

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

Financial Statements
for the year ended 31 December 2020

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 2020 and the result of its operation and cash flows for the year then ended, in conformity with the entity specific accounting policies as described in the accounting policies. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the entity specific accounting policies 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 2021 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 03 May 2021 and are signed on their behalf by

Alexandra Muziwenhlahla 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	RSM South Africa 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 41 Homestead Avenue Homelake Randfontein
Trust administrator	NLA Legal Inc 24 Crawford Drive Norscot Sandton 2055

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Trustees' Report

The trustees have pleasure in presenting their report for the year ended 31 December 2020.

1. The Trust

The objective of the trust shall be to utilise donations and other accruals to the trust to provide funding to the beneficiaries for:

- Education, which include but are not limited to the provision of funds for any expenditure directly incurred in providing educational training facilities, including expenditure on board and lodging facilities, tuition, granting of scholarships, bursaries, skills development, provision of school buildings or equipment for educational institutions, curriculum support, school developments, safety and security at schools, outreach programmes, study and research,
- Legal resources, which include but are not limited to legal advice, legal assistance, research, prosecuting, defending or instituting legal action,
- The promotion of education-based projects related to self-help, poverty alleviation, empowerment and capacity building;
- Provision of funding to Labour Sending Areas which are directly linked to the Gold Fields Group for purposes set out above,
- 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 deed of substitution in 2014 and an amendment to the deed of substitution in 2016 and a change in financial year end resolution in 2018.

Founding contribution

GFI Mining South Africa (Pty) Ltd made an irrevocable donation of R 100 to the trust.

In addition, Gold Fields Operations Ltd and GFI Joint Venture Holdings (Pty) Ltd have made a donation to the South Deep Education Trust of 'B' Shares Subscription Price and GFI Mining South Africa (Pty) Ltd have made a donation to the South Deep Education Trust which include of 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 historically disadvantaged persons as set out in clause 2.5 and 2.25 of the deed of substitution.

2. Review of financial results and activities

The financial statements have been prepared in accordance with the entity specific accounting policies. 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:

School fees	7 055 992
Stipends	420 840
Student accommodation	926 146
Student laptops	14 651
Student transport	35 890
Student books	53 244
Student eye testing	863
EDUMAP	1 292 642
Phakamani Impact Capital Pty Ltd	22 754
Modderfontein Laerskool	50 000
St Martin School	358 826
Sinkhole Repairs Project	50 500
Ipeleng Primary School	99 999
Isiqalo Primary School	50 340
Zuurbekom Intermediate School	102 650
Skills development training	32 400
Project travel	1 548
Kagisano Day Care	491 197
Total	11 060 482

4. Trustees

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

Trustees

Neville Melville

Abraham Mokome

Tebogo Makolwane

Alexandra Muziwenhlahla Khumalo (Chairperson)

Thandile Sinette Ntshwanti-Khumalo

Elane Botha

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

Alexandra Joseph Muziwenhlahla 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 AUDITORS' REPORT

To the trustees of The South Deep Education Trust

Opinion

We have audited the financial statements of The South Deep Education Trust set out on pages 6 to 16, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, comprising a summary of significant accounting policies.

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 2020, and its financial performance and cash flows for the year then ended in accordance with the entity specific accounting policies.

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) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). 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 Trustees' Report and the detailed statement of profit or loss and other comprehensive income. 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.

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Directors E Bergh, B Com (Hons), CA(SA), C D Betty, B Acc, CA(SA), J Coetzer, B Compt (Hons), CA(SA), M G Q de Faria, B Bus Sc, CA(SA), B J Eaton, B Acc, H Dip Tax Law, CA(SA), A C Galloway, B Sc Mech Eng, CA(SA), M Greisdorfer, B Com (Hons), CA(SA), H Heymans, B Compt (Hons), M Com, FCCA, CA(SA), N C Hughes, B Compt (Hons), PG Cert Adv Tax, CA(SA), J Jones, B Com, B Acc, H Dip Tax Law, H Dip Int Tax Law, CA(SA), J Kitching, B Compt (Hons), CA(SA), G Parker, B Com, CA(SA), R V Pita, B Compt (Hons), CA(SA), L Quintal, B Com (Hons), CA(SA), R Rawoot, B Compt (Hons), CA(SA), P D Schulze, B Acc Sc (Hons), PG Dip Tax Law, CA(SA), M Steenkamp, B Compt (Hons), M Com, CA(SA), A D Young, B Compt (Hons), CA(SA)

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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 the entity specific accounting policies and the requirements of the Trust Deed, 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.

Auditors' 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 auditors' 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 International Standards on Auditing 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 International Standards on Auditing, 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 directors' 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 auditors' 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 auditors' 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 directors 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.

RSM South Africa Inc.

**Michael Steenkamp
Chartered Accountant (SA)
Registered Auditor
Director**

Date

THE SOUTH DEEP EDUCATION TRUST
STATEMENT OF FINANCIAL POSITION
as at 31 December 2020

ASSETS	Note	2020 ZAR	2019 ZAR
Non-current assets			
Property, plant and equipment	4	391 313	375 000
Financial assets	1	33 852 480	37 712 912
		<u>34 243 793</u>	<u>38 087 912</u>
Current assets			
Financial assets	1	3 860 432	6 844 433
Prepaid expenditure	5	2 010	27 679
Current tax receivable		385 015	-
Cash and cash equivalents	2	1 639	181 530
Restricted cash and cash equivalents	3	13 018 279	13 509 400
		<u>17 267 375</u>	<u>20 563 042</u>
Total assets		<u><u>51 511 168</u></u>	<u><u>58 650 954</u></u>
EQUITY AND LIABILITIES			
Equity			
Contributors' interest		100	100
Accumulated surplus		36 094 818	45 426 828
		<u>36 094 918</u>	<u>45 426 928</u>
Current liabilities			
Deferred income	7	13 097 400	13 097 802
Trade and other payables	8	2 318 850	126 224
		<u>15 416 250</u>	<u>13 224 026</u>
Total equity and liabilities		<u><u>51 511 168</u></u>	<u><u>58 650 954</u></u>

THE SOUTH DEEP EDUCATION TRUST
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2020

	Note	2020 ZAR	2019 ZAR
Other income		58 132	167 824
Other expenses		(14 340 221)	(18 478 048)
Depreciation		(26 816)	-
Operating loss		(14 308 905)	(18 310 224)
Finance income	6	4 591 880	5 144 631
Loss before taxation		(9 717 025)	(13 165 593)
Taxation		-	-
Loss for the year		(9 717 025)	(13 165 593)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(9 717 025)	(13 165 593)

THE SOUTH DEEP EDUCATION TRUST
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020

	Contributors' interest ZAR	Accumulated Surplus ZAR	Total ZAR
Balance at 01 January 2019	100	58 592 421	58 592 521
Comprehensive loss for the year	-	(13 165 593)	(13 165 593)
Balance at 31 December 2019	100	45 426 828	45 426 928
Prior year adjustment	-	385 015	385 015
Comprehensive loss for the year	-	(9 717 025)	(9 717 025)
Balance at 31 December 2020	100	36 094 818	36 094 918

THE SOUTH DEEP EDUCATION TRUST
STATEMENT OF CASH FLOWS
for the year 31 December 2020

	Note	2020 ZAR	2019 ZAR
CASH FLOW FROM OPERATING ACTIVITIES			
Cash used in operations	9	(14 325 218)	(18 310 224)
		(14 325 218)	(18 310 224)
Finance income		636 313	623 927
Dividend income		10 800 000	10 800 000
Cash outflow before changes in working capital		(2 888 905)	(6 886 297)
Changes in working capital		3 310 895	854 809
NET CASH USED IN OPERATING ACTIVITIES		421 990	(6 031 488)
CASH FLOW INVESTING ACTIVITIES			
Acquisition of property		-	(375 000)
NET CASH UTILISED IN INVESTING ACTIVITIES		-	(375 000)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS			
		421 990	(6 406 488)
Cash and cash equivalents at beginning of the year	2 and 3	12 597 928	19 004 416
Cash and cash equivalents at end of the year	2 and 3	13 019 918	12 597 928

THE SOUTH DEEP EDUCATION TRUST

ACCOUNTING POLICIES

for the year 31 December 2020

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the entity specific accounting policies. These policies are in line with the recognition and measurement policies as set out by IFRS other than the requirement to recognize an expected credit loss under IFRS 9. Furthermore, the disclosures used are those that the trustees believe are appropriate to the trust.

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 1.5 below.

The trustees approved the financial statements on 03 May 2021.

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 11 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:

THE SOUTH DEEP EDUCATION TRUST
ACCOUNTING POLICIES
for the year 31 December 2020

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.

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 2021

- No standards not yet effective are relevant to the trust.

Effective standards adopted in the current year

- No standards effective in the current financial year were applicable to the trust

THE SOUTH DEEP EDUCATION TRUST
ACCOUNTING POLICIES
for the year 31 December 2020

1.6 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.

1.7 PROPERTY, PLANT AND EQUIPMENT

The cost of an item of property, plant & equipment is recognized 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 reliably.

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the property plant & equipment.

Depreciation is provided on the straight-line basis, over the estimated useful lives of assets. Depreciation is the systematic allocation of the depreciable amount of an asset over its estimated useful life. Depreciation is charged on the depreciable amount, to the income statement, on a straight line basis, over the estimated useful lives of assets. Useful lives and residual values are reviewed on an annual basis.

Buildings	:	5% per annum
Computer equipment	:	25% per annum

Land is not depreciated.

The residual value and the useful life of each asset is reviewed at each financial year-end.

Each part of an item of fixed assets with cost that is significant in relation to the total cost of the item shall be depreciated separately.

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

THE SOUTH DEEP EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

	2020	2019
	ZAR	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	37 106 312	43 950 745
	<u>37 712 912</u>	<u>44 557 345</u>
	<u><u>37 712 912</u></u>	<u><u>44 557 345</u></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		
Refer to note 6 for interest related to this financial asset.		
Non-current assets		
Financial assets	606 600	606 600
Loans and receivables	33 245 880	37 106 312
	<u>33 852 480</u>	<u>37 712 912</u>
Current assets		
Loans and receivables (short term portion)	3 860 432	6 844 433
	<u>37 712 912</u>	<u>44 557 345</u>
	<u><u>37 712 912</u></u>	<u><u>44 557 345</u></u>
2. Cash and cash equivalents		
Call account	1 695	23 787
Current account	(56)	157 743
	<u>1 639</u>	<u>181 530</u>
	<u><u>1 639</u></u>	<u><u>181 530</u></u>
3. Restricted cash and cash equivalents	<u><u>13 018 279</u></u>	<u><u>13 509 400</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 2020

4. Property, plant and equipment

4.1 Cost	<u>Total</u> ZAR	<u>Land</u> ZAR	<u>Buildings</u> ZAR	<u>Computer Equipment</u> ZAR
Opening balance 01 January 2019	-	-	-	-
Additions	375 000	54 330	320 670	-
Balance as at 31 December 2019	375 000	54 330	320 670	-
Accumulated depreciation				
Opening balance 01 January 2019	-	-	-	-
Charge for the period	-	-	-	-
Balance as at 31 December 2019	-	-	-	-
Carrying value				
Balance as at 31 December 2019	375 000	54 330	320 670	-
4.2 Cost				
Opening balance 01 January 2020	375 000	54 330	320 670	-
Additions	43 129	-	-	43 129
Balance as at 31 December 2020	418 129	54 330	320 670	43 129
Accumulated depreciation				
Opening balance 01 January 2020	-	-	-	-
Charge for the period	(26 816)	-	(16 033)	(10 782)
Balance as at 31 December 2020	(26 816)	-	(16 033)	(10 782)
Carrying value				
Balance as at 31 December 2020	391 313	54 330	304 636	32 347

THE SOUTH DEEP EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

5. Prepaid expenses		
South Deep Education NLA trust account	2 010	27 679
	<u>2 010</u>	<u>27 679</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	3 955 567	4 520 704
Bank interest	636 313	623 927
	<u>4 591 880</u>	<u>5 144 631</u>

7. Deferred income		
Total income received	13 097 400	13 097 802
Utilised during the year	-	-
	<u>13 097 400</u>	<u>13 097 802</u>
Unspent at the end of the year		

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

8. Accounts and other payables		
Accruals: Accounting fees	10 350	35 075
Accruals: Trustees' fees	-	9 600
Accruals: Rates & taxes	-	1 549
Loan from SDCT	2 308 500	80 000
	<u>2 318 850</u>	<u>126 224</u>

9. Cash used in operations		
Loss before taxation	(9 717 025)	(13 165 593)
Adjustments for:		
Finance income	(4 591 880)	(5 144 631)
Depreciation	26 816	-
Property, plant & equipment donated	(43 129)	-
	<u>(14 325 218)</u>	<u>(18 310 224)</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.

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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	606 600	606 600
	<u> </u>	<u> </u>

Loans and receivables owing by related parties

Invictus Gold (Pty) Ltd	37 106 312	43 950 745
	<u> </u>	<u> </u>

Related party transactions

Finance income received from related parties		
Invictus Gold (Pty) Ltd- accretion interest	3 955 567	4 520 704
	<u> </u>	<u> </u>

12. Prior year adjustment

385 015	-
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Prior year adjustment relates to the accounting for the amount owed by SARS which was not accounted in the prior period.

	Note	2020 ZAR	2019 ZAR
Other income			
Finance income	6	4 591 880	5 144 631
Refunds		14 783	17 250
Donation received		43 129	-
Other income		220	150 574
Other expenses			
Accounting fees		(228 706)	(176 674)
Advertising costs		(9 803)	-
Audit fees		(115 000)	-
Bank charges		(88 990)	(12 897)
Conference costs		-	(3 799)
Catering costs		(3 140)	(8 064)
Medical costs		-	(2 700)
Hub: Consulting fees		(14 755)	(387 424)
Monitoring & evaluation fees		(789 513)	(354 975)
Distributions		(11 060 482)	(15 792 686)
Travel-Local		-	(59 630)
Trust administration fees		(1 834 313)	(1 394 964)
Trustees' fees		(125 529)	(175 670)
Hub: Rates and taxes		(9 933)	(1 549)
Depreciation		(26 816)	-
Hub: Caretaker fees		(14 500)	(7 500)
Hub: Cleaning costs		-	(6 279)
Hub: Computer costs		-	(2 500)
Hub: Gardening costs		(17 830)	(10 350)
Hub: Printing & stationery		(3 865)	-
Hub: SMME stationery		(13 646)	-
Legal fees-Fidelity		-	(17 523)
Office utensils		-	(14 370)
Photography costs		-	(650)
Rent expense		-	(29 976)
Hub: Repairs & maintenance		(1 900)	(6 627)
Hub: Security costs		(570)	(2 251)
Web design costs		(7 746)	-
Workshop costs		-	(8 940)
Total expenses		(14 367 037)	(18 478 048)
Operating loss		(9 717 025)	(13 165 593)
Loss before taxation		(9 717 025)	(13 165 593)
Taxation		-	-
Loss for the year		(9 717 025)	(13 165 593)