include the costs incurred to acquire or construct the asset and costs incurred subsequently to add to, replace part of, or service it. If a replacements recognised in the carrying amount of an asset, the carrying amount of the replaced part is derecognised.

Fixed assets are carried at cost less accumulated depreciation and any impairments.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. The depreciation charge for each period is recognised in the surplus or deficit, unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an asset is included in the surplus or deficit when the item is derecognised. The gain or loss from the derecognition of the asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.2 Financial instruments

The Trust classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income
- Loans and receivables
- Financial liabilities at fair value through profit or loss
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. This is determined based on the business model and the contractual cash flow characteristics.

Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

The fair value hierarchy used to measure the financial instruments is based on Level 3 inputs; which are unobservable in the market. There have been no transfers within the fair value hierarchy.

No other reclassifications may be made into or out of the fair value through profit or loss category.

Initial recognition

Financial instruments are recognised initially when the Trust becomes party to the contractual provisions of the instruments. The Trust classifies financial instruments, or their component parts, on initial recognition as a financial asset, as financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Initially financial assets and liabilities should be measured at fair value (including transaction costs for assets and liabilities not measured at fair value through profit or loss). Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

For financial instruments which are not at fair value through profit or loss, the transaction costs are included in the initial measurement of the instrument. Transaction costs on the financial instruments at fair value through profit or loss are recognised in profit or loss.

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Financial Statements for the year ended 29 February 2020

Accounting Policies (continued)

1.2 Financial instruments (continued)

Subsequent measurement

Financial assets at fair value through profit and loss are designated at fair value through the profit and loss by management at inception. Derivatives are also classified as held-for-trading in this category unless they are designated as hedges.

Loans and receivables are non-derivative financial assets with fixed or determinable payments, originated or acquired, that are not quoted in an active market, not held for trading, and not designated on initial recognition as assets at fair value through profit or loss or as available-for-sale. Loans and receivables for which the holder may not recover substantially all of its initial investment other than because of credit deterioration should be classified as available-for-sale. Loans and receivables are measured at amortised cost using the effective interest method.

Financial liabilities include trade and other payables as well as long-term interest bearing loans. These are all measured at amortised cost, using the effective interest rate method.

Amortised cost is calculated using the effective interest method with the effective interest rate being the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability.

Impairment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to debt instruments accounted for at amortised cost or at FVOCI, most loan commitments, financial guarantee contracts, contract assets under IFRS 15 Revenue from Contracts with Customers and lease receivables under IAS 17 Leases or IFRS 16 Leases.

ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). There have been no significant changes in credit risk since initial recognition.

1.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.4 Taxation

Current tax assets and liabilities

Current tax for the 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.

Deferred tax assets and liabilities

Deferred tax liabilities are recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from 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 which at the time of the transaction affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against the unused tax losses can be utilised.

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.

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Financial Statements for the year ended 29 February 2020

Accounting Policies (continued)

1.4 Taxation (continued)

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 transaction which is recognised directly in equity

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are charged or credited, 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 to equity.

2. Adoption of new and revised standards

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards and the trust deed. The principal accounting policies adopted are set out below.

Standards and interpretations effective in the current period

Category	Standard	Effective Date	Impact	Description
Amendment	IAS 1	Presentation of Financial Statements	01-Jan-20	Disclosure Initiative: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.
New	IFRIC 23 - Uncertainty over Income Tax Treatments	01-Jan-19	Not material	The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

Standards and Interpretations not yet effective

The IASB has issued a revised Conceptual Framework for Financial Reporting in March 2018, which is effective for annual periods beginning on or after 01 January 2020 for preparers who develop accounting policies based on the Conceptual Framework.

3. Significant judgements

In preparing the financial statements, management is required to make estimates and assumptions that effect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

The Fair Value of financial instruments classified at fair value through OCI

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Depreciation rates

Fixed assets are depreciated on a straight-line basis over the expected useful lives of the various classes of assets, after taking into account residual values:

- Computer equipment 3 years

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Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements

4 FIXED ASSETS

	2019			2020		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Computer Equipment	21 159	(1 175)	19 984	64 908	(12 366)	52 542
Total	21 159	(1 175)	19 984	64 908	(12 366)	52 542

Reconciliation of fixed assets - 2019

	Opening balance	Accumulated depreciation	Additions	Disposals	Total
Computer Equipment	-	(1 175)	21 159	-	19 984
Total	-	(1 175)	21 159	-	19 984

Reconciliation of fixed assets - 2020

	Opening balance	Accumulated depreciation	Additions	Disposals	Total
Computer Equipment	19 984	(11 191)	43 749	-	52 542
Total	19 984	(11 191)	43 749	-	52 542

5 INVESTMENT IN DE AAR SOLAR POWER (RF) PTY LTD

Investment in De Aar Solar Power (RF) (Pty) Ltd

	<u>R</u> <u>2020</u>	<u>R</u> <u>2019</u>
Opening balance	128 504 852	111 026 023
Fair value changes recognised in other comprehensive income	366 684	17 478 829
	<u>128 871 536</u>	<u>128 504 852</u>

The Trust has an effective ownership of 8% of De Aar Solar Power (RF) (Pty) Ltd which is the operating entity that owns the De Aar Solar Project. The Trust's holding in the solar project is through a wholly-owned special purpose entity called Rebuna Litsatsi De Aar Renewable Energy Company (RF) (Pty) Ltd.

The investment in the operating entity is carried at fair value in terms of IFRS 9. The Trustees have no intention to sell the Investment. Furthermore, the sale of the Investment is prohibited in terms of the Trust Deed. The fair value model is measured on an annual basis according to a discounted cashflow method on the P90 model, which has a remaining period of 16 years at a weighted average cost of capital of 12%.

6 TRADE AND OTHER RECEIVABLES

Trust capital receivable	100	100
Distribution receivable	7 750 000	-
Prepayments	216 591	31 500
Trade receivable	38 664	-
	<u>8 005 354</u>	<u>31 600</u>

All receivables are classified at amortised cost in terms of IFRS 9.

7 CASH AND CASH EQUIVALENT

Cash at bank	12 450 576	6 219 658
	<u>12 450 576</u>	<u>6 219 658</u>

A credit card facility of R60,000.00 has been made available by ABSA to the trust. All cash and cash equivalent balances, as recorded, approximate fair value.

8 CAPITAL CONTRIBUTION

Trust Capital	100	100
	<u>100</u>	<u>100</u>

A contribution to Trust capital was made by De Aar Solar Power (RF) (Pty) Ltd.

9 FAIR VALUE RESERVE

Opening balance	128 503 852	111 025 023
Fair value changes recognised in other comprehensive income	366 684	17 478 829
	<u>128 870 536</u>	<u>128 503 852</u>

The reserve is a result of changes in fair value of the investment which is measured on an annual basis according to the discounted cashflow method.

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Notes to the Annual Financial Statements

	<u>R</u> <u>2020</u>	<u>R</u> <u>2019</u>
10 TRADE AND OTHER PAYABLES		
Trade payables	577 427	-
SARS employee tax	563 026	17 988
Accrued expenses	138 145	163 534
	<u>1 278 597</u>	<u>181 522</u>

11 DIVIDEND INCOME

Income for the Trust is in the form of Dividends received from the Rebuna Litsatsi De Aar Renewable Energy Company (Rf) (Pty) Ltd.

12 OPERATING COSTS

Operating costs include the following:

Audit fees - Current year	65 936	10 283
Depreciation	11 191	1 175
Legal fees	-	26 481
Management Fees	11 500	68 135
Consulting Fees	15 000	509 203
Salaries	2 311 828	-
Travel and Accommodation	652 543	180 715

13 GRANT FUNDING

Grant funding is classified as donations, which are distributed to approved beneficiaries. Beneficiaries need to meet the relevant criteria

Beneficiary name:

Britstown Independent School Sport & Recreation Agency NPO	156 741	-
Champion of Hope	350 000	-
De Aar Pool Players	-	54 060
Emthanjeni Municipal Forum NPC	100 000	-
Ethembeni Place of Hope Community Centre	508 000	188 095
God is Good centre	402 364	129 000
Hope Day care	-	100 000
Karoo Cricket Union	130 000	-
Karoo Travel	-	206 000
Lephawu Trading (Pty) Ltd	195 000	-
Lesego Atoro - Transport to ferry	-	3 500
Liz B 2Care	175 000	-
Lukanyo Soup Kitchen	-	96 252
Masakhane Soup Kitchen	89 598	-
Nightingale Hospice	250 200	98 800
Phoenix Civils 1810	200 000	30 000
QA Products and Services	100 000	-
Rehoboth Service Centre	100 000	-
Rural Development Support Program	250 200	-
SAFA	140 000	-
Sizakele Mbekushe Soup Kitchen	75 000	-
Sonder Sorge TeHuis ACCV	93 000	-
St Johns Mission	-	99 700
Theron High School	115 044	-
Ubanye De Aar Funeral	210 000	-
Ulonwabo Drop-in Centre	247 000	-
Women in Action for Christ	75 000	35 645
Your child is my life	-	100 100
Youth at Home	34 150	-
	<u>3 996 297</u>	<u>1 141 152</u>

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Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements (continued)

	<u>R</u> <u>2020</u>	<u>R</u> <u>2019</u>
14 TAXATION		
Deferred Tax liability		
A deferred tax liability has not been recognised as the investment is held in a 100% owned subsidiary. The temporary difference is therefore exempt.		
South African normal taxation		
Deferred tax credit	-	-
The Trust is a registered Public Benefit Organisation (PBO) for tax purposes. This status provides for the exemption from normal tax of certain receipts and accruals.		
Reconciliation of the rate of taxation		
Reconciliation between applicable tax rate and average effective tax rate:		
South African normal tax rate	45.00%	45.00%
Unrecognised deferred tax on accumulated losses	-45.00%	-45.00%
Effective income tax rate	<u>0.00%</u>	<u>0.00%</u>
15 CASH GENERATED BY OPERATIONS		
Comprehensive profit/(loss) before taxation	13 140 155	7 770 165
Adjustments for:		
Interest income	(489 237)	(18 972)
Dividend income	(18 350 000)	(9 900 000)
Changes in working capital:		
(Decrease) / Increase in trade and other payables	1 097 075	(511 268)
(Increase) in trade and other receivables	(7 973 754)	(31 500)
	<u>(12 575 762)</u>	<u>(2 691 575)</u>
16 RELATED PARTIES		
Related party relationships		
Principal donor	De Aar Solar Power (RF) (Pty) Ltd	
Investee company	Rebuna Letsatsi De Aar Renewable Energy Company (RF) (Pty) Ltd	
Entity managed by the trust	Letsatsi Borutho Trust	
Entity managed by the trust	Amandla Omoya Trust	
Via key management personnel*	Jeffreys Bay Renewable Energy Company (Rf) (Pty) Ltd	
Via key management personnel*	Drongfontein Renewable Energy Company (RF) (Pty) Ltd	
* - no related party transactions took place between the entities for the year		
Related party transactions		
Shared costs recharges - Letsatsi Borutho Trust	879 736	-
Shared costs recharges - Amandla Omoya Trust	1 131 504	-
Trust capital - Principal Donor	100	100
Dividend income - Dividend declared by investee company	18 350 000	9 900 000
	<u>20 361 340</u>	<u>9 900 100</u>
Related party balances		
Accounts receivable - Letsatsi Borutho Trust	190 414	-
Accounts receivable - Amandla Omoya Trust	63 854	-
Other receivable - Principal Donor	100	100
Other receivable - Distribution declared by investee company	7 750 000	-
	<u>8 004 368</u>	<u>100</u>
17 FINANCIAL INSTRUMENTS		
Capital risk		
The Trust manages its capital to ensure that the entity will be able to continue as a going concern. The capital structure of the Trust consists of equity attributable to the Trust, comprising a donation to Trust capital and retained earnings as disclosed in the statement of changes in equity.		
The trustees will review the capital structure on an annual basis. As a part of this review, the trustees consider the cost of capital and the risks associated with each class of capital.		

The Sibona Ilanga Trust

(Registration number: IT2222/2011)

Financial Statements for the year ended 29 February 2020

Notes to the Annual Financial Statements (continued)

	<u>R</u> <u>2020</u>	<u>R</u> <u>2019</u>
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17 FINANCIAL INSTRUMENTS (continued)

Credit risk management

Potential concentrations of credit risk consist mainly of investments and intercompany loans. At the end of the period the trustee did not consider there to be any significant concentration of credit risk which had not been adequately provided for.

Foreign exchange risk management

The trustee does not incur any expenses or receive any income in a foreign currency. There are no foreign currency balances at the period end.

Fair value of financial instruments

The carrying amounts of the financial assets and liabilities reported in the statement of financial position approximate fair value at the end of the period.

Interest rate risk management

As the Trust has no significant interest-bearing assets, the Trust's income and operating cash flows are substantially independent of changes in the market interest rates.

Liquidity risk management

The Trust manages liquidity risk through ongoing review of future commitments and credit facilities.

	Interest rate %	Year 1 R	Year 2-5 R	Over 5 years R	Total R
2020					
Assets					
Trade and other receivables	Interest Free	8 005 354			8 005 354
		<u>8 005 354</u>	-	-	<u>8 005 354</u>
Liabilities					
Trade and other payables	Interest Free	1 278 597			1 278 597
		<u>1 278 597</u>	-	-	<u>1 278 597</u>
2019					
Assets					
Other receivables	Interest Free	100			100
		<u>100</u>	-	-	<u>100</u>
Liabilities					
Trade and other payables	Interest Free	181 522			181 522
		<u>181 522</u>	-	-	<u>181 522</u>

	<u>R</u> <u>2020</u>	<u>R</u> <u>2019</u>
18 TRUSTEE EMOLUMENTS		
NA Gabriel (Chairman)	36 502	36 000
H Mkhungo	-	36 000
MT Green-Thompson	36 502	36 000
AL Musialek	36 646	36 000
HT Radebe	-	-
RH Adam Beukes	36 646	27 000

19 SUBSEQUENT EVENTS

Dividend income is ultimately dependent on the operations of the De Aar Solar Power plant. Due to Eskom not placing any restrictions on the plant during the COVID19 pandemic, the entity's income was not affected in a material manner. Overall, the operations of the entity was not affected in a material manner.

There were no significant events requiring the adjustment of the financial statements after the reporting date, being 28 February 2020, to the date of approval of the financial statements.

20 GOING CONCERN

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the Trust has adequate resources in place to continue in operation for the foreseeable future.