NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
AUDITED ANNUAL FINANCIAL STATEMENTS
31 March 2023

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

Contents

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
DIRECTORS' RESPONSIBILITIES AND APPROVAL
As at 31 March 2023

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 13 to 16 of this report.

The directors' report on pages 16 to 17 and financial statements of the Company which appears on pages 18 to 52 and Annexure A were approved by the board of directors on 22 June 2023 and are signed on its behalf by:

BM Mgwaba 22 Jun, 2023 7:01:56 PM SAST
Johannesburg

TJ Fearnhead 22 Jun, 2023 4:56:07 PM SAST
Cape Town

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
COMPANY SECRETARY'S CERTIFICATE
As at 31 March 2023

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 2023, 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: S.Smit
22 June 2023

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 executive directors are representatives of 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 2023 were submitted to, considered and resolved by the Board.

Internal Audit

The internal audit function is conducted by the Absa Bank Limited internal audit team. 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 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 Group'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.

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 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.

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 established a Social and Ethics Committee (SEC) in September 2021. 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.

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.

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 4 (four) meetings during the year and all directors attended the meetings, save for 1 director who did not attend two of the 4 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. Stonehage Flemming Corporate Services(Pty) Ltd (previously Maitland Corporate Services(Pty) Ltd) 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 six (6) 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.

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 an approved Terms of Reference (ToR) and conducts formal meetings as required. The ToR is reviewed annually and approved by the Board.

Audit and Risk Committee

The Committee has three members who are independent, non-executive directors of the Board. The chairman is an independent non-executive director. The Committee held four meetings during the year and all the members attended all the meetings.

Social and Ethics Committee

The Social and Ethics Committee (SEC) was established in September 2021. 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. The Committee has three members which includes two non-executive directors and one executive director of the Board. The chairman is an independent non-executive director. The Committee held one meeting during the year and all the members attended the meeting.

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. A Board and Committee evaluation was conducted during 2022, with the results being presented at the November 2022 Board meeting. The outcomes of the evaluation was discussed and no material matters of concern were raised.

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 Bank Limited through 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.

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 monitors regulatory compliance with the Companies Act and advises the Board as and when the need arises.

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 Stonehage Fleming Corporate Services (Pty) Ltd for the provision of the two non-executive directors. Absa Bank Limited pays a corporate services fee to the remaining non-executive directors 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.

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.

Mr DA Lorimer is the chairman of the Audit, Risk and Compliance Committee ("ARCC") and Mr TJ Fearnhead, Mr L Poswa, and Ms Deborah Mutemwa-Tumbo (resigned 19 April 2023) are members of the ARCC. Ms Deborah Mutemwa-Tumbo was replaced as a member of the Committee by Ms Rosalind Friedericksen, who was appointed on 23 May 2023. Mr DA Lorimer, Mr TJ Fearnhead, Ms D Mutemwa-Tumbo, and Mr L Poswa are independent non-executive directors and have relevant qualifications and financial and legal expertise.

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 is 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:

- 23 June 2022
- 22 September 2022
- 24 November 2022
- 23 March 2023

The Group changed its auditors from Ernst and Young Inc. to PricewaterhouseCoopers Inc, during the year under review. The Company appointed PricewaterhouseCoopers Inc. as the auditors on 3 June 2022. Ernst & Young Inc. represented by Jannerman Hendrik Labuschagne, attended all the Audit, Risk and Compliance Committee meetings for the year up to and including the meeting held on 23 June 2022. With effect from the meeting of 22 September 2022, Louwrens van Velden attended the ARCC meetings representing auditors PricewaterhouseCoopers Inc.

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.

DA Lorimer 22 Jun, 2023 1:11:13 PM SAST
Johannesburg

Independent auditor's report

To the Shareholder of NewGold Issuer (RF) Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of NewGold Issuer (RF) Limited (the Company) as at 31 March 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

NewGold Issuer (RF) Limited's financial statements set out on pages 18 to 53 comprise:

- the statement of comprehensive income for the year then ended 31 March 2023;
- the statement of financial position as at 31 March 2023;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

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Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.

Our audit approach

Overview

	Overall materiality • R258.7 million which represents 1% of total assets
	Key audit matters • None

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall materiality	R258.7 million
How we determined it	1% of Total Assets
Rationale for the materiality benchmark applied	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. We therefore selected total assets as our materiality benchmark because, in our view, it is the most appropriate benchmark and is a generally accepted benchmark. We chose 1% which is consistent with materiality thresholds used for similar companies within this sector.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled NewGold Issuer (RF) Limited Audited Annual Financial Statements 31 March 2023, 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 report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 the 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.

- 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 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 PricewaterhouseCoopers Inc. has been the auditor of NewGold Issuer (RF) Limited for one year.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Louwrens van Velden
Registered Auditor
Johannesburg, South Africa
23 June 2023

Company registration number	2004/014119/06
Country of incorporation and domicile	South Africa
Date of publication	26 June 2023
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 (Chief Executive Officer)	15 October 2015	
PS Mkhize (Financial Director)	15 July 2019	
TJ Fearnhead	18 June 2010	
DA Lorimer	01 July 2016	
D Mutemwa-Tumbo	26 November 2020	19 April 2023
L Poswa	26 November 2020	
R Friedericksen	23 May 2023	

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
Holding company	NewGold Owner Trust, Incorporated in South Africa
Ultimate holding company	NewGold Owner Trust, Incorporated in South Africa
Bankers	Absa Bank Limited
Auditors	PricewaterhouseCoopers Inc. 4 Lisbon Lane Waterfall City Jukskei View 2090

Company secretary	Absa Secretarial Services Proprietary Limited Represented by: S.Smit
Date of incorporation	27 May 2004
Review of operations	The directors have performed the required solvency and liquidity tests required by the Companies Act of South Africa.
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	**2023 R'000**	2022 R'000
Profit for the year	**44 172**	51 213
Total comprehensive income	**44 172**	51 213
Taxation	**(16 422)**	(17 002)
Dividends declared and paid	**46 100**	48 950
Net assets	**3 863**	5 791
Net current assets	**59 796**	59 809

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 14.
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 27.
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 2023

	Notes	2023 R'000	2022 R'000
Effective interest income		**3 786**	2 169
Revenue from contracts with customers	4	**71 583**	78 924
Total income		**75 369**	81 093
Other operating income	5	**1 116**	668
Other expenses	6	**(15 891)**	(13 546)
Fair value adjustment on bullion investments		**4 695 371**	344 223
Fair value adjustment on debentures		**(4 695 371)**	(344 223)
Profit before tax		**60 594**	68 215
Taxation	7	**(16 422)**	(17 002)
Profit for the year		**44 172**	51 213
Total comprehensive income for the year, net of tax		**44 172**	51 213
Profit attributable to:			
Parent of the Company		**44 172**	51 213
		44 172	51 213
Total comprehensive profit attributable to:			
Parent of the Company		**44 172**	51 213
		44 172	51 213
Earnings per share	8		
Basic (cents per share)		**44 172 000**	51 213 000
Diluted (cents per share)		**44 172 000**	51 213 000

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

	Notes	2023 R'000	2022 R'000
Assets			
Current assets			
Other receivables	9	**1 528**	857
Bullion Investments	10	**25 805 149**	22 484 074
Cash and cash equivalents	18	**64 360**	62 822
Total current assets		**25 871 037**	22 547 753
Total assets		**25 871 037**	22 547 753
Equity and liabilities			
Equity			
Capital and reserves			
Share capital	14	**-**	-
Retained income		**3 863**	5 791
Total equity		**3 863**	5 791
Liabilities			
Non-current liabilities			
Deferred tax liabilities	11	**55 933**	54 018
Total non-current liabilities		**55 933**	54 018
Current liabilities			
Trade and other payables	12	**11 080**	7 334
Current tax liabilities		**2 078**	2 573
Debentures	13	**25 798 083**	22 478 037
Total current liabilities		**25 811 241**	22 487 944
Total liabilities		**25 867 174**	22 541 962
Total equity and liabilities		**25 871 037**	22 547 753

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2023

	Share Capital R'000	Retained income R'000	Total equity R'000
Balance at 1 April 2021	-	3 528	3 528
Total comprehensive income for the year	-	51 213	51 213
Dividends declared	-	(48 950)	(48 950)
Balance at 31 March 2022	-	5 791	5 791
Note	14		
Balance at 1 April 2022	**-**	**5 791**	**5 791**
Total comprehensive income for the year	**-**	**44 172**	**44 172**
Dividends declared	**-**	**(46 100)**	**(46 100)**
Balance at 31 March 2023	**-**	**3 863**	**3 863**
Note	14		

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

	Notes	2023 R'000	2022 R'000
Cash flows from operating activities			
Cash generated by operations	15	**55 069**	67 472
Income taxes paid	16	**(15 002)**	(13 690)
Interest received		**3 571**	2 141
Net cash generated by operating activities		**43 638**	55 923
Cash flows from financing activities			
Dividends paid to owners of the Company	17	**(42 100)**	(50 450)
Net cash used in financing activities		**(42 100)**	(50 450)
Net increase in cash and cash equivalents		**1 538**	5 473
Cash and cash equivalents at the beginning of the year		**62 822**	57 349
Cash and cash equivalents at the end of the year	18	**64 360**	62 822

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 or after 1 April 2022. For details of the new and revised accounting policies refer to note 28.

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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

IFRS 9 requires interest income to be calculated on stage 1 or stage 2 financial assets by multiplying the EIR by the gross carrying amount of such assets. Dissimilar to stage 1 and stage 2 assets, IFRS 9 requires interest income on stage 3 financial assets to be calculated based on the net carrying value of the exposure, that is, the gross carrying value less the ECL allowance. In order to practically give effect to this requirement, the Company first suspends the recognition of contractual interest, and second, multiplies the net carrying value by the EIR. Unrecognised interest (which is referred to as interest in suspense (IIS)) is the difference between the interest calculated on the gross carrying amount of the financial asset (that is, the interest charged), and the net interest amount, calculated based on the net carrying amount of the financial asset. In some instances, an entity may recover cash flows which are in excess of the cumulative interest previously recognised over the life of the instrument. The IIS recovered is presented as a gain within ECL.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is measured based on the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 therefore 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.

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.

2.7.2 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 FINANCIAL INSTRUMENTS (continued)

2.7.2 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

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:

- 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 Effective interest income using the effective interest rate method. The carrying amount is adjusted by the cumulative expected credit losses recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 FINANCIAL INSTRUMENTS (continued)

2.7.2 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Debt Instruments: (continued)

- 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.

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

- financial assets at amortised cost

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 FINANCIAL INSTRUMENTS (continued)

2.7.3 EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS (continued)

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 as guided by the regulatory definition of default. 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

In the course of its normal activities, the Company makes transfers of financial assets, either legally (where legal rights to the cash flows from the asset are passed to the counterparty) or beneficially (where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty). Depending on the nature of the transaction, this may result in derecognition of the assets in their entirety, partial derecognition or no derecognition of the assets subject to the transfer.

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. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 FINANCIAL INSTRUMENTS (continued)

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

Cash comprises of cash on hand and demand deposits, and cash equivalents comprise of 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.

2.10 SEGMENTAL REPORTING

The debentures are separately listed and trade on the Johannesburg Stock Exchange. The Company falls within the Scope IFRS 8: Operating Segments. The debentures values are linked to the respective gold, platinum and palladium prices and operate in a single line of business. Therefore the entity as a whole is considered to be one operating segment.

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.

The value of the debentures are linked to the value of bullion held. No further judgements were required to be made in the current and prior periods.

	2023 R'000	2022 R'000

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023 R'000	2022 R'000
Monthly management fee on gold bullion	**49 328**	49 787
Monthly management fee on platinum bullion	**21 109**	27 078
Monthly management fee on palladium bullion	**1 146**	2 059
	71 583	78 924

The Company provides investment management and administrative services on behalf of debenture holders. In return for this service, the company charges a monthly Management Fee based on 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 and 34.5 basis points per annum for Platinum and Palladium. The provision of investment manager and administrative services is considered to be a distinct performance obligation. Revenue is recognised over time, as the services are provided debenture holders.

5. OTHER OPERATING INCOME

	2023 R'000	2022 R'000
Redemption fees	**200**	355
Sundry Income*	**916**	313
	1 116	668

* Sundry income comprises entirely of foreign exchange gains made on commodity sales

6. PROFIT FOR THE YEAR

Profit for the year is stated after taking account of the following items:

6.1 Other expenses

	2023 R'000	2022 R'000
Audit fees	**831**	877
Administration fees and expenses	**253**	242
Custodian fees	**8 168**	8 962
Foreign exchange losses on custodian fees	**169**	246
Listing fees	**5 864**	2 889
Sundry expenses	**606**	330
	15 891	13 546

	2023 R'000	2022 R'000

7 TAXATION

7.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS

	2023 R'000	2022 R'000
Current tax		
Normal tax - current year	**14 507**	20 650
	14 507	20 650
Deferred tax		
Deferred tax recognized/(reversed) in the current year	**1 915**	(1 549)
Adjustments to deferred tax attributable to changes in tax rates and laws	**-**	(2 099)
	1 915	(3 648)
Total income tax recognised in the current year	**16 422**	17 002
Reconciliation between operating profit and tax expense		
Profit before tax for the year	**60 594**	68 215
Income tax expense calculated at 27% (2022: 28%)	**16 360**	19 101
Effect of expenses that are not deductible in determining taxable profit	**62**	-
Effect on deferred tax balances due to the change in income tax rate	**-**	(2 099)
Income tax expense recognised in profit or loss	**16 422**	17 002

During the budget speech presented on 23 February 2022, the Finance Minister announced that the South African corporate tax rate will be reduced from 28% to 27%, effective for tax assessment years ending on or after 31 March 2022.

8. EARNINGS PER SHARE

	Cents	Cents
Basic earnings per share	**44 172 000**	51 213 000

	R'000	R'000
Basic earnings attributable to ordinary shareholders	**44 172**	51 213

	Number of shares	Number of shares
Issued shares at the beginning of the period	**100**	100
Weighted average number of ordinary shares	**100**	100

Headline earnings per share is 44 172 000c (2022: 51 213 000c). Dividend per share is R461 000 (2022: R489 500).

8. EARNINGS PER SHARE (continued)

	Cents	Cents
Diluted earnings per share	**44 172 000**	51 213 000

	R'000	R'000
Diluted earnings attributable to ordinary shareholders	**44 172**	51 213

	Number of shares	Number of shares
Issued number of ordinary shares	**100**	100
Diluted average number of ordinary shares	**100**	100

	2023 R'000	2022 R'000

9. OTHER RECEIVABLES

	2023 R'000	2022 R'000
Prepayments	**590**	150
Value added taxation	**252**	265
Interest income receivable	**427**	211
Related party receivable*	**31**	-
Redemption fees	**228**	231
	1 528	857
Current	**1 528**	857
	1 528	857

* 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.

10. BULLION INVESTMENT

The Company holds bullion to realise the capital appreciation/depreciation 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. The entity measures the bullion at fair value. Please see the Bullion Investment accounting policy for further detail. The fair value of bullion is affected by the market movements.

	Gold R'000	Platinum R'000	Palladium R'000	Total R'000
2023				
Fair value at the beginning of the year	**16 243 565**	**5 753 010**	**487 499**	**22 484 074**
Creations during the year	**1 661 396**	**1 583 973**	**36 250**	**3 281 619**
Redemptions during the year	**(3 462 889)**	**(844 734)**	**(277 739)**	**(4 585 362)**
Proceeds on commodity sales due to monthly sales charge	**(48 599)**	**(20 732)**	**(1 222)**	**(70 553)**
Fair value adjustment for the year	**3 647 387**	**1 107 918**	**(59 934)**	**4 695 371**
	18 040 860	**7 579 435**	**184 854**	**25 805 149**

10. BULLION INVESTMENT (continued)

	Gold R'000	Platinum R'000	Palladium R'000	Total R'000
2022				
Fair value at the beginning of the year	15 847 930	9 982 259	1 140 644	26 970 833
Creations during the year	1 051 102	640 197	279 033	1 970 332
Redemptions during the year	(2 685 877)	(3 253 507)	(781 737)	(6 721 121)
Proceeds on commodity sales due to monthly sales charge	(49 764)	(28 216)	(2 213)	(80 193)
Fair value adjustment for the year	2 080 174	(1 587 723)	(148 228)	344 223
	16 243 565	5 753 010	487 499	22 484 074

Creations and redemptions of units are settled in ounces and do not result in cash flows.

11. DEFERRED TAX

Deferred tax balances

	2023 R'000	2022 R'000
The net deferred tax liability at the end of the year is as follows:		
Deferred tax liabilities	**55 933**	54 018

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
2023			
Timing difference on bullion	**19 783 348**	**910 757**	**20 694 105**
Timing difference on debenture	**(19 729 095)**	**(908 848)**	**(20 637 943)**
Audit fee payable	**(235)**	**6**	**(229)**
	54 018	**1 915**	**55 933**
2022			
Timing difference on bullion	19 015 221	768 127	19 783 348
Timing difference on debenture	(18 957 343)	(771 752)	(19 729 095)
Audit fee payable	(212)	(23)	(235)
-	57 666	(3 648)	54 018

12. TRADE AND OTHER PAYABLES

	2023 R'000	2022 R'000
Audit fee payable	**850**	871
Management Fee	**2**	-
Listing fees	**467**	922
Listing service fees	**18**	16
Custodian fees	**2 193**	1 991
Dividend payable	**7 500**	3 500
Other payables	**50**	34
	11 080	7 334

13. DEBENTURES

The unsecured debenture values are linked to the respective gold, platinum and palladium prices and are primary 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. Creations and redemptions of units are settled in ounces and do not result in cash flows.

	Gold R'000	Platinum R'000	Palladium R'000	Total R'000
2023				
Fair Value at beginning of year	**16 239 452**	**5 751 216**	**487 370**	**22 478 038**
Creation of Debentures	**1 661 396**	**1 583 973**	**36 250**	**3 281 619**
Redemption of Debentures	**(3 462 889)**	**(844 734)**	**(277 739)**	**(4 585 362)**
Monthly commodity sales charged received	**(44 487)**	**(18 940)**	**(1 092)**	**(64 519)**
Monthly commodity sales charged to be realised in cash	**(4 841)**	**(2 169)**	**(54)**	**(7 064)**
Fair Value Adjustment	**3 647 387**	**1 107 918**	**(59 934)**	**4 695 371**
	18 036 018	**7 577 264**	**184 801**	**25 798 083**
2022				
Fair Value at beginning of year	15 843 840	9 979 327	1 140 361	26 963 528
Creation of Debentures	1 051 102	640 197	279 033	1 970 332
Redemption of Debentures	(2 685 877)	(3 253 507)	(781 737)	(6 721 121)
Monthly commodity sales charged received	(45 674)	(25 284)	(1 929)	(72 887)
Monthly commodity sales charged to be realised in cash	(4 113)	(1 794)	(130)	(6 037)
Fair Value Adjustment	2 080 174	(1 587 723)	(148 228)	344 223
	16 239 452	5 751 216	487 370	22 478 038

13. DEBENTURES (continued)

Fair value movements on debentures

The carrying value of the liability at fair value and the amount which the Company is contractually required to pay the holder on redemption, approximate each other. The change in fair value of the liability attributable to changes in credit risk is Rnil (2022: Rnil). Credit risk is not considered to be a significant input in determining the fair value of the debentures.

The monthly management fees (as disclosed in note 4) are treated as a reduction against the ounces held. The monthly management fees are equivalent to the monthly commodity sales charged. The split provided in the table above differentiates monthly management fees that have been realised through cash ("Monthly commodity sales charge received") and the amount accrued for at year end ("Monthly commodity sales charge to be realised in cash" for which the cash will be realised in the following month). The actual value realised in cash may differ from the accrual. This difference is recognised in profit and loss within other operating income

	2023 R'000	2022 R'000

14. SHARE CAPITAL

Authorised share capital

1 000 (2022: 1 000) ordinary shares of R1 per share.	**1**	1

There were no changes to authorised share capital during the current reporting period.

Issued share capital

100 (2022: 100) ordinary shares of R1 per share.	**-**	-

The value of the issued share capital is R100 (2022: R100).

As at the reporting date, the unissued shares are under the control of the directors, in terms of a general authority to allot and issue them on such terms and conditions and at such times as they deem fit. This authority expires at the forthcoming annual general meeting of the Company.

15. CASH GENERATED BY OPERATIONS

	2023 R'000	2022 R'000
Profit before tax for the year	**60 594**	68 216
Interest income	**(3 786)**	(2 169)
Movement in monthly sales accrual - unsold bullion*	**(1 029)**	1 268
Net loss/(gain) arising from fair value adjustment of debentures	**4 695 371**	344 223
Net (gain)/loss arising from fair value adjustment of bullion investment	**(4 695 371)**	(344 223)
Cash generated from operations before working capital changes	**55 779**	67 315
Changes in working capital		
(Increase)/decrease in trade and other receivables	**(456)**	261
Decrease in trade and other payables	**(254)**	(104)
Total changes in working capital	**(710)**	157
Cash generated by operations	**55 069**	67 472

15. CASH GENERATED BY OPERATIONS (continued)

* 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 13.

Creations and redemptions of units are settled in ounces and do not result in cash flows.

	2023 R'000	2022 R'000
16. TAXATION PAID		
Tax (payable)/receivable at the beginning of the year	**(2 573)**	4 387
Current tax expense	**(14 507)**	(20 650)
Tax payable at the end of the year	**2 078**	2 573
	(15 002)	(13 690)
17. DIVIDENDS PAID		
Dividends payable at the beginning of the year	**3 500**	5 000
Dividends declared during the year	**46 100**	48 950
Dividends payable at the end of the year	**(7 500)**	(3 500)
	42 100	50 450
18. CASH AND CASH EQUIVALENTS		
Cash and bank balances	**209**	101
Funds on call and deposits	**64 151**	62 721
Gross Cash and cash equivalents	**64 360**	62 822
Carrying amount	**64 360**	62 822

The bank and short-term deposit balances are held with Absa Bank Limited with a long term rating of BB- with a stable outlook. An ECL assessment was performed during the current financial year and was not deemed material.

Short-term deposit is interest bearing at 7.35% (2022: 3.60%) per annum.

	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
19. FINANCIAL INSTRUMENTS				
19.1 CATEGORIES OF FINANCIAL INSTRUMENTS				
Assets as per Statement of Financial Position - 2023				
Cash and cash equivalents	-	**64 360**	-	**64 360**
Other receivables	-	**457**	-	**457**
Total	-	**64 817**	-	**64 817**
Liabilities as per Statement of Financial Position - 2023				
Debentures	**25 798 083**	-	-	**25 798 083**
Trade and other Payables	-	-	**11 080**	**11 080**
Total	**25 798 083**	-	**11 080**	**25 809 163**

19. FINANCIAL INSTRUMENTS (continued)

19.1 CATEGORIES OF FINANCIAL INSTRUMENTS (continued)

	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
Assets as per Statement of Financial Position - 2022				
Cash and cash equivalents	-	62 822	-	62 822
Other receivables	-	211	-	211
Total	-	63 033	-	63 033
Liabilities as per Statement of Financial Position - 2022				
Debentures	22 478 037	-	-	22 478 037
Trade and other Payables	-	-	7 334	7 334
Total	22 478 037	-	7 334	22 485 371

20. RISK MANAGEMENT

20.1 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 (2022: R100) and retained earnings of R3 862 242 (2022: R5 790 546).

20. RISK MANAGEMENT (continued)

20.2 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 (bullion) 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. The Bullion (although not a financial instrument) exposes the Company to market risk, foreign currency risk and commodity risk. The potential impact and the way in which the company manages these risks have been included in this note.

20.3 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.

20. RISK MANAGEMENT (continued)

20.4 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, management fee ounces not yet sold and custodian fee related creditors are denominated in USD. Any movement in the value of Precious Metals due to investors as a result of changes in exchange rates are mirrored by an equal and opposite movement in the value of the debentures, and as such, the fund does not actively manage exposure to foreign exchange rates. Exposures on custodian fee related creditors and ounces for management fees not yet sold are not considered material.

	Assets R'000	Liabilities R'000
The carrying amounts of the Company's foreign currency denominated assets and liabilities at the end of the reporting period are as follows:		
2023		
Debentures	**-**	**25 798 083**
Custodian fees payable	**-**	**2 192**
Bullion investments	**25 805 149**	**-**
	25 805 149	**25 800 275**
2022		
Debentures	-	22 478 037
Custodian fees payable	-	1 991
Bullion investments	22 484 074	-
	22 484 074	22 480 028

Foreign currency sensitivity analysis

A 10% change in the strengthening or weakening of the US Dollar against the Rand at 31 March 2023 would result in the changes below:

	2023 Profit or loss R'000	2022 Profit or loss R'000
Debentures	**(2 579 808)**	(2 247 804)
Custodian fees payable	**219**	199
Bullion investments	**2 580 515**	2 248 003
	926	398

A 10% change in the value of the US Dollar against the Rand was viewed as a reasonably possible alternative based on current market conditions. As evident above, the impact on profit for the year from a change in the US Dollar/Rand exchange rate is neutralised by the impact of this change on the fair value of bullion investments on profit and loss. There has been no change in sensitivity method or assumptions since the previous period.

20.5 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.

20. RISK MANAGEMENT (continued)

20.5 INTEREST RATE RISK (continued)

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.

	2.0% Increase in interest rate 2023 R'000	**2.0% Decrease in interest rates 2023 R'000**	2.0% Increase in interest rate 2022 R'000	2.0% Decrease in interest rates 2022 R'000
Changes in interest				
Increase/(decrease) in interest received	**1 287**	**(1 287)**	1 256	(1 256)

A 2% change in the value of the interest rates was viewed as a reasonably possible alternative based on current market conditions. There has been no change in sensitivity method or assumptions since the previous period.

20.6 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.

20. RISK MANAGEMENT (continued)

20.6 OTHER PRICE RISKS (continued)

Changes in the US Dollar price of Precious Metals due to investors as reflected below will have no impact on profit or loss as these changes will result in equal and opposite fair value movements to both the bullion and debentures. A 10% change in the strengthening or weakening of the commodity price at 31 March 2023 and 31 March 2022 would result in the changes below:

Strengthening in gold price 2023: R 1 804 086 010 profit (2022: R 1 624 356 494 profit).

Weakening in gold price 2023: (R 1 804 086 010) loss (2022: (R1 624 356 494) loss).

Strengthening in platinum price 2023: R 757 943 313 profit (2022: R 575 301 027 profit).

Weakening in platinum price 2023: (R 757 943 313) loss (2022: (R 575 301 027) loss).

Strengthening in palladium price 2023: R 18 485 368 profit (2022: R 48 749 919 profit).

Weakening in palladium price 2023: (R 18 485 368) loss (2022: (R 48 749 919) loss).

Changes in the US Dollar price of Precious Metals due to the company will have an impact on management fees. An average 10% change in the strengthening or weakening of the commodity price for the years ended 31 March 2023 and 31 March 2022 would result in the changes below:

Strengthening in commodity prices 2023: R 7 158 333 profit before tax (2022: R 7 892 418 profit before tax).

Weakening in commodity prices 2023: (R 7 158 333) profit before tax (2022: (R 7 892 418) profit before tax).

Changes in the US Dollar price of total Precious Metals held will have an impact on custody fees. An average 10% change in the strengthening or weakening of the commodity price for the years ended 31 March 2023 and 31 March 2022 would result in the changes below:

Strengthening in commodity prices 2023: (R 816 810) profit before tax (2022: (R 896 194) profit before tax).

Weakening in commodity prices 2023: R 816 810 profit before tax (2022: R 896 194 profit before tax).

20. RISK MANAGEMENT (continued)

20.7 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. Bank and short-term deposit balances are held with Absa Bank Limited with a long term rating of BB-. An ECL assessment was performed during the current financial year and was not deemed material.

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.

20.7.1 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
2023	
Cash and Cash equivalents	**64 360**
Other receivables	**686**
Total gross maximum exposure	**65 046**
Expected credit losses	**-**
Total financial assets per the statement of financial position	**65 046**
2022	
Cash and Cash equivalents	62 822
Other receivables	592
Total gross maximum exposure	**63 414**
Expected credit losses	-
Total financial assets per the statement of financial position	**63 414**

20. RISK MANAGEMENT (continued)

20.8 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. The availability of funding through liquid cash positions ensures that the Company has the ability to fund day-to-day operations. The liquid cash position has increased during the current year as evidenced by the incease in cash and cash equivalents. The redemption value that the Company would pay in relation to a debenture and as at the redemption date thereof, is an amount equal to the sale proceeds realised or that would have been realised by the Company pursuant to a sale of the reference quantity of the relevant commodity to which such debenture is linked.

	On demand R'000	**Within 1 Year R'000**	**Total R'000**
Liabilities			
2023			
Trade and other payables	**-**	**11 080**	**11 080**
Debentures	**25 798 083**	**-**	**25 798 083**
	25 798 083	**11 080**	**25 809 163**
2022			
Trade and other payables	-	7 293	7 293
Debentures	22 478 037	-	22 478 037
	22 478 037	7 293	22 485 330

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 that approximate the NAV (theoretical value per share calculated as (total ounces in the fund*price per ounce*exchange rate)/number of units in issue) of the participatory interest thereby ensuring tight buy and sell spreads.

21. 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.

	2023		2022	
	Carrying amount R'000	**Fair value R'000**	Carrying amount R'000	Fair value R'000
Financial Assets				
Cash and cash equivalents	**64 360**	**64 360**	62 822	62 822
Other receivables	**686**	**686**	857	857
Total	**65 046**	**65 046**	63 679	63 679
Financial Liabilities				
Trade and other payables	**11 080**	**11 080**	7 293	7 293
Total	**11 080**	**11 080**	7 293	7 293

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

22.1 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**
2023			
Recurring fair value measurements			
Financial Liabilities			
Fair Value Through Profit and Loss			
Debentures		**(25 798 083)**	**(25 798 083)**
		(25 798 083)	**(25 798 083)**
Non-financial assets			
Bullion investments	**25 805 147**	**-**	**25 805 147**
	25 805 147	**-**	**25 805 147**

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

22.1 FAIR VALUE HIERARCHY (continued)

2022

	Level 1 R'000	Level 2 R'000	Total R'000
Recurring fair value measurements			
Financial Liabilities			
Fair Value Through Profit and Loss			
Debentures		(22 478 037)	(22 478 037)
		(22 478 037)	(22 478 037)
Non-financial assets			
Bullion investments	22 484 074	-	22 484 074
	22 484 074	-	22 484 074

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.

23. SEGMENTAL REPORTING

Segment Reporting

The investment vehicle offers only one type of product, being the specific exchange traded funds, tracking the price of precious metals. Information regarding the results of the reportable segment is disclosed in the financial statements as currently set out, thus no further IFRS 8 disclosure is required

All revenues are earned from customers are external to the investment vehicle. Approximately 90% of revenues are earned from customers in South Africa, with the remaining 10% being earned from customers in other African jurisdictions. This allocation is based on the number of units in issue as at 31 March 2023. 100% of the investment fund's bullion investments are located in the United Kingdom. Comparatives have remained consistent with prior year.

24. RELATED PARTIES

The NewGold Owner Trust owns 100% (2022: 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. All of the NewGold Managers Proprietary Limited's directors being DA Lorimer, BM Mgwaba and D Mutemwa-Tumbo are also directors 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 Stonehage Fleming Corporate Services (Pty) Ltd.

	Admin and management fees paid R'000	**Dividends paid R'000**	**Interest Income R'000**
2023			
Shareholders			
NewGold Owner Trust	**-**	**(42 100)**	**-**
	-	**(42 100)**	**-**
Other			
Stonehage Fleming Corporate Services (Pty) Ltd	**(254)**	**-**	**-**
Absa Bank Limited	**-**	**-**	**3 786**
NewGold Managers Proprietary Limited	**(18)**	**-**	**-**
	(272)	**-**	**3 786**
2022			
Shareholders			
NewGold Owner Trust	-	(50 450)	-
	-	(50 450)	-
Other			
Stonehage Fleming Corporate Services (Pty) Ltd	(242)	-	-
Absa Bank Limited	-	-	2 169
NewGold Managers Proprietary Limited	(13)	-	-
	(255)	-	2 169

24. RELATED PARTIES (continued)

	Current amounts receivable R'000	Current amounts payable R'000	Bullion Investment R'000	Cash and Cash Equivalents R'000
2023				
Shareholders				
NewGold Owner Trust	**-**	**(7 500)**	**-**	**-**
	-	**(7 500)**	**-**	**-**
Other related parties				
Absa Bank Limited	**427**	**-**	**(295 803)**	**64 360**
NewGold Managers Proprietary Limited	**31**	**2**	**-**	**-**
	458	**2**	**(295 803)**	**64 360**
2022				
Shareholders				
NewGold Owner Trust	-	(3 500)	-	-
	-	(3 500)	-	-
Other related parties				
Absa Bank Limited	211	-	(502 788)	62 822
NewGold Managers Proprietary Limited	-	6	-	-
	211	6	(502 788)	62 822

The Absa Bank Limited bullion investment disclosed above relates to the obligation the Fund has to Absa Bank for debentures held by Absa.

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 of this company.

Director's emoluments

As per the requirements of Section 30 of the Companies Act, directors' emoluments have been disclosed as transactions with related parties. Directors fees are paid for directorship services provided to the Company of which R253 649 (2022: R242 198) was incurred in respect of the services of the following directors: DA Lorimer and D Mutemwa-Tumbo. These fees are paid via Stonehage Flemming Corporate Services (Pty) Ltd. The remuneration for BM Mgwaba, PS Mkhize, TJ Fearnhead and L Poswa is disclosed in Annexure 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. GREY-LISTING OF SOUTH AFRICA BY THE FATF

In February 2023, the international Financial Action Task Force (FATF) announced its decision to place South Africa, among other countries, on its 'grey list' as the country has not yet implemented all the actions recommended by FATF to combat money laundering, terrorist financing and similar threats adequately. The grey-listing action may raise the cost of transactions as foreign financial institutions will, at least in some instances, apply additional controls to transactions that involve South African entities and individuals. The company, already complies with rigorous international anti-financial crime standards and regulations, as required in order to access global financial markets. The directors thus consider it unlikely that the grey-listing will have a material direct impact on the company in the short term.

26. 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 2023.

26. QUARTERLY REVIEW OF COMMODITY PRICES (continued)

	Gold $/ounce	Platinum $/ounce	Palladium $/ounce	Exchange rate R/$	Gold R/ounce	Platinum R/ounce	Palladium R/ounce
2023							
30-06-2022	**1 817**	**907**	**1 888**	**16**	**29 832**	**14 891**	**30 998**
30-09-2022	**1 672**	**864**	**2 214**	**18**	**30 053**	**15 532**	**39 801**
31-12-2022	**1 814**	**1 031**	**1 775**	**17**	**31 011**	**17 628**	**30 349**
31-03-2023	**1 980**	**981**	**1 490**	**18**	**35 080**	**17 383**	**26 403**
2022							
30-06-2021	1 763	1 059	2 707	14	25 095	15 073	38 529
30-09-2021	1 743	963	1 899	15	26 292	14 528	28 649
31-12-2021	1 806	959	1 973	16	28 820	15 305	31 488
31-03-2022	1 942	983	2 259	15	28 357	14 352	32 983

26. 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 2023:

Platinum and Palladium

Platinum 4 460 000 units on the Botswana Stock Exchange (2022: 4 810 000)

Palladium 20 000 Botswana Stock Exchange (2022: 100 000)

Gold Debentures

Gold 53 398 Nigerian Stock Exchange (2022: 57 170)

Gold 1 400 000 Ghana Stock Exchange (2022: 55 000)

Gold 3 825 000 Botswana Stock Exchange (2022: 3 825 000)

Gold 450 000 Stock Exchange of Mauritius (2022: 450 000)

Gold 339 500 Nairobi Securities Exchange (2022: 248 600)

27. EVENTS AFTER THE REPORTING DATE

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

30 April 2023: Dividend amount: R5 400 000; Dividend per share: R54 000

31 May 2023: Dividend amount: R5 500 000; Dividend per share: R55 000

The following changes in directorship occurred subsequent to year end:

Deborah Mutemwa-Tumbo resigned effective 19 April 2023

Rosalind Friedericksen was appointed as a director effective 23 May 2023

There are no other subsequent events which had a major impact on the entity.

28. 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 or after 1 April 2022. The adoption of these new and revised standards and interpretations has not resulted in material changes to the Company's accounting policies.

	Standard	Annual periods beginning on or after

28. NEW ACCOUNTING PRONOUNCEMENTS (continued)

Annual Improve -ments	Amendments resulting from annual improvements 2018-2020 Cycle for the following standards:	1 January 2022
•	IFRS 1 - The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.	
•	IFRS 9 - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.	
•	IFRS 16 - The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.	
•	IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.	

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:

IAS 1	*Classification of liabilities as current or non-current* - 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
IAS 1 and IFRS Practice State- ment 2	*Disclosure of Accounting Policies* - The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the four-step materiality process' described in IFRS Practice Statement 2.	1 January 2023

	Standard	**Annual periods beginning on or after**

28. NEW ACCOUNTING PRONOUNCEMENTS (continued)

IAS 8	Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.	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.