

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
AUDITED ANNUAL FINANCIAL STATEMENTS
31 March 2021

Preparer: Absa CIB Finance, under the supervision of Palesa Mkhize
CA(SA)
Designation: Head of Financial Decision Support, Corporate and
Investment Bank, Absa Bank Limited

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
TABLE OF CONTENTS
for the year ended 31 March 2021

Contents

Directors' responsibilities and approval	1
Company secretary's certificate	2
Corporate governance report	3
Audit committee report	12
Independent auditor's report	14
Directors' report	17
Statement of comprehensive income	19
Statement of financial position	20
Statement of changes in equity	21
Statement of cash flows	22
Summary of accounting policies	23
Notes to the annual financial statements	30

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
DIRECTORS' RESPONSIBILITIES AND APPROVAL
As at 31 March 2021

The directors are responsible for overseeing the preparation, integrity and objectivity of the annual financial statements that fairly present the state of the affairs of NewGold Issuer (RF) Limited ("the Company") at the end of the financial year and the financial performance and cash flows for the reporting period, and other information contained in this report.

To enable the directors to meet these responsibilities:

- All directors will endeavour to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach;
- The board sets standards and management implements systems of internal control and accounting and information systems aimed at providing reasonable assurance that both on and off statement of financial position assets are safeguarded and the risk of error, fraud or loss is reduced in a cost-effective manner. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties;
- The board and management identify all key areas of risk across the Company and endeavour to mitigate or minimise these risks by ensuring that appropriate infrastructure, controls, systems and discipline are applied and managed within predetermined procedures and constraints;
- The internal audit function outsourced from Absa Group Limited Internal Audit, which operates unimpeded and independently from operational management, appraises, evaluates and, when necessary, recommends improvements to the systems of internal control and accounting practices, based on audit plans that take cognisance of the relative degrees of risk of each function or aspect of the business; and
- The internal auditors play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

To the best of their knowledge and belief, based on the above, the directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the year under review.

The Company consistently adopts appropriate and recognised accounting policies and these are supported by reasonable and prudent judgements and estimates on a consistent basis. The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act of South Africa and comply in all material respects with International Financial Reporting Standards (IFRS) and all applicable legislation.

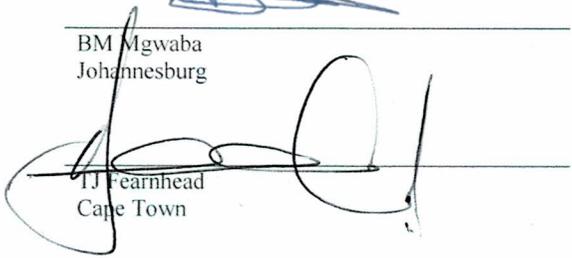
The directors have no reason to believe that the Company will not be a going concern in the reporting period ahead, based on forecasts and available cash resources. These financial statements have accordingly been prepared on this basis.

It is the responsibility of the independent auditor to report on the annual financial statements. Their report to the shareholders of the Company is set out on pages 14 to 16 of this report.

The directors' report on pages 17 to 18 and financial statements of the Company which appears on pages 19 to 50 were approved by the board of directors on 24 June 2021 and are signed on its behalf by:



BM Mgwaba
Johannesburg



T.J. Fearhead
Cape Town

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
COMPANY SECRETARY'S CERTIFICATE
As at 31 March 2021

To the shareholders of NewGold Issuer (RF) Limited,

In accordance with the provisions of section 88(2)(e) of the Companies Act of South Africa, I, in my capacity as a duly authorised representative of the Company Secretary hereby certify that, in respect of the year ended 31 March 2021, the Company has filed with the Commissioner of the Companies and Intellectual Property Commission (CIPC) all returns and notices prescribed by the Act and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.



Absa Secretarial Services Proprietary Limited Represented by: M.Bagus
24 June 2021

Corporate Governance

NewGold Issuer (RF) Limited's ("NewGold" or "the Company") corporate governance practices are guided by the Companies Act No. 71 of 2008 (as amended), relevant sections of the JSE Listings Requirements, the Company's Memorandum of Incorporation, the recommendations of the King Code on Corporate Governance for South Africa, 2016 (King IV); and as a related entity to Absa Group Limited, the Absa Group Limited's governance standards and policies and prevailing best practice governance.

The Board of Directors ("the Board") sets the overarching governance principles to be upheld and practiced by all entities to assist in embedding good governance practices. The Absa Group's governance standards, which have been adopted by the Company, are described in the Group Governance Framework and the Group Legal Entities and Directors Policies, including the Enterprise Risk Management Framework and the Code of Conduct.

King IV is the main governance code for South African companies; as such the Company has applied the Code on a proportionality basis (that is to the extent beneficial to the entity's governance). The Company's application of King IV as required by the JSE Listing Requirements is set out in page 6 of these annual financial statements.

The directors are of the opinion that the Company has applied the principles and recommendations of the Code in all material aspects for the period under review.

The Board, is collectively responsible for delivering sustainable value through oversight of the management of the Company's business, challenging and approving strategic plans proposed by management; and monitoring implementation of the strategy and plans in the context of the approved risk appetite, the available opportunities, and the macro and regulatory environment.

Management of the Company

The Board has delegated the day-to-day management of the Company to executive management whose performance the Board monitors through regular operational and financial reporting.

Board Composition

The Board comprises six directors, two executives and four independent non-executive directors. The directors are representatives of the shareholder and Absa Bank Limited.

Professional Advice

The Board and individual directors may procure independent professional advice at the expense of the Company in the discharge of their responsibilities.

Company Secretarial and Governance support

Absa Secretarial Services Proprietary Limited, a subsidiary of Absa Bank Limited is the duly appointed Company Secretary of the Company and is represented by a qualified and skilled Company Secretary.

The day-to-day subsidiary corporate secretarial and governance support duties are managed by the dedicated Company Secretary with support from the Head of Secretarial Services for South Africa, the Head of Governance and a statutory administration team at the Group Secretariat.

The Company Secretary also provides guidance and advice to the Board as a whole and individual directors on their duties and responsibilities as directors, which should be discharged in the best interest of the Company.

Audit Committee

The Board relies on the Company's Audit, Risk and Compliance committee ("ARCC") for input on audit and compliance functions.

Notwithstanding the role of the ARCC in relation to the audit function, the board remains at all times responsible for monitoring the effectiveness of the Company's control environment. The Committee reviews and approves the annual financial statements; and engages with representatives of internal and external audit for assurance of the integrity of the financial and related information.

All audit issues raised during the audit for the financial year ended 31 March 2021 were submitted to, considered and resolved by the Board.

Internal Audit

The internal audit function is conducted by the Absa Bank Limited internal audit. The annual internal audit plan relating to the Company is presented and adopted by the Board. This ensures that issues raised by internal audit are appropriately addressed by management.

Remuneration policy

Employee remuneration: The Company has no employees and a remuneration policy is therefore not applicable.

Director remuneration: the independent non-executive directors are not employees of the Company and receive fees for their services as directors through an administration fee paid by the Company. The executive directors of the Company are all employees of the Absa Bank Limited and do not receive fees for their services as directors of the Company.

Risk Management

The Company's risk is governed and managed in terms of the Group Enterprise Risk Management Framework and related policies. The Board and the Servicer are responsible for the Company's risk governance and management within the overall context of the Group's risk appetite and principal risks. The Company's ARCC in conjunction with the Company's risk management committee develops appropriate risk processes for managing risks.

The Board believes that risk of the Company is adequately managed.

Compliance

The Company relies on the compliance function of Absa Bank Limited, which is represented by a dedicated compliance officer. The compliance officer monitors compliance of all relevant legislation and makes representations to the Board regularly.

The Board, being ultimately responsible for compliance of the Company, engages with management regularly to discuss and develop compliance processes for the Company.

Integrated sustainability reporting and disclosure

As a related entity to Absa Group Limited, the Company's financial results are not consolidated into the financial results of Absa Group Limited; however, the financial results address the Company's sustainability. The Board is responsible in ensuring the accuracy of the financial information which is reported to all the relevant stakeholders.

Managing Stakeholder relationships

The Board and management are responsible for proactively engaging with material stakeholders in an inclusive manner that balances their needs, interests and expectations, and addresses their concerns in the best way possible.

IT Governance

The Company's Information Technology is governed in terms of the Absa Group IT governance policy and is reliant on systems and information technology infrastructure housed within the Absa Group and is adherent to the oversight and technology governance of the Group Information Technology Committee.

Fundamental and affected transactions

The Board reviews the declarations of interest and other directorships on an ongoing basis and has considered the declarations during the period under review.

King Report on Corporate Governance

Principal 1: Leadership - The governing body should lead ethically and effectively

The governing body's deliberations, decisions and actions are based on the following characteristics:

Integrity

The members of the Board avoided conflicts of interest. The Board submits its declaration of interests quarterly and the declaration of interest is a standing item on the meeting agendas. A register of declarations of interest is kept.

Competence

The Board ensured that they have sufficient working knowledge of the Company and its industry as well as the key laws, rules, codes and standards applicable to the Company.

Additional training is provided through the Group Secretariat office if requested. All directors may, as per the Memorandum of Incorporation ("MOI"), seek independent advice, at the Company's expense. The directors also have unrestricted access to the Chairman of the Board, NewGold Managers Proprietary Limited ("the Manager") and Absa Corporate and Investment Banking, a division of Absa Bank Limited (who performs the day-to-day management of the Company through delegation by NewGold Managers Proprietary Limited). The Board also has the ability to consult with, and receive the full co-operation from the Manager of the Company where necessary to fulfil its responsibilities.

Responsibility

The Board assumed a collective responsibility for steering and setting direction of the organization planning, overseeing and monitoring implementation and execution by the Manager of the Company and ensuring accountability for organisational performance.

Meeting packs are distributed before the meeting to enable directors to devote sufficient time and effort to prepare for these meetings. Directors attended meetings as scheduled.

Accountability

Directors account for the execution of their delegated responsibilities by reporting to the shareholder at the Annual General Meeting ("AGM").

Fairness

The members of the Board ensured that they gave fair consideration to the legitimate interests and expectations of all stakeholders of the Company.

King Report on Corporate Governance (continued)

Transparency

The members of the Board disclosed information in a manner that enables stakeholders to make an informed analysis of the Company's performance and sustainability.

Principle 2: Organisational Ethics - The governing body should govern the ethics of the organization in a way that supports the establishment of an ethical culture.

The Company has received a dispensation from the Companies Tribunal to transfer relevant functions of a Social and Ethics Committee (SEC) to the Board with effect from 2 October 2018 for a period of three (3) years. As the Company does not have employees, certain of the functions of a SEC are not applicable to it. The residual applicable functions of a SEC, for which the Board will be responsible for, are contained in the Board Charter.

The day to day management of the Company is outsourced to NewGold Managers (Pty) Ltd ("NewGold Managers" or "Manager of the Company"). NewGold Managers is 51% owned by the NewGold Owner Trust and 49% by Absa Bank Limited (Absa). Management of the Company is delegated to Absa Corporate and Investment Banking, a division of Absa Bank Limited via NewGold Managers in terms of a detailed Service Level Agreement ("SLA") between Absa Corporate and Investment Banking, a division of Absa Bank Limited and NewGold Managers, where Absa Bank Limited performs the day to day management functions of the Company as agent on behalf of NewGold Managers.

Principle 3: Responsible Corporate Citizenship - The governing body should ensure that the organization is and is seen to be a responsible corporate citizen.

The Board has an obligation to ensure that the Company is governed as per the objectives of the mandate of the Company as set out in the MOI and Board Charter.

The day to day management of the Company is outsourced to NewGold Managers (Pty) Ltd ("NewGold Managers" or "Manager of the Company"). NewGold Managers is 51% owned by the NewGold Owner Trust and 49% by Absa Bank Limited. Management of the Company is delegated to Absa Bank Limited via NewGold Managers in terms of a detailed Service Level Agreement ("SLA") between Absa Bank Limited and NewGold Managers, where Absa Bank Limited performs the day to day management functions of the Company as agent on behalf of NewGold Managers

Principle 4: Strategy and Performance - The governing body should appreciate that the organization's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The Board has an obligation to ensure that the Company is governed as per the objectives of the mandate of the Company as set out in the Transactions Documents. As part of its oversight of performance, the Board is alerted to the general viability of the Company with regard to the Company's solvency and liquidity and its status as a going concern.

King Report on Corporate Governance (continued)

Principle 5: Reporting - The governing body should ensure that reports issued by the organization enable stakeholders to make informed assessments of the organization's performance, and its short, medium and long term prospects.

The Board has, through the Manager of the Company, regular interaction with the investors. Annual Financial Statements, trading updates and announcements were published and met the legitimate and reasonable information needs of all stakeholders.

Principle 6: Roles and Responsibilities of the governing body - The governing body should serve as the focal point and custodian of corporate governance in the organization.

The role, responsibilities and procedural conduct of the Board are documented in the Company's MOI, Board Charter and the Companies Act. The Board held 5 (five) meetings during the year and all the directors attended the meetings. The Board is satisfied that it has fulfilled its responsibilities in accordance with the MOI, Board Charter and the Companies Act.

Principle 7: Composition of the governing body - The governing body should comprise an appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

Nomination, election and appointment of members

The Board is appointed through a formal process in terms of the MOI. The executive directors who are employed within Absa Bank Limited are nominated through the Absa Group Executive Committee ("ExCo") process. Maitland Group South Africa Limited appoints two independent non-executive directors in their capacity as trustees of NewGold Owner Trust. Absa Bank Limited nominates one independent non-executive director through the Directors' Affairs Committee of Absa Group Limited which has delegated such authority to the Group CEO and the Group ExCo member responsible for Absa Corporate and Investment Banking. Deliberations and appointments are formal and transparent. Prior to their nomination candidates backgrounds are independently investigated and qualifications verified. Members are given a letter of appointment and inducted to enable them to make contributions to the meetings.

Composition

The Board has five (5) members. The following factors were considered when determining the required number of members of the Board; Appropriate balance of knowledge, skills, experience, diversity and independence on the Board, appropriate mix of executive and non-executive and independent non-executive members, the need for a sufficient number of members that qualify to serve on Board committees, the need to secure a quorum at the meetings and regulatory requirements (MOI, Companies Act, JSE Listing Requirements).

Independence and conflicts

Each member submits a declaration of all financial, economic and other interests held by the director and related parties at least quarterly or whenever there are significant changes. At the beginning of each meeting of the Board and its committees all members declare whether any of them has any conflict of interest in respect of a matter on the agenda.

Chairman of the Board

The chair is an independent non-executive director. There is no lead independent director appointed to chair meetings in the absence of the chair because the MOI allows the directors to appoint any one of them in the absence of the chair to chair the meetings. The chair is a member of the Audit, Risk and Compliance Committee, but is not the chairman of the committee. This is considered in order given the specific ring-fenced nature and purpose of the Company.

King Report on Corporate Governance (continued)

Principle 8: Committees of the governing body - The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.

The Board has delegated certain responsibilities, but without abdicating responsibility, to the Audit, Risk and Compliance Committee which has approved terms of reference and conducts formal meetings as required. The terms of reference are reviewed annually and approved by the Board.

Audit, Risk and Compliance Committee

The Committee has four members who are independent, non-executive directors of the Board. The chairman is an independent non-executive director. The Committee held five meetings during the year and all the members attended the meetings. The Committee met with the external auditors without the Manager, and vice versa, being present to facilitate an exchange of views and concerns that may not be appropriate for discussion in an open forum.

Social and Ethics Committee

The Company has received a dispensation from the Companies Tribunal to transfer relevant functions of a Social and Ethics Committee (SEC) to the Board with effect from 2 October 2018 for a period of three (3) years. As the Company does not have employees, certain of the functions of a SEC are not applicable to it. The residual applicable functions of a SEC, which the Board will be responsible, are contained in the Board Charter.

Principle 9: Evaluations of the performance of the governing body - The governing body should ensure that the evaluation of its own performance and that of its Committees, its chairmen and its individual members, support continued improvement in its performance and effectiveness.

Evaluations of the performance of the Board and the Audit, Risk and Compliance Committee as a whole are undertaken at least after every two years. After every two years the Board would schedule an opportunity for consideration, reflection and discussion of its performance. This would be done by way of self-assessment.

Principle 10: Appointment and delegation to management - The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

Delegation

While retaining overall accountability and subject to matters reserved to itself, Management of the Company has been delegated to Absa Corporate and Investment Banking, a division of Absa Bank Limited through an SLA between Absa Bank Limited and NewGold Managers Proprietary Limited.

Principle 11: Risk Governance - The governing body should govern risk in a way that supports the organization in setting and achieving its strategic objectives.

In terms of the MOI and Board Charter, the Board is responsible for the governance of risk and the Manager and the Audit, Risk and Compliance Committee assists the Board with this responsibility. The Board exercises on-going oversight of risk management.

Absa Bank Limited through the SLA and Audit, Risk and Compliance Committee oversee the risk management processes within the Company and reports back to the Board. The responsibility to implement and execute effective day to day risk management is delegated to Absa Bank Limited in terms of the SLA.

King Report on Corporate Governance (continued)

Principle 12: Technology and information governance - The governing body should govern technology and information in a way that supports the organization setting and achieving its strategic objectives.

Absa Bank Limited through the SLA takes overall responsibility for IT governance on behalf of the Company. The Company operates within the parameters of Absa Group IT Charter.

Principle 13: Compliance Governance - The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organization being ethical and a good corporate citizen.

The Company's MOI confirms that the Board is responsible for ensuring that the Company complies with all relevant laws, regulations and codes of business practice. The Board has delegated the responsibility for ensuring that the relevant compliance processes are in place to Absa Bank Limited. The Board is regularly informed and updated on relevant laws, rules, codes and standards through reports presented to the Audit, Risk and Compliance Committee. The Company Secretary monitored regulatory compliance with the Companies Act and advised the Board.

Principle 14: Remuneration Governance - The governing body should ensure that the organization remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

The Company has no employees and a remuneration policy is therefore not applicable.

However, the Company pays a corporate services fee to Maitland Group South Africa Limited for the provision of the two non-executive directors. Absa Bank Limited pays a corporate services fee to the remaining non-executive director and remunerates the executive directors as they are full time employees of Absa Bank Limited.

Principle 15: Assurance - The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organization's external reports.

The Board is responsible for assurance by setting the direction concerning the arrangements for assurance services and functions. Absa Bank Limited and the Audit, Risk and Compliance Committee assist the Board with this responsibility.

Principle 16: Stakeholders - In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the organisation over time.

Stakeholder Relationships

The Board engages its stakeholders directly and through the efforts of Absa Bank Limited. This allows the Company to manage issues effectively and timeously and reduces the likelihood of reputational risks. The Board understands that communication with stakeholders in respect of financial and non-financial information is vital and open interaction is actively pursued. The Board has regular and on-going stakeholder engagements through various channels. The Board is informed of material issues and disputes and provides input to enable resolution as effectively, efficiently and expeditiously as possible.

The Board ensured proactive engagement with the shareholder, including engagement through the AGM of the Company.

King Report on Corporate Governance (continued)

Principle 17: Institutional Investors - The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.

The principle is not applicable to the Company as the Company is not an Institutional Investor.

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
AUDIT COMMITTEE REPORT
for the year ended 31 March 2021

Mr DA Lorimer is the chairman of the Audit, Risk and Compliance Committee (“the Committee”), while Mr TJ Fearnhead, Mr L Poswa and Ms D Mutemwa-Tumbo are members of the Company’s Audit, Risk and Compliance Committee. Messrs DA Lorimer, TJ Fearnhead, Mr L Poswa and Ms D Mutemwa-Tumbo are independent non-executive directors and have relevant qualifications and financial expertise. Mr RMH Pitt resigned during the year.

The Company Secretary also serves as the secretary of the Committee.

A quorum for the meeting requires two members to be present. The terms of reference of the Audit, Risk and Compliance Committee are reviewed annually.

Besides the statutory functions for audit and risk committees contained in the Companies Act, the key terms of reference of the Audit, Risk and Compliance Committee comprise various categories of responsibility and include the following:

- (i) The Company’s relationship with external auditors;
- (ii) The presentation of financial statements and reports complying with all the relevant corporate disclosure requirements and accounting standards;
- (iii) The review of any other announcement regarding the Company’s results or other financial information;
- (iv) The identification of exposure to significant risks;
- (v) The operation of adequate processes of internal control; and
- (vi) The monitoring of the Company’s corporate and governance practices in relation to statutory and other regulatory requirements and guidelines.

In addition, the committee considers any matters referred to it by the Board of directors. The Chairman of the Committee reports to the Board on the recommendations made by the Committee.

The Audit, Risk and Compliance Committee met on the under mentioned occasions during the year under review and subsequent to the year end:

- 25 June 2020
- 30 September 2020
- 26 November 2020
- 23 March 2021
- 24 June 2021

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
AUDIT COMMITTEE REPORT (continued)
for the year ended 31 March 2021

Ernst & Young Inc. represented by JH Labuschagne, attended all the Audit, Risk and Compliance Committee meetings for the year including the meeting held on 24 June 2021 where the financial statements were considered for approval.

The Board has concluded that the Audit, Risk and Compliance Committee has satisfied its responsibilities for the year under review in compliance with the terms of reference and statutory requirements. The Company is fully committed to the principles of the Code of Corporate Practices and Conduct (“the Code”) as set out in The King Report on Corporate Governance. In supporting the Code, the directors recognise the need to govern the Company with integrity and in accordance with generally-accepted corporate practices.

NewGold Owner Trust, established in South Africa, holds 100% of the share capital of the Company. In terms of the management agreement between the Company and NewGold Managers Proprietary Limited, NewGold Managers Proprietary Limited is entitled to subcontract and/or delegate services including those related to financial management and advisory services, custodial services, legal services, tax consulting services and information technology services without the consent of the Company but subject to the limit of R500 000. The consent of the Company is required for engagements in excess of R500 000.

Notwithstanding the aforementioned, the directors of the Company are of the opinion that the Company has complied with the principles and recommendations of the Code, in all material respects, with regard to the period under review.



EY
102 Rivonia Road
Sandton
Private Bag X14
Sandton
2146

Ernst & Young Incorporated
Co. Reg. No. 2005/002308/21
Tel: +27 (0) 11 772 3000
Fax: +27 (0) 11 772 4000
Docex 123 Randburg
ey.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NewGold Issuer (RF) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NewGold Issuer (RF) Limited ('the company') set out on pages 19 to 50, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, the statement of changes in equity and the 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 company as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

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 Separate Financial Statements section of our report. We are independent of the company 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 of the company and 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 of the company and 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There were no issues identified from the audit that were considered as a matter that requires "significant auditor attention" and consequently we can conclude that there are no key audit matters.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 52-page document titled "NewGold Issuer (RF) Limited Audited Annual



EY
102 Rivonia Road
Sandton
Private Bag X14
Sandton
2146

Ernst & Young Incorporated
Co. Reg. No. 2005/002308/21
Tel: +27 (0) 11 772 3000
Fax: +27 (0) 11 772 4000
DoceX 123 Randburg
ey.com

Financial Statements for the year ended 31 March 2021", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's reports 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 Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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 company's internal control.



EY
102 Rivonia Road
Sandton
Private Bag X14
Sandton
2146

Ernst & Young Incorporated
Co. Reg. No. 2005/002308/21
Tel: +27 (0) 11 772 3000
Fax: +27 (0) 11 772 4000
Docex 123 Randburg
ey.com

- 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 company'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 company 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of NewGold Issuer (RF) Limited for 9 years.

DocuSigned by:

0F6C6AFD5AF24A1...

Ernst & Young Inc.
Director: Jan H Labuschagne CA(SA)
Registered Auditor
24 June 2020

102 Rivonia Road
Sandton
2146

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
DIRECTORS' REPORT
for the year ended 31 March 2021

Company registration number	2004/014119/06		
Country of incorporation and domicile	South Africa		
Date of publication	28 June 2021		
Nature of business and principal activities	The Company is an entity set up to conduct an exchange traded fund ("ETF"). The company enables investors to invest in debt instruments, the value of which tracks the price of gold bullion, platinum as well as palladium ("Precious Metals"). The Company operates principally in South Africa, and from the way the business of the Company is structured and managed the Company's results are reviewed as a single operating segment.		
Directors	Name	Appointment date	Resignation date
	BM Mgwaba (CEO)	15 October 2015	
	PS Mkhize (FD)	15 July 2019	
	TJ Fearnhead	18 June 2010	
	DA Lorimer	01 July 2016	
	RMH Pitt	01 October 2016	26 November 2020
	D Mutemwa-Tumbo	26 November 2020	
	L Poswa	26 November 2020	
Registered office	7th Floor Absa Towers West 15 Troye Street Johannesburg 2001		
Business address	7th Floor, Absa Towers West, 15 Troye Street Johannesburg 2001 South Africa		
Postal address	7th Floor Absa Towers West 15 Troye Street Johannesburg 2001 South Africa		
Holding company	NewGold Owner Trust, Incorporated in South Africa		
Ultimate holding company	NewGold Owner Trust, Incorporated in South Africa		
Bankers	Absa Bank Limited		
Auditors	Ernst & Young Inc. 102 Rivonia Road Sandton 2194		

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
DIRECTORS' REPORT (continued)
for the year ended 31 March 2021

Company secretary	Absa Secretarial Services Proprietary Limited
Date of incorporation	27 May 2004
Review of financial results	The financial results of the Company are set out in the attached financial statements. The results do not, in the opinion of the directors, require further explanation.

Key performance indicators	2021 R'000	2020 R'000
Profit for the year	67 873	77 260
Total comprehensive income	67 873	77 260
Taxation	(26 401)	(30 068)
Dividends declared	68 700	78 700
Net assets	3 528	4 355
Net current assets	61 194	67 830

Authorised and issued share capital	There were no changes to the authorised or issued share capital for the year under review. The share capital is disclosed in note 15.
Events after the reporting date	Events material to the understanding of these annual financial statements that occurred between the financial year end and the date of this report have been disclosed in note 26.
Going concern	The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2021

	Notes	2021 R'000	2020 R'000
Effective interest income		2 389	3 307
Revenue from contracts with customers	5	102 214	112 869
Total income		104 603	116 176
Other operating income	6	5 670	6 307
Other expenses	7	(15 999)	(15 155)
Fair value adjustment on bullion investments		252 369	6 995 905
Fair value adjustment on debentures		(252 369)	(6 995 905)
Profit before tax		94 274	107 328
Taxation	8	(26 401)	(30 068)
Profit for the year		67 873	77 260
Total comprehensive income for the year, net of tax		67 873	77 260
Profit attributable to:			
Parent of the Company		67 873	77 260
		67 873	77 260
Total comprehensive profit attributable to:			
Parent of the Company		67 873	77 260
		67 873	77 260
Earnings per share			
	9		
Basic (cents per share)		67 873 000	77 260 000
Diluted (cents per share)		67 873 000	77 260 000

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
STATEMENT OF FINANCIAL POSITION
As at 31 March 2021

	Notes	2021 R'000	2020 R'000
Assets			
<i>Current assets</i>			
Other receivables	10	1 090	1 926
Current tax assets	17	4 387	9 296
Bullion Investments	11	26 970 833	30 651 015
Cash and cash equivalents	19	57 349	50 317
Total current assets		27 033 659	30 712 554
Total assets		27 033 659	30 712 554
Equity and liabilities			
Equity			
<i>Capital and reserves</i>			
Share capital	15	-	-
Retained income		3 528	4 355
Total equity		3 528	4 355
Liabilities			
<i>Non-current liabilities</i>			
Deferred tax liabilities	12	57 666	63 475
Total non-current liabilities		57 666	63 475
<i>Current liabilities</i>			
Trade and other payables	13	8 938	4 298
Debentures	14	26 963 527	30 640 426
Total current liabilities		26 972 465	30 644 724
Total liabilities		27 030 131	30 708 199
Total equity and liabilities		27 033 659	30 712 554

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2021

	Share Capital R'000	Retained income R'000	Total equity R'000
Balance at 1 April 2019	-	5 795	5 795
Total comprehensive income for the year	-	77 260	77 260
Dividends declared	-	(78 700)	(78 700)
Balance at 31 March 2020	-	4 355	4 355
Note	15		
Balance at 1 April 2020	-	4 355	4 355
Total comprehensive income for the year	-	67 873	67 873
Dividends declared	-	(68 700)	(68 700)
Balance at 31 March 2021	-	3 528	3 528
Note	15		

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
STATEMENT OF CASH FLOWS
for the year ended 31 March 2021

	Notes	2021 R'000	2020 R'000
Cash flows from operating activities			
Cash generated by operations	16	95 506	110 815
Income taxes paid	17	(27 302)	(26 808)
Interest received		2 528	3 356
Net cash generated by operating activities		70 732	87 363
Cash flows from financing activities			
Dividends paid to owners of the Company	18	(63 700)	(78 700)
Net cash used in financing activities		(63 700)	(78 700)
Net increase in cash and cash equivalents		7 032	8 663
Cash and cash equivalents at the beginning of the year		50 317	41 654
Cash and cash equivalents at the end of the year	19	57 349	50 317

1. STATEMENT OF COMPLIANCE

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRS-IC) and the requirements of the Companies Act of South Africa, as amended.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

During the current year, the Company has adopted all of the new and revised standards and interpretations issued by the IASB and the IFRS-IC that are relevant to its operations and effective for annual reporting periods beginning on 1 April 2020. For details of the new and revised accounting policies refer to note 27.

2.2 BASIS OF PREPARATION

Apart from certain items that are carried at fair valued amounts, as explained in the accounting policies below, the financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

The financial statements are presented in South African Rands (R'000), the presentation currency of the Company.

2.3 REVENUE RECOGNITION

NET INTEREST INCOME

Interest revenue and interest charges which are calculated using the effective interest method are separately presented in the statement of comprehensive income. Effective interest on loans and advances at amortised cost and debt instruments at fair value through other comprehensive income, as well as the interest expense on financial liabilities held at amortised cost, are calculated using the effective interest rate method. This results in the allocation of interest, and direct and incremental fees and costs, over the expected lives of the assets and liabilities.

The effective interest method requires the Company to estimate future cash flows, in some cases based on its experience of customers' behaviour, considering all contractual terms of the financial instrument, as well as the expected lives of the assets and liabilities. Due to the large number of products and types (both assets and liabilities), there are no individual estimates that are material to the results or financial position.

The Company also presents as part of net interest income, albeit separate from effective interest income and effective interest expense, other interest income and other interest charges, which are not calculated on the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 REVENUE RECOGNITION (continued)

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and excludes amounts on behalf of third parties. The Company recognises the revenue from contracts with customers when it transfers control over to the customers.

2.4 FOREIGN CURRENCIES

Transactions and balances in foreign currencies are translated into South African Rands at the rate ruling on the date of the transaction. Foreign currency balances are translated into South African Rands at the reporting period end exchange rates. Exchange gains and losses on such balances are taken to profit or loss.

In preparing the annual financial statements, transactions in currencies other than the functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.5 TAXATION

Income tax expense represents the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities.

CURRENT TAXATION

Income tax payable on taxable profits ("current taxation") is recognised as an expense in the reporting period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as a current tax asset only to the extent that it is regarded as recoverable by offset against taxable profits arising in the current or prior reporting period. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

DEFERRED TAXATION

Deferred tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and legislation enacted or substantively enacted by the reporting date, which are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are only offset when there is both a legal right to set-off and an intention to settle on a net basis.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

CURRENT AND DEFERRED TAX

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 TAXATION (continued)

VALUE ADDED TAXATION

Revenues, expenses and assets are recognised net of the amount of VAT, except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the asset; and
- Receivables and payables that are stated with the amount of VAT included.

2.6 BULLION INVESTMENT

Gold, platinum and palladium bullion are commodities that the Company buys and/or sells for the primary purpose of holding such commodities to realise fair value gains on the bullion investments for the debenture holders. IFRS does not address the accounting treatment of gold bullion in this instance. As such, the Company has elected to develop and adopt its own accounting policy for bullion investments in accordance with IAS 8. To develop the accounting policy for the bullion investment, the Company has made use of the principles found in IAS 40: Investment Property as this standard addresses the accounting treatment of an asset held for capital appreciation purposes.

The bullion is measured at fair value. The fair value of bullion is affected by the market and is determined with reference to the quoted exchange rate and the exchange quoted selling price of gold, platinum or palladium per ounce known as Gold PM fix, Platinum PM fix and Palladium PM fix respectively. Gains and losses on bullion investments are recognized in profit or loss on a mark-to-market basis.

2.7 FINANCIAL INSTRUMENTS

2.7.1 INITIAL RECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are capitalised to the initial carrying amount of the financial asset/liability, as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The Company recognises financial assets and liabilities when it becomes a party to the terms of the contract, which is the trade date or the settlement date.

On initial recognition, it is presumed that the transaction price is the fair value unless there is observable information available in an active market to the contrary. The best evidence of an instrument's fair value on initial recognition is typically the transaction price. However, if fair value can be evidenced by comparison with other observable current market transactions in the same instrument, or is based on a valuation technique whose inputs include only data from observable markets then the instrument should be recognised at the fair value derived from such observable market data.

For valuations that have made use of significant unobservable inputs, the difference between the model valuation and the initial transaction price (Day One profit) is recognised in profit or loss either on a straight-line basis over the term of the transaction, or over the reporting period until all model inputs will become observable where appropriate, or released in full when previously unobservable inputs become observable.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 FINANCIAL INSTRUMENTS (continued)

2.7.2 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

On initial recognition, the Company classifies its financial assets into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income; or
- Fair value through profit or loss.

The classification and subsequent measurement of financial assets depends on:

- The business model within which the financial assets are managed; and
- The contractual cash flow characteristics of the asset (that is, whether the cash flows represent solely payments of principal and interest).

Business model assessment:

The business model reflects how the Company manages the financial assets in order to generate cash flows and returns. The Company makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The factors considered in determining the business model include:

- i. how the financial assets' performance is evaluated and reported to management;
- ii. how the risks within the portfolio are assessed and managed; and
- iii. the frequency, volume, timing for past sales, sales expectations in future periods, and the reasons for such sales.

The Company reclassifies debt instruments when, and only when, the business model for managing those assets changes. Such changes are highly unlikely and therefore expected to be very infrequent.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI):

In making the assessment of whether the contractual cash flows have SPPI characteristics, the Company considers whether the cash flows are consistent with a basic lending arrangement. That is, the contractual cash flows recovered must represent solely the payment of principal and interest. Principal is the fair value of the financial asset on initial recognition. Interest typically includes only consideration for the time value of money and credit risk but may also include consideration for other basic lending risks and costs, such as liquidity risk and administrative costs, together with a profit margin.

Where the contractual terms include exposure to risk or volatility that is inconsistent with a basic lending arrangement, the cash flows would not be considered to be SPPI and the assets would be mandatorily measured at fair value through profit or loss, as described below. In making the assessment, the Company considers, inter alia, contingent events that would change the amount and timing of cash flows, prepayment and extension terms, leverage features, terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements), and features that modify consideration of the time value of money (e.g. tenor mismatch). Contractual cash flows are assessed against the SPPI test in the currency in which the financial asset is denominated.

Debt Instruments:

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and government and corporate bonds. The Company classifies its debt instruments as follows:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 FINANCIAL INSTRUMENTS (continued)

2.7.2 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Debt Instruments: (continued)

- Amortised cost - Financial assets are classified within this measurement category if they are held within a portfolio whose primary objective is the collection of contractual cash flows, where the contractual cash flows on the instrument are SPPI, and that are not designated at fair value through profit or loss. These financial assets are subsequently measured at amortised cost where interest is recognised as effective interest within Interest and similar income using the effective interest rate method. The carrying amount is adjusted by the cumulative expected credit losses recognised.
- Fair value through profit or loss - Financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are mandatorily measured at fair value through profit or loss. Gains and losses on these instruments are recognised in profit or loss. The Company may also irrevocably designate financial assets that would otherwise meet the requirements to be measured at amortised cost or at fair value through other comprehensive income, as at fair value through profit or loss, if doing so would eliminate or significantly reduce an accounting mismatch that would otherwise arise. These will be subsequently measured at fair value through profit or loss with gains and losses recognised as Gains and losses from banking and trading activities or in profit or loss.

Financial Liabilities

Financial liabilities that are held at amortised cost are measured in accordance with the effective interest rate method. That is, the initial fair value (which is normally the amount borrowed) is adjusted for premiums, discounts, repayments and the amortisation of coupon, fees and expenses to represent the effective interest rate of the liability.

Financial liabilities classified as held for trading are subsequently measured at fair value through profit or loss, with changes in fair value being recognised in profit or loss.

A financial liability may be designated at fair value through profit or loss if (i) measuring the instrument at fair value eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or (ii) if the instrument belongs to a group of financial assets or financial liabilities that are managed on a fair value basis, in accordance with a documented risk management or investment strategy. Own credit gains or losses arising from the valuation of financial liabilities designated at fair value through profit or loss are recognised in other comprehensive income and are not subsequently recognised in profit or loss.

2.7.3 EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS

The Company uses a mixed approach to impairment where parameters are modelled at an individual financial instrument level or on a portfolio basis when they are only evident at this higher level. A collective approach will only be carried out when financial instruments share similar risk characteristics, which could include factors such as instrument type, collateral type, industry, geography and credit risk ratings.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 FINANCIAL INSTRUMENTS (continued)

2.7.3 EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS (continued)

The Company recognises expected credit losses based on unbiased forward-looking information. Expected credit losses are recognised on:

- financial assets at amortised cost

Impairment is recognised based on a three-stage approach:

Stage 1: Exposures where there has not been a significant increase in credit risk since origination. For these exposures an expected credit loss is recognised based on the credit losses expected to result from default events that are possible within 12 months of the reporting date. Interest income is calculated based on the gross carrying value of these instruments.

Stage 2: Exposures for which the credit risk has increased significantly since initial recognition. For these exposures lifetime expected credit losses should be recognised (i.e. credit losses from default events that are possible over the life of the instrument). The Company will assess whether a significant increase in credit risk has occurred based on (i) qualitative drivers including being marked as high risk or reflected on management's watch list; and (ii) quantitative drivers such as the change in the asset's cumulative weighted average lifetime probability of default (PD). Any exposure that is more than 30 days past due will also be included in this stage. Interest income is calculated based on the gross carrying value of these instruments.

Stage 3: Exposures which are credit impaired. For these exposures, expected credit losses are based on lifetime losses. Assets are considered to be credit impaired when they meet the regulatory definition of default which includes unlikelihood to pay indicators as well as any assets that are more than 90 days past due. Interest income is calculated based on the carrying value net of the loss allowance.

2.7.4 DERECOGNITION OF FINANCIAL INSTRUMENTS

Derecognition of financial assets

Full derecognition only occurs when the rights to receive cash flows from the asset have been discharged, cancelled or have expired, or the Company transfers both its contractual right to receive cash flows from the financial assets (or retains the contractual rights to receive the cash flows, but assumes a contractual obligation to pay the cash flows to another party without material delay or reinvestment) and substantially all the risks and rewards of ownership, including credit risk, prepayment risk and interest rate risk. When an asset is transferred, in some circumstances, the Company may retain an interest in it (continuing involvement) requiring the Company to repurchase it in certain circumstances for other than its fair value on that date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 FINANCIAL INSTRUMENTS (continued)

2.7.4 DERECOGNITION OF FINANCIAL INSTRUMENTS (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified (taking into account both quantitative and qualitative factors), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss. Where the terms of an existing liability are not substantially modified, the liability is not derecognised. Costs incurred on such transactions are treated as an adjustment to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

On derecognition of a financial instrument, any difference between the carrying amount thereof and the consideration received is recognised in profit or loss.

2.7.5 EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ORDINARY SHARE CAPITAL

Proceeds are included in equity, net of transaction costs. Dividends and other returns to equity holders are recognised when declared by the board.

2.7.6 OFFSETTING

In accordance with IAS 32 Financial Instruments: Presentation, the Company reports financial assets and financial liabilities on a net basis on the statement of financial position only if there is a current legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.8 CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash comprises cash on hand and demand deposits, and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less.

2.9 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity holders of the Company and the number of basic weighted average number of ordinary shares excluding treasury shares held in employee benefit trusts or held for trading. When calculating the diluted earnings per share, the weighted average number of shares in issue is adjusted for the effects of all dilutive potential ordinary shares held.

3. JUDGEMENTS AND ESTIMATES

In the preparation of the annual financial statements, management is required to make judgements, 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.

No significant judgements were required to be made in the current and prior periods.

4 COVID-19

Due to the coronavirus (COVID-19) pandemic, governments across the world have declared national lockdowns, which have resulted in extensive travel restrictions and quarantine measures being implemented. Businesses globally have had to limit or suspend their operations and as such, the COVID-19 measures implemented by governments globally have severely impacted a wide range of industries, including the financial sector. Due to the global economic downturn, a significant increase in the volatility of the financial and commodities market worldwide has been noted.

Currently it is not possible to precisely predict the extent and duration of the economic impact of the COVID-19 pandemic. NewGold, NewPlatinum and NewPalladium are passively managed ETFs. Despite the COVID-19 pandemic presenting challenges for many entities throughout the nation resulting in price fluctuations seen in the market values of the underlying commodity investments in the respective ETFs, the nature of business and conduct of the ETFs have remained unchanged. The objective of the ETFs remains to track the spot commodity price of Gold, Platinum and Palladium.

The continuing COVID-19 pandemic has not affected the ETFs ability to continue as a going concern and the annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

	2021	2020
	R'000	R'000
5. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Monthly management fee on gold bullion	62 538	54 211
Monthly management fee on platinum bullion	36 675	53 753
Monthly management fee on palladium bullion	3 001	4 905
	102 214	112 869

The Company provides investment management, administrative and custody services on behalf of debenture holders. In return for this service, the company charges a monthly Management Fee based on the value of the bullion (gold, platinum and palladium) held. This fee accrues daily on all gold, platinum and palladium at 30 basis points per annum for Gold (2020: 40 basis points) and 34.5 basis points per annum for platinum and palladium effective 1 November 2020 (40 basis points per annum prior to 1 November and for the 2020 year). The provision of investment manager, administrative and custody services is considered to be a distinct performance obligation.

6. OTHER OPERATING INCOME

Redemption fees	4 159	5 445
Sundry Income	1 512	862
	5 671	6 307

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
Notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021	2020
	R'000	R'000
7. PROFIT FOR THE YEAR		
Profit for the year is stated after taking account of the following items:		
7.1 Other expenses		
Audit fees	737	665
Administration fees and expenses	320	327
Custodian fees	11 082	10 034
SARS penalties and interest	16	60
Listing fees	3 384	2 599
Sundry expenses	460	1 470
	15 999	15 155

In the current year the entity has disclosed listing fees of R3 384 (2020: R2 599 presented as part of sundry expenses in the prior year) separately from sundry expenses due to the significance of the amounts in the financial statements.

8 TAXATION

8.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

Current tax

Normal tax - current year	32 211	34 554
	32 211	34 554

Deferred tax

Deferred tax recognised in the current year	(5 810)	(4 486)
	(5 810)	(4 486)

Total income tax recognised in the current year	26 401	30 068
---	---------------	---------------

Reconciliation between operating profit and tax expense

Profit before tax for the year	94 274	107 328
Income tax expense calculated at 28% (2020: 28%)	26 397	30 052
Non-deductible expenditure	4	16
Income tax expense recognised in profit or loss	26 401	30 068

9. EARNINGS PER SHARE

	Cents	Cents
Basic earnings per share	67 873 000	77 260 000
	R'000	R'000
Basic earnings attributable to ordinary shareholders	67 873	77 260
	Number of shares	Number of shares
Issued shares at the beginning of the period	100	100
Weighted average number of ordinary shares	100	100

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
Notes to the annual financial statements (continued)
for the year ended 31 March 2021

9. EARNINGS PER SHARE (continued)

Headline earnings per share is 67 873 000c (2020: 77 260 000c). Dividend per share is R687 000 (2020: R787 000).

	Cents	Cents
Diluted earnings per share	67 873 000	77 260 000
	R'000	R'000
Diluted earnings attributable to ordinary shareholders	67 873	77 260
	Number of shares	Number of shares
Issued number of ordinary shares	100	100
Diluted average number of ordinary shares	100	100
	2021	2020
	R'000	R'000

10. OTHER RECEIVABLES

Prepayments	149	498
Value added taxation	273	117
Interest income receivable	183	323
Related party receivable	322	266
Redemption fees	163	722
	1 090	1 926
Current	1 090	1 926
	1 090	1 926

In terms of the management agreement between the Company and NewGold Managers Proprietary Limited, NewGold Managers Proprietary Limited receives the proceeds from the monthly commodity sales and transfers the proceeds to the Company.

11. BULLION INVESTMENT

The Company holds bullion to realise the capital appreciation thereon for the debenture holders. As such there is no intention to sell the bullion in the near future to generate profits. The treatment of bullion held is not explicitly addressed in IFRS and therefore the Company has clarified the accounting policy in order to appropriately reflect its business model of holding the bullion investment. Please see the Bullion Investment accounting policy for further detail.

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
Notes to the annual financial statements (continued)
for the year ended 31 March 2021

	Gold R'000	Platinum R'000	Palladium R'000	Total R'000
11. BULLION INVESTMENT (continued)				
2021				
Fair value at the beginning of the year	18 652 392	10 914 906	1 083 717	30 651 015
Acquisitions during the year	5 913 825	937 539	500 801	7 352 165
Redemptions during the year	(6 152 863)	(4 657 804)	(368 552)	(11 179 219)
Proceeds on commodity sales due to monthly sales charge	(64 402)	(37 991)	(3 104)	(105 497)
Fair value adjustment for the year	(2 501 022)	2 825 608	(72 217)	252 369
	15 847 930	9 982 258	1 140 645	26 970 833
2020				
Fair value at the beginning of the year	10 638 428	12 872 068	1 851 392	25 361 888
Acquisitions during the year	6 584 359	2 285 406	164 874	9 034 639
Redemptions during the year	(4 387 132)	(4 537 455)	(1 706 635)	(10 631 222)
Proceeds on commodity sales due to monthly sales charge	(51 867)	(53 174)	(5 154)	(110 195)
Fair value adjustment for the year	5 868 604	348 061	779 240	6 995 905
	18 652 392	10 914 906	1 083 717	30 651 015
			2021 R'000	2020 R'000
12. DEFERRED TAX				
Deferred tax balances				
The net deferred tax liability at the end of the year is as follows:				
Deferred tax liabilities			57 666	63 475
Deferred tax assets and liabilities are attributable to the following:				
	Balance at 1 April R'000	Recognised in profit or loss R'000	Balance at 31 March R'000	
2021				
Timing difference on bullion	16 595 428	2 419 793	19 015 221	
Timing difference on debenture	(16 531 766)	(2 425 577)	(18 957 343)	
Audit fee payable	(187)	(25)	(212)	
	63 475	(5 809)	57 666	
2020				
Timing difference on bullion	14 078 423	2 517 005	16 595 428	
Timing difference on debenture	(14 010 233)	(2 521 533)	(16 531 766)	
Audit fee payable	(229)	42	(187)	
	67 961	(4 486)	63 475	

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
Notes to the annual financial statements (continued)
for the year ended 31 March 2021

12. DEFERRED TAX (continued)

Deferred tax balances (continued)

In the current year the entity has disclosed the deferred tax balances relating to the bullion and debenture balances separately due to the significance of the amounts in the financial statements.

	2021	2020
	R'000	R'000
13. TRADE AND OTHER PAYABLES		
Audit fee payable	759	668
Management Fee	15	9
Listing fees	472	441
Listing service fees	21	19
SARS - VAT related expense	142	78
Custodian fees	2 447	3 083
Dividend payable – related party	5 000	-
Other payables	82	-
	8 938	4 298

14. DEBENTURES

The unsecured debenture values are linked to the respective gold, platinum and palladium prices and are listed on the Johannesburg Stock Exchange. The date of initial issue of the debentures was 2 November 2004.

The debentures do not bear interest and rank pari passu among each other. The debenture holders have not acquired any ownership, right or beneficial interest in or to any gold, platinum or palladium bullion held by the Company. The holder can redeem a debenture as long as the conditions for redemption as set out in the prospectus have been met. The Company can redeem debentures in certain situations as set out in the prospectus.

	Gold	Platinum	Palladium	Total
	R'000	R'000	R'000	R'000
2021				
Fair Value at beginning of Year	18 646 439	10 910 656	1 083 331	30 640 426
Creation of Debentures	5 913 825	937 539	500 801	7 352 165
Redemption of Debentures	(6 152 863)	(4 657 804)	(368 552)	(11 179 219)
Monthly commodity sales charged received	(58 448)	(33 743)	(2 718)	(94 909)
Monthly commodity sales charged to be realised in cash	(4 090)	(2 932)	(283)	(7 305)
Fair Value Adjustment	(2 501 022)	2 825 608	(72 217)	252 369
	15 843 841	9 979 324	1 140 362	26 963 527

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
Notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021	2020
	R'000	R'000
16. CASH GENERATED BY OPERATIONS		
Profit before tax for the year	94 276	107 328
Interest income	(2 389)	(3 307)
Movement in monthly sales accrual - unsold bullion*	3 283	(2 673)
Net gain arising from fair value adjustment of debentures	252 369	6 995 905
Net loss arising from fair value adjustment of bullion investment	(252 369)	(6 995 905)
Cash generated from operations before working capital changes	95 170	101 348
Changes in working capital		
Decrease in trade and other receivables	696	13 527
Decrease in trade and other payables	(360)	(4 060)
Total changes in working capital	336	9 467
Cash generated by operations	95 506	110 815
* This represents the cash realised in the “monthly commodity sales charge to be realised in cash” from the prior reporting date to the current reporting date. Refer to Note 14.		
17. TAXATION PAID		
Tax receivable at the beginning of the year	9 296	17 044
Current tax expense	(32 211)	(34 556)
Tax receivable at the end of the year	(4 387)	(9 296)
	(27 302)	(26 808)
18. DIVIDENDS PAID		
Dividends declared during the year	68 700	78 700
Dividends payable at the end of the year	(5 000)	-
	63 700	78 700
19. CASH AND CASH EQUIVALENTS		
Cash and bank balances	246	543
Funds on call and deposits	57 103	49 774
Gross Cash and cash equivalents	57 349	50 317
Carrying amount	57 349	50 317

The bank and short-term deposit balances are held with Absa Bank Limited which has a rating of Ba2 with a negative outlook in line with the negative sovereign rating outlook.

Short-term deposit is interest bearing at 3.1% per annum (2020: 6.35% per annum).

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
Notes to the annual financial statements (continued)
for the year ended 31 March 2021

	Fair value through profit/loss - designated R'000	Amortised cost - debt instruments R'000	Amortised cost financial liabilities R'000	Total assets and liabilities R'000
20. FINANCIAL INSTRUMENTS				
20.1 CATEGORIES OF FINANCIAL INSTRUMENTS				
Assets as per Statement of Financial Position - 2021				
Cash and cash equivalents	-	57 349	-	57 349
Other receivables	-	668	-	668
Total	-	58 017	-	58 017
Liabilities as per Statement of Financial Position - 2021				
Debentures	26 963 528	-	-	26 963 528
Trade and other Payables	-	-	8 795	8 795
Total	26 963 528	-	8 795	26 972 323
Assets as per Statement of Financial Position - 2020				
Cash and cash equivalents	-	50 317	-	50 317
Other receivables	-	1 311	-	1 311
Total	-	51 628	-	51 628
Liabilities as per Statement of Financial Position - 2020				
Debentures	30 640 426	-	-	30 640 426
Trade and other Payables	-	-	4 298	4 298
Total	30 640 426	-	4 298	30 644 724

21. RISK MANAGEMENT

21.1 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of ordinary dividends paid to shareholders. There are no externally imposed capital requirements on the Company.

Capital consists of share capital of R100 (2020: R100) and retained earnings of R3 527 480 (2020: R4 354 736).

21. RISK MANAGEMENT (continued)

21.2 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company's financial instruments consist mainly of Cash and cash equivalents and debentures. Exposure to interest, credit and liquidity risks arises in the normal course of business.

The Company's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Company's risk management are to identify all key risks for the Company, measure these risks, manage the risk positions and determine capital allocations. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Company's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance. The Company defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

The risks arising from financial instruments to which the Company is exposed are financial risks, which include credit risk, liquidity risk, market risk (which are discussed below) and operational risk.

The precious metals are held by ICBC Standard Bank Plc. (the "custodian"). The custodian has suitable insurance cover and this cover has been reviewed by management and the directors.

21.3 MARKET RISK

Market risk is the risk of a reduction in the Company's earnings or capital due to:

- Traded market risk: The risk of the Company being impacted by changes in the level or volatility of market rates or prices. This includes changes in interest rates, inflation rates, credit spreads, commodity prices, equity and bond prices and foreign exchange levels.
- Non-traded market risk: The risk of the Company exposed to interest rate risk arising from deposits and similar instruments held for longer term strategic purposes rather than for the purpose of profiting from changes in interest rates.

Market risk exposure

Market risk exposure arises from changes in commodity prices and exchange rates affecting debentures and investments in bullion.

Market risk management process

The Company's market risk management objectives include:

- The protection and enhancement of the statement of financial position and statement of comprehensive income and facilitating business growth within a controlled and transparent risk management framework and include relevant risk management process and policies for the entity.

21.4 FOREIGN CURRENCY RISK

Foreign exchange risk means the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk as the Precious Metals and custodian fee related creditors are denominated in USD.

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
Notes to the annual financial statements (continued)
for the year ended 31 March 2021

	Assets R'000	Liabilities R'000
21. RISK MANAGEMENT (continued)		
21.4 FOREIGN CURRENCY RISK (continued)		
The carrying amounts of the Company's foreign currency denominated assets and liabilities at the end of the reporting period are as follows:		
2021		
Debentures	-	26 963 528
Custodian fees payable	-	2 447
Bullion investments	26 970 833	-
	26 970 833	26 965 975
2020		
Debentures	-	30 640 426
Custodian fees payable	-	3 525
Bullion investments	30 651 015	-
	30 651 015	30 643 951

Foreign currency sensitivity analysis

A 10% change in the strengthening or weakening of the US Dollar against the Rand at 31 March 2021 would result in the changes below:

	2021 Profit or loss R'000	2020 Profit or loss R'000
Debentures	(2 696 353)	(3 064 043)
Custodian fees payable	(245)	(308)
Bullion investments	2 697 083	3 065 102
	485	751

The impact on profit for the year from a change in the US Dollar/Rand exchange rate as per the above will be largely offset by the impact of this change on the fair value of bullion investments on profit and loss. The sensitivity analysis for the bullion investments have been added in the current year. As a result the comparative sensitivity analysis for 2020 has also been provided. There has been no change in sensitivity method or assumptions since the previous period.

21.5 INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The only exposure to interest rate risk relates to the bank and short term deposits in call accounts with reputable financial institutions. The exposure to interest risk is therefore not considered to be material.

21. RISK MANAGEMENT (continued)

21.5 INTEREST RATE RISK (continued)

	2.0% Increase in interest rate 2021 R'000	2.0% Decrease in interest rates 2021 R'000	2.0% Increase in interest rate 2020 R'000	2.0% Decrease in interest rates 2020 R'000
Changes in interest				
Increase/(decrease) in interest received	1 147	(1 147)	1 006	(1 006)

There has been no change in sensitivity method or assumptions since the previous period.

21.6 OTHER PRICE RISKS

Commodity Risk

The value of the Precious Metals debentures is affected by movements in the US Dollar price of Precious Metals. The Precious Metals prices are affected by numerous factors including:

- Political, economic or financial situations;
- Future expectations of inflation rates and movements in world equity, financial and property markets;
- Supply and demand for Precious Metals; and
- Interest rates and currency exchange rates, particularly the strength of the US Dollar.

The price at which the debentures trade on the JSE may not accurately reflect the price of the Precious Metals. There has been no change in market risk exposure or market risk management since the previous period.

A 10% change in the strengthening or weakening of the commodity price at 31 March 2021 and 31 March 2020 would result in the changes below:

Strengthening in gold price 2021: R 1 584 793 007 profit (2020: R 1 865 239 212 profit).

Weakening in gold price 2021: (R 1 584 793 007) loss (2020: (R1 865 239 212) loss).

Strengthening in platinum price 2021: R 998 225 876 profit (2020: R1 091 490 631 profit).

Weakening in platinum price 2021: (R 998 225 876) loss (2020: (R1 091 490 631) loss).

Strengthening in palladium price 2021: R 114 064 243 profit (2020: R 108 371 656 profit.)

Weakening in palladium price 2021: (R 114 064 243) loss (2020: (R 108 371 656) loss.)

The impact on profit for the year from a change in the US Dollar price of Precious Metals as per the above will be largely offset by the impact of this change on the fair value of debentures on profit and loss.

21. RISK MANAGEMENT (continued)

21.7 CREDIT RISK

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. The entity's cash resources are placed with reputable financial institutions. Credit risk with respect of other receivables is limited as it mainly relates to amounts receivable from NewGold Managers Proprietary Limited and accrued interest receivable from Absa Bank Limited. The directors are satisfied with the credit quality of the counterparties. The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting period represented below, is the worst case scenario of credit risk exposure.

Financial Assets subject to IFRS 9 impairment requirements

The entity's financial assets subject to the expected credit loss within IFRS 9 are short-term other receivables and cash and cash equivalents. There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off in the period.

All other receivables are expected to be received in three months or less. An amount is considered to be in default if it has not been received 30 days after it is due. The carrying amounts of other receivables and cash and cash equivalents represent the maximum exposure.

Risk limits control and mitigation policies:

The credit risk relating to the other receivables is limited as it relates to interest income receivables on the cash balance held with reputable financial institutions, prepaid expenses to various exchanges as well as value added tax receivable from SARS.

21.7.1 MAXIMUM CREDIT RISK EXPOSURE

The maximum credit risk exposure, comprising of cash and cash equivalents and other receivables excluding prepayments and value added taxation.

	Gross Maximum Exposure R'000
2021	
Cash and Cash equivalents	57 349
Other receivables	668
Total gross maximum exposure	58 017
Expected credit losses	-
Total net exposure as per statement of financial position	58 017
Assets not subject IFRS 9 requirements	4 660
Total financial assets per the statement of financial position	62 677

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
Notes to the annual financial statements (continued)
for the year ended 31 March 2021

	Gross Maximum Exposure R'000
21. RISK MANAGEMENT (continued)	
21.7 CREDIT RISK (continued)	
21.7.1 MAXIMUM CREDIT RISK EXPOSURE (continued)	
2020	
Cash and Cash equivalents	50 317
Other receivables	1 311
Total gross maximum exposure	51 628
Expected credit losses	-
Total net exposure as per statement of financial position	51 628
Assets not subject IFRS 9 requirements	9 414
Total financial assets per the statement of financial position	61 042

21.8 LIQUIDITY RISK

Liquidity risk results from both the differences between the magnitude of assets and liabilities and the disproportion in their maturities. Liquidity risk is the risk that operations cannot be funded and financial commitments cannot be met cost effectively and in a timely fashion. Liquidity risk management deals with the overall time profile of the current statement of financial position as well the expected future structure.

	On demand R'000	Within 1 Year R'000	Total R'000
Liabilities			
2021			
Trade and other payables	-	8 938	8 938
Debentures	26 963 528	-	26 963 528
	26 963 528	8 938	26 972 466
2020			
Trade and other payables	-	4 298	4 298
Debentures	30 640 426	-	30 640 426
	30 640 426	4 298	30 644 724

21. RISK MANAGEMENT (continued)

21.8 LIQUIDITY RISK (continued)

Liquidity risk management process

The debentures are directly linked to the underlying precious metal commodities, the funding of the day to day activities are dependent on highly liquid Gold, Platinum and Palladium international markets.

The availability of funding through liquid cash positions with various institutions ensures that the entity has the ability to fund day-to-day operations. The approach to managing liquidity risk is to ensure that the entity would be able to pay suitable distributions to NewGold Owner Trust on a monthly basis.

Market makers will attempt to maintain a high degree of liquidity through continuously offering to buy and sell all the entity's participatory interests at prices approximately NAV of the participatory interest thereby ensuring tight buy and sell spreads.

22. FAIR VALUE OF FINANCIAL INSTRUMENTS NOT HELD AT FAIR VALUE

All of the below financial assets and financial liabilities have carrying amounts that approximate their fair values. The disclosed fair value of these financial assets and financial liabilities measured at amortised cost approximate their carrying value because of the short term maturities of assets and liabilities. The fair value of other financial instruments is disclosed in the respective notes.

	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
	R'000	R'000	R'000	R'000
Financial Assets				
Cash and cash equivalents	57 349	57 349	50 317	50 317
Other receivables	1 090	1 090	1 926	1 926
Total	58 439	58 439	52 243	52 243
Financial Liabilities				
Trade and other payables	8 938	8 938	(4 298)	(4 298)
Total	8 938	8 938	(4 298)	(4 298)

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
Notes to the annual financial statements (continued)
for the year ended 31 March 2021

23. FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES HELD AT FAIR VALUE

23.1 FAIR VALUE HIERARCHY

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include significant inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 R'000	Level 2 R'000	Total R'000
2021			
Recurring fair value measurements			
Financial Liabilities			
Fair Value Through Profit and Loss			
Debentures		(26 963 528)	(26 963 528)
		(26 963 528)	(26 963 528)
Non-financial assets -			
Bullion investments	26 970 833	-	26 970 833
	26 970 833	-	26 970 833
2020			
Recurring fair value measurements			
Financial Liabilities			
Fair Value Through Profit and Loss			
Debentures		(30 640 426)	(30 640 426)
		(30 640 426)	(30 640 426)
Non-financial assets -			
Bullion investments	30 651 015	-	30 651 015
	30 651 015	-	30 651 015

23. FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES HELD AT FAIR VALUE (continued)

23.1 FAIR VALUE HIERARCHY (continued)

Level 1: The fair value of the bullion is based on the market value of the underlying commodities namely gold, platinum and palladium, calculated as follows: commodity spot price x ounces held x exchange rate. The significant inputs are: exchange rates; gold, palladium and platinum commodity spot prices.

Level 2: The debenture valuation is based on the market value movement of the underlying commodities namely gold, platinum and palladium, net of the management fee charged. The fair value of the underlying commodities namely gold, platinum and palladium is calculated as follows: commodity spot price x ounces held x exchange rate. The significant inputs are: exchange rates; gold, palladium and platinum commodity spot prices.

24. RELATED PARTIES

The NewGold Owner Trust owns 100% (2020: 100%) of the ordinary shares in the Company.

The founder of the NewGold Owner Trust is Absa Bank Limited.

Absa Bank Limited is a part of the same group as NewGold Managers Proprietary Limited which provides key management personnel services to the Company. Absa Bank Limited (as a market maker) also holds a portion of the debentures in issue.

NewGold Managers Proprietary Limited, which is 51% owned by NewGold Owner Trust and 49% by Absa Bank Limited, manages and administers the affairs of NewGold Issuer Limited. The majority of NewGold Managers Proprietary Limited's directors are the same as those of NewGold Issuer (RF) Limited.

A fee of 0.1% of the Company's expenses is paid to NewGold Managers Proprietary Limited for services rendered in terms of the service level agreement. The Trustees of NewGold Owner Trust are Maitland Trust Limited.

	Admin and management fees paid R'000	Dividends paid R'000	Interest Income R'000
2021			
Shareholders			
NewGold Owner Trust	-	(63 700)	-
	-	(63 700)	-
Other			
Maitland Group South Africa Limited	(320)	-	-
Absa Bank Limited	-	-	2 389
NewGold Managers Proprietary Limited	(16)	-	-
	(336)	-	2 389

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
Notes to the annual financial statements (continued)
for the year ended 31 March 2021

	Admin and management fees paid R'000	Dividends paid R'000	Interest Income R'000	
24. RELATED PARTIES (continued)				
2020				
<i>Shareholders</i>				
NewGold Owner Trust	-	(78 700)	-	
	-	(78 700)	-	
<i>Other</i>				
Maitland Group South Africa Limited	(327)	-	-	
Absa Bank Limited	-	-	3 307	
NewGold Managers Proprietary Limited	(15)	-	-	
	(342)	-	3 307	
	Current amounts receivable R'000	Current amounts payable R'000	Participatory Interest R'000	Cash and Cash Equivalents R'000
2021				
<i>Shareholders</i>				
NewGold Owner Trust	-	(5 000)	-	-
	-	(5 000)	-	-
<i>Other related parties</i>				
Absa Bank Limited	183	-	880 394	57 349
NewGold Managers Proprietary Limited	321	15	-	-
	504	15	880 394	57 349
2020				
<i>Other related parties</i>				
Absa Bank Limited	597	-	196 588	50 317
NewGold Managers Proprietary Limited	266	9	-	-
	863	9	196 588	50 317

24. RELATED PARTIES (continued)

Key management Personnel

The Company adopted the Absa Bank Limited policies. The executive directors (BM Mgwaba) and (PS Mkhize) are full time employees of Absa Bank Limited and therefore earn no directors' fees for their services as directors.

Director's emoluments

As per the requirements of Section 30 of the Companies Act, directors' emoluments have been disclosed in Appendix A.

Director's interests in contract

Director's interest in contracts: No contracts were entered into in which the directors of the Company had an interest and which significantly affected the business of the Company.

25. QUARTERLY REVIEW OF COMMODITY PRICES

The fair value is derived from multiplying the number of ounces with the PM fix (price of an ounce of gold / platinum / palladium) and also with the ZAR / USD exchange rate applicable on 31 March 2021.

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
Notes to the annual financial statements (continued)
for the year ended 31 March 2021

	Gold \$/ounce R'000	Platinum \$/ounce R'000	Palladium \$/ounce R'000	Exchange rate R/\$ R'000	Gold R/ounce R'000	Platinum R/ounce R'000	Palladium R/ounce R'000
25. QUARTERLY REVIEW OF COMMODITY PRICES (continued)							
2021							
30-06-2020	1 768	814	1 905	17	30 737	14 151	33 118
30-09-2020	1 887	884	2 335	17	31 713	14 856	39 242
31-12-2020	1 888	1 068	2 342	15	27 681	15 659	34 338
31-03-2021	1 691	1 182	2 625	15	24 974	17 457	38 768
2020							
30-06-2019	1 409	818	1 524	14	19 905	11 556	21 530
30-09-2019	1 485	900	1 674	15	22 505	13 637	25 364
31-12-2019	1 515	952	1 905	14	21 233	13 344	26 703
31-03-2020	1 609	727	2 307	18	28 669	12 954	41 108

25. QUARTERLY REVIEW OF COMMODITY PRICES (continued)

NewGold Issuer (RF) Limited debentures are primary listed the Johannesburg Stock exchange and secondary listed on various other exchanges. The details are given below as at 31 March 2021:

Platinum

Platinum 4 810 000 units on the Botswana Stock Exchange (2020: 2 600 000)

Gold Debentures

Gold 1 455 894 Nigerian Stock Exchange (2020: 150 000)

Gold 5 000 Ghana Stock Exchange (2020: 50 000)

Gold 3 225 000 Botswana Stock Exchange (2020: 2 250 000)

Gold 450 000 Stock Exchange of Mauritius (2020: 150 000)

Gold 248 600 Nairobi Securities Exchange (2020: 400 000)

26. EVENTS AFTER THE REPORTING DATE

The following dividends were declared by NewGold Issuer (RF) Limited subsequent to year end:

30 April 2021: Dividend amount: R5 000 000; Dividend per share: R50 000

31 May 2021: Dividend amount: R4 750 000; Dividend per share: R47 500

27. NEW ACCOUNTING PRONOUNCEMENTS

Adoption of new and revised Standards

During the current year, the Company has adopted all of the new and revised standards and interpretations issued by the IASB and the IFRS-IC that are relevant to its operations and effective for annual reporting periods beginning on 1 April 2020. The adoption of these new and revised standards and interpretations has not resulted in material changes to the Company's accounting policies.

The Company adopted the following standards, interpretations and amended standards during the year:

The Conceptual Framework	<i>The Conceptual Framework for Financial Reporting</i> sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies, and assistance to others in their efforts to understand and interpret the standards.
--------------------------	---

27. NEW ACCOUNTING PRONOUNCEMENTS (continued)

New and revised International Financial Reporting Standards issued not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective:

Standard	Annual periods beginning on or after
IAS 1 <i>Classification of liabilities as current or non-current</i> - Amendments which aim to help companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	1 January 2023

Apart from the instances detailed above the Company is in the process of assessing the potential impact that the adoption of these standards and interpretations may have on its future financial performance or disclosures in the annual financial statements.