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

Financial Statements
for the year Ended 28 February 2015

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(Registration number: IT2222/2011)

Financial Statements for the year ended 28 February 2015

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

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 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 Trustee is 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 trustee 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 pages 4 - 5.

The financial statements set out on pages 7 to 15 were approved by the trustee on 8 November 2018 and are signed on its behalf by:

Trustee

Trustee

Cape Town

EY
Building a better working world

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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 set out on pages 7 to 15, which comprise the statement of financial position as at 28 February 2015, and the statement of profit or loss and other comprehensive income, statement of changes in trust funds 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 28 February 2015, 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 Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA code) and other independence requirements applicable to performing the audit of The Sibona Ilanga Trust. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code, IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of The Sibona Ilanga Trust. 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 supplementary information provided on page 19. The supplementary information does not include the annual financial statements and our auditor's report thereon.

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

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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.

Ernst & Young Inc.

Ernst & Young Inc.
Director: Pierre Du Plessis
Registered Auditor
Chartered Accounts (SA)
Cape Town

8 November 2018

Trustee's Report

The trustee's submits their report on the activities of the Trust for the year ended 28 February 2016.

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)
H Mkhungo
MT Green-Thompson
AL Musialek
HT Radebe

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

Registered Office

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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

We note that the liabilities have exceeded the assets, however, the Trustees are satisfied that the commitment by the De Aar Renewable Energy Company (RF) (Pty) Ltd will ensure that the Trust has adequate resources in place to continue in the foreseeable future.
The financial statements have thus been prepared on the going concern basis.
The De Aar Renewable Energy Company (RF) (Pty) Ltd (Investee Company) has made an irrevocable commitment to meet all working capital commitments of the Trust until such a time it is solvent and liquid.

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

Preparation of the financial statements

These financial statements have been audited by our external auditor Ernst & Young Inc. in compliance with the applicable requirements

The Sibona Ilanga Trust

(Registration number: IT2222/2011)

Financial Statements for the year ended 28 February 2015

Statement of Financial Position as at 28 February 2015

	Notes	R 2015	R 2014
Assets			
Non - Current Assets			
Investment in De Aar Solar Power (RF) (Pty) Ltd	5	1 000	1 000
		1 000	**1 000**
Current Assets			
Other receivables	6	100	100
		100	**100**
Total Assets		**1 100**	**1 100**
Equity and Liabilities			
Equity			
Trust capital	7	100	100
Accumulated losses		(59 068)	(7 334)
Total Equity		**(58 968)**	**(7 234)**
Current Liabilities			
Trade and other payables	8	52 734	1 000
Total Liabilities		**52 734**	**1 000**
Total Equity and Liabilities		**(6 234)**	**(6 234)**

Statement of Comprehensive Income for the year ended 28 February 2015

	Notes	R 2015	R 2014
Operating costs	9	(51 734)	(7 334)
Comprehensive loss before taxation		**(51 734)**	**(7 334)**
Taxation	10	-	-
Total comprehensive loss for the year		**(51 734)**	**(7 334)**

The Sibona Ilanga Trust

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Financial Statements for the year ended 28 February 2015

Statement of Changes in Equity for the year ended 28 February 2015

	R	R	R
	Share Capital	**Accumulated Loss**	**Total**
Balance at 1 March 2013	**100**	**-**	**100**
Loss for the year	-	(7 334)	(7 334)
Balance at 28 February 2014	**100**	**(7 334)**	**(7 234)**
Loss for the year	-	(51 734)	(51 734)
Balance at 28 February 2015	**100**	**(59 068)**	**(58 968)**
Note(s)	7		

Accounting Policies

1. Accounting policies

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The annual financial statements have been prepared on the historical cost 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 Basis of preparation

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

1.2 Financial Instruments

The Trust classifies its financial assets and financial liabilities at initial recognition into categories, namely financial assets held at fair value through profit or loss, loans and receivables, available-for-sale investments, financial liabilities at fair value through profit or loss and financial liabilities measured at amortised cost using the effective interest rate method. Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated at fair value through profit or loss, which shall not be classified 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.

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

Available for sale investments relate to any non-derivative financial assets which are designated on initial recognition as available for sale. They are measured at fair value in the statement of financial position with fair value changes recognised directly in equity, through the statement of changes in equity, except for impairment losses which are recognised through profit or loss. The cumulative gain or loss that was recognised in equity is recognised in profit or loss when an available-for-sale financial asset is derecognised.

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.

Accounting Policies (continued)

1.2 Financial Instruments (continued)

Impairment

A financial asset or group of assets is impaired and impairment losses are incurred only if there is objective evidence as a result of one or more events that occurred after the initial recognition of the asset. The Trust assesses at each reporting date whether there is any objective evidence of impairment. If any such evidence exists, a detailed impairment calculation is done to determine whether an impairment loss should be recognised. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss relating to a financial asset carried at amortised cost or a debt instrument carried as available-for-sale decreases due to an event occurring after the impairment was originally recognised, the previously recognised impairment loss is reversed through profit and loss. Impairments relating to investments in available-for-sale equity instruments are not reversed.

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 arise 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 taxable 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 (tax loss).

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.

Tax expenses

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

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

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

Accounting Policies (continued)

2. Adoption of new and revised standards

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

Standards and Interpretations effective in the current period

Standard	About	Effective Date	Impact
IAS 16	Clarification of acceptable methods of depreciation and amortisation	01-Jan-16	No material impact
IAS 38	Clarification of acceptable methods of depreciation and amortisation	01-Jan-16	No material impact
IAS 1	Disclosure initiative amendments	01-Jan-16	No material impact
IFRS 5	Changes in methods of disposal.	01-Jan-16	No material impact

Standards and Interpretations not yet effective

Standard	About	Effective Date	About
IFRS 9	Annual improvements	01-Jan-18	No material impact
IFRS 16	Leases	01-Jan-19	No material impact
IFRS 15	Revenue from Contracts with Customers	01-Jan-18	No material impact

The Trust has identified the accounting policies that are most significant to its operations and the understanding of its result

3. Use of estimates and judgements in the preparation of annual financial statements

In the preparation of the annual financial statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the financial statements within the next financial period.

The following significant judgements have been made by management that could have a significant effect on the amounts recognised in the financial statements:

- Fair value of Investments

Notes to the Annual Financial Statements

	R 2015	R 2014

4 DEFERRED TAXATION

Deferred tax asset

A deferred tax asset has not been recognised on accumulated tax losses amounting to R51 734 at the end of February 2015 (2014: Nil). This position will be reviewed going forward as future taxable profits become more probable for accumulated tax losses to be utilised against.

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

	R 2015	R 2014
Investment in De Aar Solar Power (RF) (Pty) Ltd	1 000	1 000
	1 000	1 000

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 should be carried at fair value in terms of IFRS 9. However, until such time as the entity starts earning a steady stream of dividend flows from the Trust company, historical information is not available and it is not possible to reliably calculate the fair value of the investment. The fair value currently is in excess of cost however, until a steady dividend distribution stream is observable, the investment will be carried at historic cost.

6 OTHER RECEIVABLES

	R 2015	R 2014
Other receivables	100	100
	100	100

The other receivable amount is made up of amounts due from De Aar Solar Power (RF) (Pty) Ltd. This was for an irrevocable donation as defined by the Trust Deed.

7 CAPITAL CONTRIBUTION

	R 2015	R 2014
Trust Capital	100	100
	100	100

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

8 TRADE AND OTHER PAYABLES

	R 2015	R 2014
Other payables	28 034	1 000
Accrued expenses	24 700	-
	52 734	1 000

9 OPERATING COSTS

	R 2015	R 2014
Operating costs include the following:		
Audit fees - current year	7 980	-
- prior year under provision	16 720	
Legal fees	6 038	-

10 TAXATION

South African normal taxation

	R 2015	R 2014
Deferred tax credit	-	-

Refer to note 4 for details of why the Trust has not recognised any deferred tax amounts per the Statement of

Reconciliation of the rate of taxation

Reconciliation between applicable tax rate and average effective tax rate:

	R 2015	R 2014
South African normal tax rate	40.00%	40.00%
Unrecognised deferred tax on accumulated losses	-40.00%	-40.00%
Effective income tax rate	0.00%	0.00%

Notes to the Annual Financial Statements (continued)

11 CASH FLOW STATEMENT

A statement of cash flows have not been prepared as there were no transactions and no cash movements within the trust. The contribution to Trust capital is still receivable and the investment in the Investee company is still payable as at 28 February 2015.

12 RELATED PARTIES

Related party relationships

Principal donor	De Aar Solar Power (RF) (Pty) Ltd
Investee company	Rebuna Litsatsi De Aar Renewable Energy Company (RF) (Pty) Ltd

Related party balances	R 2015	R 2014
Other receivable - Principal Donor	100	100
Other payable - Investee Company	1 000	1 000

13 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.

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

Except for the available for sale investment 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.

Notes to the Annual Financial Statements (continued)

13 FINANCIAL INSTRUMENTS (continued)

Liquidity risk management

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

	Year 1	Years 2 - 5	Over 5 years	Total
2015	R	R	R	R
Assets				
Other receivables	100	-	-	100
	100	-	-	100
2014	R	R	R	R
Assets				
Other receivables	100	-	-	100
	100	-	-	100

	Year 1	Years 2 - 5	Over 5 years	Total
2015	R	R	R	R
Liabilities				
Trade and other payables	52 734	-	-	52 734
	52 734	-	-	52 734
2014	R	R	R	R
Liabilities				
Trade and other payables	1 000	-	-	1 000
	1 000	-	-	1 000

14 SUBSEQUENT EVENTS

There were no significant events after the reporting date, being 28 February 2015, to the date of approval of the financial statements. The De Aar Renewable Energy Company (RF) (Pty) Ltd (Investee Company) has, subsequent to the reporting period, advanced funds to the Trust to assist with working capital commitments.

15 GOING CONCERN

The Trust incurred a net loss for the year ended 28 February 2015 of R51 734 (2014: R0) and as at that date, the total liabilities exceeded its total assets by R51 634 and current liabilities exceeded its current assets by R52 634.

The Trust is reliant on its subsidiary who will continue to provide and maintain such financial support and assistance as may be needed to enable the business activities of the Trust to continue to be conducted as a going concern and to satisfy the debts and obligations of the Trust as it becomes due for settlement.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the trust will continue to receive the support of its subsidiary company and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.