NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
AUDITED ANNUAL FINANCIAL STATEMENTS
31 March 2016

Supervised by:	Neil Slabbert CA (SA)
Designation:	Head of Barclays Africa Group Limited Product Control and Investment Banking Operations

Contents

DIRECTORS' RESPONSIBILITIES AND APPROVAL

As at 31 March 2016

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 net income and cash flows for the reporting period, and other information contained in this report.

To enable the directors to meet these responsibilities:

- All directors and employees 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 Barclays Africa 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, 71 of 2008, South Africa and comply 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 auditors to report on the annual financial statements. Their report to the shareholders of the Company is set out on page 6 of this report.

The directors' report on pages 7 to 8 and financial statements of the Company which appears on pages 9 to 37 were approved by the board of directors on 27 June 2016 and are signed on its behalf by

Director

Director

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
COMPANY SECRETARY'S CERTIFICATE
As at 31 March 2016

To the shareholders of NewGold Issuer (RF) Limited,

In accordance with the provisions of the South African Companies Act, No 71 of 2008 (as amended), (the Companies Act) I in my capacity as Company Secretary certify that, in respect of the period ended 31 March 2016, the Company has lodged with the Company and Intellectual Property Commission (CIPC) all returns prescribed by the Companies Act and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

Absa Secretarial Services Propriety Limited
Company secretary
Represented by: Judith Chinkumbi

27 - 6 - 2016
Date

The Company is fully committed to the principles of the Code of Corporate Practices and Conduct ("the Code") as set out in the King III Report on Corporate Governance.

In supporting the Code, the directors recognise the need to govern the Company with integrity and in accordance with the generally accepted corporate practices.

The Company has no employees. The directors of the Company are of the opinion that the Company has applied the principles and recommendations of the Code, in all material respects, with regard to the period under review.

Board of directors
The board consists of:

- 1 Executive director
- 1 Non-executive director
- 3 Independent non-executive directors

Independent advice
A director or any member of a board committee may, if necessary, take independent professional advice at the expense of the Company.

Company secretary
All directors have access to the advice and services of the company secretary, who provides guidance to the board as a whole and to individual directors with regard to how their responsibilities should be discharged in the best interest of the Company.

Audit and risk committee
The board has concluded that the audit and risk committee has satisfied its responsibilities.

Social and ethics committee
In accordance with the provisions of the Companies Act No 71 of 2008, the board has established a social and ethics committee which has assumed responsibility for matters related to social and economic development, good corporate citizenship, ethics, consumer relations, stakeholder management, transformation and environment.

Internal audit
The internal audit function is conducted by Barclays Africa Group Limited Internal Audit, following a risk based audit approach. The Company risk is assessed and prioritised in relation to Barclays Africa Group Limited business functions to determine the audit need and therefore frequency of review.

Remuneration philosophy
The details of the executive directors', non-executive directors' and prescribed officers' emoluments are disclosed in Note 26.

Risk management
The Company adopted the Barclays Africa Group Limited Risk Policy. Corporate Investment Banking ("CIB") management, together with CIB Operational Risk Management develop appropriate risk processes i.e. risk and control assessments, indicators and loss event management. CIB Operational Risk Management assists in assessing and reporting risk matters to the Company's board.

Integrated sustainability reporting and disclosure
As a special purpose entity, the Company does not play an active role in the environment and the community and therefore no integrated sustainability report is prepared or included in the annual financial statements.

Managing stakeholder relationships
The Company is governed by the stakeholder management of Barclays Africa Group Limited.

Fundamental and affected transactions
The Company does not conduct business with entities in which its directors have an interest. Directors are requested to declare their directorships in other companies on a quarterly basis.

IT governance
Information Technology governance is performed in terms of the Barclays Africa Group IT Policy.

Mr TJ Fearnhead is the chairman of the audit and risk committee, while Mr EM Southey and Mr EM Letty are members of the Company's audit and risk committee. Mr TJ Fearnhead, Mr EM Southey and Mr EM Letty are independent non-executive directors and have relevant qualifications and financial expertise.

The Company secretary also serves as the secretary of the committee.

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

- The Company's relationship with external auditors
- The presentation of financial statements and reports complying with all relevant corporate disclosure requirements and accounting standards
- The review of any other announcement regarding the Company's results or other financial information, including dividends proposed for declaration;
- The identification of exposure to significant risks;
- The operation of adequate processes of internal control; and
- The monitoring of the Company's corporate 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. The Chairman of the committee reports to the board on the recommendations made by the committee.

The audit and risk committee met on the under mentioned occasions during the year under review and subsequent to the year end for the primary purposes mentioned below:

- 17 June 2015, to consider and approve the audited financial statements for the year ended 31 March 2015 which were then approved by the Board of Directors on 26 June 2015. The committee also considered the risk status of the company.
- 15 September 2015 to consider and conclude on the compliance risks, operational risks and risk status of the company.
- 1 December 2015 to approve audit strategy and audit plan for the year ended 31 March 2016 and consider and approve the risk status of the company.
- 29 March 2016 to consider and conclude on the compliance risks, operational risks and risk status of the company.

Ernst & Young Inc was represented at the aforementioned occasions of the Company's audit and risk committee as follows:

- Rohan Baboolal (Partner) at the meeting held on 17 June 2015, 15 September 2015, 1 December 2015 and 29 March 2016.

The board had concluded that the audit and risk committee has satisfied its responsibilities for the year under review in compliance with the terms of reference and statutory requirements.

The Company is fully committed to the principles of the Code of Corporate Practices and Conduct (the code) as set out in The King Report on Corporate Governance.

In supporting the Code, the directors recognise the need to govern the Company with integrity and in accordance with generally accepted corporate practices.

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

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

EY
Building a better working world

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NewGold Issuer (RF) Limited

We have audited the annual financial statements of NewGold Issuer (RF) Limited set out on pages 9 to 37, which comprise of the statement of financial position as at 31 March 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flow for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of NewGold Issuer (RF) Limited as at 31 March 2016, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2016, we have read the Directors' Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in the Government Gazette Number 39475 dated 04 December 2015, we report that Ernst &Young Inc. has been the auditor of NewGold Issuer (RF) Limited for 4 years.

Ernst + Young Inc.

Ernst & Young Inc.
Rohan Baboolal - Registered Auditor
Chartered Accountant (SA)
27 June 2016

Company registration number 2004/014119/06

Country of incorporation and domicile South Africa

Nature of business and principle activities

The Company is engaged as a structured entity 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 and Palladium (Precious Metals). The Company operates principally in South Africa, and from the way the business of the Company is structured and managed, there are no operating segments and the Company's results are reviewed as a single operating segment. The operating results and state of affairs of the Company are fully set out in the attached annual financial statements and do not, in our opinion, require any further comment.

Directors

Name	Appointment date	Resignation date
EM Southey	30 January 2006	
EM Letty	02 May 2007	
TJ Fearnhead	18 June 2010	
M Mgwaba	15 October 2015	
C Edwards	24 March 2016	
CJC Clarke	20 July 2014	24 March 2016
WA Dennehy	01 December 2014	15 October 2015

Registered office & Business address
7th Floor
Absa Towers West
15 Troye Street
Johannesburg
2000

Postal address
P O Box 7735
Johannesburg
2000

Holding company NewGold Owner Trust, Incorporated in South Africa.

NewGold Owner Trust, established in South Africa, holds 100% of the share capital of the Company. In accordance with IFRS 10 Consolidated Financial Statements, since the Company is a structured entity, control is not only assessed by way of voting rights but by considering all relevant contractual arrangements.

Ultimate Holding company Barclays Bank Plc, Incorporated in the United Kingdom.

Bankers Absa Bank Limited

Auditors
Ernst & Young Inc.
102 Rivonia Road
Sandton
2196

Company secretary

Name	Appointment date
Absa Secretarial Services Propriety Limited	15 October 2004

Date of incorporation 27 May 2004

Compilation and review of financial results

These annual financial statements are prepared under the direction and supervision of the Head of Barclays Africa Group Limited Product Control and Investment Banking Operations, Neil Slabbert CA (SA).

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	2016 R	2015 R
Profit for the year	**93 741 460**	95 877 645
Total comprehensive income	**93 741 460**	95 877 645
Taxation	**(36 455 014)**	(37 251 140)
Dividends declared and paid	**95 700 000**	94 730 000
Net assets	**3 990 629**	5 949 169
Net current assets	**82 956 092**	75 052 032

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 13.

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 25.

Going concern

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

Special Resolutions

No special resolutions were passed during the year.

Directors' 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.

Directors' emoluments

As per the requirements of Section 30 of the Companies Act, directors emoluments have been disclosed in note 26 for this entity.

Risk

The Precious Metals are held by Brinks Limited and Barclays Bank Plc. ("the custodians") in their vaults. There is a risk that the Precious Metals could be lost, stolen or damaged, therefore the Company would not be able to request the sale or delivery of Precious Metals for itself or on behalf of any qualifying debenture holder. If the custodians fail to take out suitable insurance against such risks, as they are so obliged, then the debenture holders have to rely on the Company to recover the value lost from the custodians. The custodians have suitable insurance cover and this cover has been reviewed by management and the directors.

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2016

	Notes	2016 R	2015 R
Revenue	4	**131 470 492**	147 280 025
Gross profit		**131 470 492**	147 280 025
Finance income	18	**4 333 204**	3 478 438
Other operating income		**11 627 588**	6 540 607
Other expenses	5	**(17 234 810)**	(24 259 285)
Fair value adjustment on Bullion investments		**(3 644 237 329)**	(469 721 794)
Fair value adjustment on Debentures		**3 644 237 329**	469 721 794
Profit before tax		**130 196 474**	133 039 785
Income tax expense	6.1	**(36 455 014)**	(37 251 140)
Profit for the year		**93 741 460**	95 788 645
Total comprehensive income for the year, net of tax		**93 741 460**	95 788 645
Profit attributable to:			
Parent of the Company		**93 741 460**	95 788 645
		93 741 460	95 788 645
Total comprehensive profit attributable to:			
Parent of the Company		**93 741 460**	95 788 645
		93 741 460	95 788 645
Earnings per share			
Basic (cents per share)	9	**93 741 460**	95 788 645
Diluted (cents per share)	9	**93 741 460**	95 788 645
Headline Earnings (cents per share)	9	**93 741 460**	95 788 645

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
STATEMENT OF FINANCIAL POSITION
As at 31 March 2016

	Notes	2016 R	2015 R
Assets			
Current assets			
Other receivables	7	**976 289**	1 190 056
Current tax assets		**-**	3 831 069
Bullion investments	8	**35 002 104 813**	33 184 907 127
Cash and cash equivalents	17	**83 221 220**	63 927 505
Total current assets		**35 086 302 322**	33 253 855 757
Total assets		**35 086 302 322**	33 253 855 757
Equity and liabilities			
Capital and reserves			
Share capital	13	**100**	100
Retained income		**3 990 529**	5 949 069
Total equity		**3 990 629**	5 949 169
Non-current liabilities			
Deferred tax liabilities	10	**78 965 463**	69 102 863
Total non-current liabilities		**78 965 463**	69 102 863
Current liabilities			
Trade and other payables	11	**4 145 479**	5 275 176
Current tax liabilities		**8 601 606**	-
Debentures	12	**34 990 599 145**	33 173 528 549
Total current liabilities		**35 003 346 230**	33 178 803 725
Total liabilities		**35 082 311 693**	33 247 906 588
Total equity and liabilities		**35 086 302 322**	33 253 855 757

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2016

	Share capital R	Retained income R	Total equity R
Balance at 1 April 2014	100	4 890 424	4 890 524
Total comprehensive income for the year	-	95 788 645	95 788 645
Dividends declared	-	(94 730 000)	(94 730 000)
Balance at 31 March 2015	100	5 949 069	5 949 169
Balance at 1 April 2015	**100**	**5 949 069**	**5 949 169**
Total comprehensive income for the year	-	**93 741 460**	**93 741 460**
Dividends declared	-	**(95 700 000)**	**(95 700 000)**
Balance at 31 March 2016	**100**	**3 990 529**	**3 990 629**
Note	13		

NEWGOLD ISSUER (RF) LIMITED
(Registration number: 2004/014119/06)
STATEMENT OF CASH FLOWS
for the year ended 31 March 2016

	Notes	2016 R	2015 R
Cash flows from operating activities			
Cash generated by operations	14	**124 960 669**	126 782 131
Finance income	18	**4 192 785**	3 362 643
Income taxes paid	15	**(14 159 739)**	(18 115 924)
Net cash generated by operating activities		**114 993 715**	112 028 850
Cash flows from investing activities			
Sale of Bullion investments	8	**11 630 456 000**	8 897 553 000
Purchase of Bullion investments	8	**(9 934 759 759)**	(10 660 846 000)
Net cash generated by/(used in) investing activities		**1 695 696 241**	(1 763 293 000)
Cash flows from financing activities			
Dividends paid to owners of the Company	16	**(95 700 000)**	(96 605 000)
Issue of Debentures	12	**9 934 759 759**	10 660 846 000
Debentures redeemed	12	**(11 630 456 000)**	(8 897 553 000)
Net cash (used in)/generated by financing activities		**(1 791 396 241)**	1 666 688 000
Net increase in cash and cash equivalents		**19 293 715**	15 423 850
Cash and cash equivalents at the beginning of the year		**63 927 505**	48 503 655
Cash and cash equivalents at the end of the year	17	**83 221 220**	63 927 505

1. STATEMENT OF COMPLIANCE

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), Johannesburg Stock Exchange Listings requirements and SAICA financial reporting guides and the interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRIC) and the requirements of the Companies Act of South Africa, as amended.

The financial statements are presented in South African Rands (R), the presentation currency of the Company. All financial information is presented to the nearest Rand.

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 IFRIC that are relevant to its operations and effective for annual reporting periods beginning on 1 April 2015. The adoption of these new and revised standards and interpretations has not resulted in material changes to the Company's accounting policies. Further details of the new and revised accounting policies adopted during the current year can be found in 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.

2.3 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable.

FINANCE INCOME

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

MONTHLY SALES

A monthly sales charge accrues daily on all gold, platinum and palladium held. The charge is equal to 40 basis points per annum on the value of the bullion held and is deducted monthly in arrears. The charge is recognised as revenue when the outcome of the transaction can be estimated reliably. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied when the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the entity; and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

2.4 FOREIGN CURRENCIES

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

2.5 TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

CURRENT TAXATION

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Income tax payable on taxable profits is recognised as an expense for the year in which the profits arise.

DEFERRED TAXATION

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.5 TAXATION (continued)

VALUE ADDED TAX (VAT)

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

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

2.6 BULLION INVESTMENTS

Gold, Platinum and Palladium Bullion are commodities that the Company buys and/or sells for others or on their own account. They are principally acquired with the purpose of selling in the near future and generating a profit from fluctuations in price. The Bullion (inventory) is therefore measured at fair value less costs to sell. The fair value of Bullion is affected by the market and is determined with reference to the exchange quoted selling price of gold / platinum / palladium per ounce known as Gold PM fix, Platinum PM fix and Palladium PM fix.

2.7 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

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 is 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 released in full when previously unobservable inputs become observable.

2.7.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets are classified as financial assets at fair value through profit or loss (FVTPL) or loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial liabilities are either measured at amortised cost or classified as at fair value through profit or loss, which may occur when the financial liability is either held for trading or it is designated as at fair value through profit or loss

2.7 FINANCIAL INSTRUMENTS (continued)

2.7.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets are measured as at FVTPL when they are either held for trading or designated as at FVTPL.

A financial instrument is classified as held for trading if:

- it is a financial asset that has been acquired principally for the purpose of selling it in the near term, or it is a financial liability that has been acquired principally for the purpose of repurchasing it in the near term ; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial instrument other than one that is held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial instrument forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial instruments at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

EFFECTIVE INTEREST METHOD

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.
Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

FINANCIAL LIABILITIES

Most financial liabilities are held at amortised cost. 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.

2.7 FINANCIAL INSTRUMENTS (continued)

2.7.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Amortised cost instruments

Impairment on financial assets measured at amortised cost is recognised in accordance with IAS 39, the Company assesses at each reporting date whether there is objective evidence that financial assets at amortised cost will not be recovered in full and, wherever necessary, recognises an impairment loss in profit or loss.

DERECOGNITION OF FINANCIAL INSTRUMENTS

Derecognition of financial assets

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

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.

2.7.2 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 paid or declared by the board.

2.8 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.

2.9 CASH AND CASH EQUIVALENTS

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

2.10 EARNINGS PER SHARE

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

3. JUDGEMENTS AND ESTIMATES

In the preparation of the annual financial statements, management is required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. None of the judgements or estimates are considered to be significant for the current financial period.

	2016 R	2015 R

4. REVENUE

	2016 R	2015 R
Monthly sales charge on gold Bullion	59 355 701	67 335 638
Monthly sales charge on platinum Bullion	56 771 068	64 883 614
Monthly sales charge on palladium Bullion	15 343 723	15 060 773
	131 470 492	147 280 025

5. PROFIT BEFORE TAX

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

5.1 Auditors remuneration

	2016 R	2015 R
Audit fees	564 300	435 753
BSE Professional services agreed upon procedures	-	50 000
	564 300	485 753

5.2 Other Operating expenses

	2016 R	2015 R
Administration fees and expenses	389 896	315 730
Custodian fees	13 173 290	18 590 668
Foreign exchange loss	393 449	1 580 553
Loss on Bullion sales	-	810 118
Sundry expenses	2 713 875	2 476 463
	16 670 510	23 773 532
Total	17 234 810	24 259 285

6. INCOME TAXES

6.1 INCOME TAX RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME

The major components of income tax expense for the years ended 31 March 2016 and 31 March 2015 are:

	2016 R	2015 R
Current tax		
Normal tax - current year	26 592 414	23 158 345
	26 592 414	23 158 345
Deferred tax		
Relating to origination and reversal of temporary differences	9 862 600	14 092 795
	9 862 600	14 092 795
Total income tax recognised in the current year	36 455 014	37 251 140

	2016 R	2015 R

6. INCOME TAXES (continued)

6.1 INCOME TAX RECOGNISED THE IN STATEMENT OF COMPREHENSIVE INCOME (continued)

	2016 R	2015 R
Reconciliation of tax expense		
Profit for the year	**130 196 474**	133 039 785
Income tax expense calculated at 28% (2015: 28%)	**36 455 014**	37 251 140
Income tax expense recognised in profit or loss	**36 455 014**	37 251 140

7. OTHER RECEIVABLES

	2016 R	2015 R
Value added taxation	**107 463**	49 485
Other receivables	**868 826**	1 140 571
	976 289	1 190 056
Current	**976 289**	1 190 056
	976 289	1 190 056

The other receivables balance of R976,289 (2015: R1,190,056) comprises mainly of interest receivable as well as amounts receivable from NewGold Managers Proprietary Limited.

8. BULLION INVESTMENT

	2016 R	2015 R
Gold		
Fair value at the beginning of the year	**14 240 309 307**	17 571 140 886
Gold acquisitions during the year	**5 588 681 759**	2 138 762 000
Gold redemptions during the year	**(3 527 978 000)**	(6 235 479 000)
Proceeds on gold sales during the year	**(57 955 929)**	(68 485 982)
Fair value adjustment for the year	**3 173 560 910**	834 371 403
	19 416 618 047	**14 240 309 307**
Platinum		
Fair value at the beginning of the year	**14 729 719 328**	14 394 132 743
Platinum acquisitions during the year	**2 959 186 000**	4 052 724 000
Platinum redemptions during the year	**(5 247 504 000)**	(2 174 270 000)
Proceeds on platinum sales during the year	**(57 449 053)**	(64 595 242)
Fair value adjustment for the year	**587 035 177**	(1 478 272 173)
	12 970 987 452	**14 729 719 328**
Palladium		
Fair value at the beginning of the year	**4 214 878 492**	72 725 131
Palladium acquisitions during the year	**1 386 892 000**	4 469 360 000
Palladium redemptions during the year	**(2 854 974 000)**	(487 804 000)
Proceeds on palladium sales during the year	**(15 938 420)**	(13 581 614)
Fair value adjustment for the year	**(116 358 758)**	174 178 975
	2 614 499 314	**4 214 878 492**
	35 002 104 813	33 184 907 127

9. EARNINGS PER SHARE

The calculation of basic earnings per share at 31 March 2016 was based on the profit attributable to investors of R93,741,460 (2015: R95,788,645) and a weighted average number of ordinary shares outstanding of 100 (2015:100) calculated as follows:

	R
2016	
Profit for the year	**93 741 460**
Amount distributed	**95 700 000**
Weighted average number of ordinary shares	**100**
Dividends per share	**957 000**
Number of shares	**100**
Basic earnings per share (cents)	**93 741 460**
Diluted earnings per share (cents)	**93 741 460**
Headline earnings per share (cents)	**93 741 460**
2015	
Profit for the year	95 788 645
Amount distributed	94 730 000
Weighted average number of ordinary shares	100
Dividends per share	947 300
Number of shares	100
Basic earnings per share (cents)	95 788 645
Diluted earnings per share (cents)	95 788 645
Headline earnings per share (cents)	95 788 645

10. DEFERRED TAX

Deferred tax balances

The net deferred tax liability at the end of the year is as follows:

Net deferred tax liabilities	**78 965 463**	69 102 863

Deferred tax assets and liabilities are attributable to the following:

	Balance at 1 April 2015 R	Income tax recognised R	Balance at 31 March 2016 R
Timing difference between the creation/acquisition of the debenture/bullion and the redemption/sale of the debenture/bullion	69 547 208	9 546 306	79 098 514
Audit fee payable	(444 345)	316 294	(128 051)
	69 102 863	9 862 600	78 965 463
	69 102 863	9 862 600	78 965 463
Note		6	

10. DEFERRED TAX (continued)

Deferred tax balances (continued)

2015

	Balance at 1 April 2014 R	Income tax recognised R	Balance at 31 March 2015 R
Timing difference between the creation/acquisition of the debenture/bullion and the redemption/sale of the debenture/bullion	55 100 578	14 446 630	69 547 208
Audit fee payable	(90 510)	(353 835)	(444 345)
Fair value on Bullion investments and Debentures *	-	-	-
	55 010 068	14 092 795	69 102 863
	55 010 068	14 092 795	69 102 863
Note		6	

* Previously the gross balances were reflected for the deferred tax asset on the Fair value of bullion investments of R3,708,797,697 (2014: R3,577,275,584) and the deferred tax liability on the Fair value of debentures of R3,708,797,696 (2014: R3,577,275,594), and a movement of R131,522,103 on both the investment and debenture for the year ended 31 March 2015. These balances have been restated to reflect the net balances of the deferred tax on the Fair value of the bullion investments and Fair value of debentures.

11. TRADE AND OTHER PAYABLES

	2016 R	2015 R
Trade payables	**21 006**	29 137
Audit fee payable	**457 325**	366 500
Absa Investment Management Services Proprietary Limited - management fees	**-**	2 575
Johannesburg Stock Exchange Limited - Listing fees	**268 667**	283 345
Strate Limited and Computershare Limited - Listing service fees	**129 639**	122 775
Maitland Group South Africa Limited - Corporate and trust administration fees	**31 794**	-
Barclays Plc - custodian fees	**3 211 472**	4 445 292
Other payables	**25 576**	25 552
	4 145 479	5 275 176

12. DEBENTURES

The unsecured debenture values are linked to the respective gold, platinum and palladium prices and are listed on the Exchange Traded Index Funds sector of 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.

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.

Fair value gain in the current year equals R3 644 237 329 (2015: R469 721 794) and the cumulative fair value movement is a loss of R 8 662 625 141 (2015: R12 306 262 470).

The changes in fair value of the liability attributable to changes in credit risk is Rnil (2015: Rnil). The constant credit spread approach was applied from the date the liabilities were originated. No changes in the credit risk of the liabilities and the applicable credit spreads were observed after origin.

	Number of Debentures	Total R
2016		
Gold		
Fair Value at beginning of year	102 736 300	14 235 439 303
Creation of Debentures	34 541 639	5 588 681 759
Redemption of Debentures	(25 600 000)	(3 527 978 000)
Monthly gold sales during the year	-	(59 355 701)
Fair Value Adjustment for the year	-	3 173 560 910
	111 677 939	19 410 348 271
Platinum		
Fair Value at beginning of year	108 000 000	14 724 689 914
Creation of Debentures	23 000 000	2 959 186 000
Redemption of Debentures	(39 600 000)	(5 247 504 000)
Monthly platinum sales during the year	-	(56 771 068)
Fair value adjustment for the year	-	587 035 177
	91 400 000	12 966 636 023
Palladium		
Fair Value at beginning of year	47 684 696	4 213 399 332
Creation of Debentures	15 500 000	1 386 892 000
Redemption of Debentures	(31 700 000)	(2 854 974 000)
Monthly palladium sales during the year	-	(15 343 723)
Fair value adjustment for the year	-	(116 358 758)
	31 484 696	2 613 614 851
Total Debentures	234 562 635	34 990 599 145

12. DEBENTURES (continued)

	Number of Debentures	Total R
2015		
Gold		
Fair Value at beginning of year	133 636 300	17 565 120 538
Creation of Debentures	16 400 000	2 138 762 000
Redemption of Debentures	(47 300 000)	(6 235 479 000)
Monthly gold sales during the year	-	(67 335 638)
Fair Value Adjustment for the year	-	834 371 403
	102 736 300	14 235 439 303
Platinum		
Fair Value at beginning of year	96 400 000	14 389 391 701
Creation of Debentures	27 200 000	4 052 724 000
Redemption of Debentures	(15 600 000)	(2 174 270 000)
Monthly platinum sales during the year	-	(64 883 614)
Fair value adjustment for the year	-	(1 478 272 173)
	108 000 000	14 724 689 914
Palladium		
Fair Value at beginning of year	884 696	72 725 131
Creation of Debentures	52 000 000	4 469 360 000
Redemption of Debentures	(5 200 000)	(487 804 000)
Monthly palladium sales during the year	-	(15 060 774)
Fair value adjustment for the year	-	174 178 975
	47 684 696	4 213 399 332
Total Debentures	258 420 996	33 173 528 549

13. SHARE CAPITAL

	2016 R	2015 R
Authorised share capital		
1 000 (2015: 1 000) ordinary shares of R1 per share.	**1 000**	1 000

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

	2016 R	2015 R
Issued share capital		
100 (2015: 100) ordinary shares of R1 per share.	**100**	100
	100	100

Authorised shares

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

Unissued shares

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.

13. SHARE CAPITAL (continued)

Shares issued during the current reporting period

There were no shares issued during the current reporting period.

Shares issued during the prior reporting period

There were no shares issued during the prior reporting period.

All shares issued by the company were paid in full

14. CASH GENERATED BY OPERATIONS

	2016 R	2015 R
Profit before tax	**130 196 474**	133 039 785
Adjustments for:		
Finance income	**(4 333 204)**	(3 478 438)
Loss arising on changes in fair value adjustment of Bullion investments	**3 644 237 329**	469 721 794
Net (gain) arising on fair value adjustment of Debentures	**(3 644 237 329)**	(469 721 794)
Movement in monthly sales accrual - Unsold Bullion	**(127 088)**	(617 183)
Cash generated from operations before working capital changes	**125 736 182**	128 944 139
Changes in working capital		
Decrease/(increase) in other receivables	**354 184**	(361 508)
Decrease in trade and other payables	**(1 129 697)**	(1 800 520)
Total changes in working capital	**(775 513)**	(2 162 028)
Cash generated by operations	**124 960 669**	126 782 131

15. INCOME TAX (PAID)/REFUNDED

Tax receivable at the beginning of the year	**3 831 069**	8 873 490
Current tax expense	**(36 455 014)**	(37 251 140)
Deferred Tax for the year recognised in income tax	**9 862 600**	14 092 795
Tax payable/(receivable) at the end of the year	**8 601 606**	(3 831 069)
	(14 159 739)	(18 115 924)

16. DIVIDENDS PAID TO OWNERS OF THE COMPANY

Dividends payable at the beginning of the year	-	1 875 000
Dividends paid during the current year	**95 700 000**	94 730 000
	95 700 000	96 605 000

17. CASH AND CASH EQUIVALENTS

Cash and bank balances	**16 720 440**	20 885
Funds on call and deposits	**66 500 780**	63 906 620
	83 221 220	63 927 505

The bank and short-term deposit balances are held with Absa Bank Limited.
Short-term deposit is interest bearing at 6.35% (linked to the repo rate) per annum.

		2016 R	2015 R
18.	**FINANCE INCOME RECEIVED**		
	Balance at beginning of year	345 760	229 965
	Finance income recognised in statement of comprehensive income	4 333 204	3 478 438
	Balance at end of year	(486 179)	(345 760)
	Comprehensive income	4 192 785	3 362 643

19. FINANCIAL INSTRUMENTS

19.1 CATEGORIES OF FINANCIAL INSTRUMENTS

Financial instruments at amortised cost carried on the statement of financial position include cash and cash equivalents, trade and other receivables, and trade and other payables. As at 31 March 2016 , for all these instruments, the carrying amounts approximate the fair values of the respective assets and liabilities because the instruments are short term in nature.

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 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:

	2016 R	2015 R
Share capital	100	100

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.

20. RISK MANAGEMENT (continued)

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 commodity prices and foreign exchange levels.

- Non-traded market risk: The risk of the Company exposed to interest rate risk arising from loans, deposits and similar instruments held for longer term strategic purposes rather than for the purpose of profiting from changes in 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 cash and cash equivalents, debentures and investments.

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.

20.4 FOREIGN CURRENCY RISK

Foreign exchange risk means the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk as the Precious Metals and the Barclays Plc creditor are denominated in US Dollar.

	Liabilities R
The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:	
2016	
Debentures	**34 990 599 145**
Barclays Plc – Custodian fees	**3 211 472**
	34 993 810 617

20. RISK MANAGEMENT (continued)

20.4 FOREIGN CURRENCY RISK (continued)

	Liabilities R
2015	
Debentures	33 173 528 549
Barclays Plc – Custodian fees	4 445 292
	33 177 973 841

Foreign currency sensitivity analysis

A 10% change in the strengthening or weakening of the US Dollar against the Rand at 31 March 2016 would result in the changes below:

	2016 Profit or loss R	2015 Profit or loss R
Debentures	**3 499 059 914**	3 317 352 854
Barclays Plc – Custodian fees	**321 147**	444 529
	3 499 381 061	3 317 797 383

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.

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

	2% Increase in interest rates 2016 R	**2% Decrease in interest rates 2016 R**	2% Increase in interest rates 2015 R	2% Decrease in interest rates 2015 R
Changes in interest				
Increase/(decrease) in finance income	**1 664 424**	**(1 664 424)**	1 278 550	(1 278 550)

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

20. RISK MANAGEMENT (continued)

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 Johannesburg stock Exchange may not accurately reflect the price of the Precious Metals. There has been no change in market risk exposure or market risk management since the previous period. A 10% change in the strengthening or weakening of the commodity price at 31 March 2016 and 31 March 2015 would result in the changes below:

	2016 Profit or (Loss) R	2015 Profit or (Loss) R
Strengthening in Gold price	1 941 661 805	1 424 030 931
Weakening in Gold price	(1 941 661 805)	(1 424 030 931)
Strengthening in Palladium price	261 449 931	421 487 849
Weakening in Palladium price	(261 449 931)	(421 487 849)
Strengthening in Platinum price	1 297 098 745	1 472 971 933
Weakening in Platinum price	(1 297 098 745)	(1 472 971 933)

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 fulfill their contractual obligations to the Company.

The entity's cash resources are placed with reputable financial institutions. Credit risk with respect of trade and other receivables is limited as it mainly relates to 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.

	2016 R	2015 R

20. RISK MANAGEMENT (continued)

20.7 CREDIT RISK (continued)

Maximum credit risk		
Cash and cash equivalents	**83 221 220**	63 927 505
Other receivables(excluding Value added taxation)	**868 826**	1 140 570
	84 090 046	65 068 075

Concentration of risks of the financial assets with credit risk exposure:
Industry sectors:

Financial services	**84 090 046**	65 068 075

The credit quality of all the financial assets that were neither past due nor impaired are as follows

Neither past due nor impaired:	**84 090 046**	65 068 075

The financial assets that are neither past due nor impaired can be assessed by reference to external credit rating (if available) or past information about counterparty defaults rates.

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 timeously and cost effectively. Liquidity risk management deals with the overall time profile of the current statement of financial position as well the expected future structure.

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 the highly liquid Gold, Platinum and Palladium international markets.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	On demand	Within 1 year	1 to 5 years
2016					
Trade and other payables	4 145 479	4 145 479	-	4 145 479	-
Debentures	34 990 599 145	34 990 599 145	34 990 599 145	-	-
	34 994 744 624	34 994 744 624	34 990 599 145	4 145 479	-
2015					
Trade and other payables	5 275 176	5 275 176	-	5 275 176	-
Debentures	33 173 528 549	33 173 528 549	33 173 528 549	-	-
	33 178 803 725	33 178 803 725	33 173 528 549	5 275 176	-

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

21.1 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
Financial instruments valued with reference to unadjusted quoted prices for identical assets or liabilities in an active market where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Level 2
Financial instruments valued using inputs other than quoted prices as described above for Level 1 but which are observable for the asset or liability, either directly or indirectly, such as:

- quoted price for similar assets or liabilities in an active market;
- quoted price for identical or similar assets or liabilities in inactive markets;
- valuation model using observable inputs; and
- valuation model using inputs derived from/corroborated by observable market data.

The valuation technique applied in order to value the Level 2 financial instrument is with reference to the value of the underlying bullion investments after deducting the current monthly sales. The bullion investments and the monthly sales values are calculated with reference to the Rand value of the underlying precious metal as set out in the table below:

Category of Asset/Liability	Valuation technique applied	Significant inputs
Debentures	Valuation 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	Exchange rates; Gold , Palladium and Platinum commodity spot prices

Level 3
Financial instruments valued using inputs that are not based on observable market data (unobservable data) such as an entity's own assumptions about assumptions of market participants in pricing the asset or liability.

	Level 1 R	Level 2 R	Level 3 R	Total R
2016				
Non - Financial Assets				
Bullion investments	**35 002 104 813**	-	-	**35 002 104 813**
Financial Liabilities				
Debentures	-	**34 990 599 145**	-	**34 990 599 145**
2015				
Non - Financial Assets				
Bullion investments	33 184 907 127	-	-	33 184 907 127
Financial Liabilities				
Debentures	-	33 173 528 549	-	33 173 528 549

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

21.1 FAIR VALUE HIERARCHY (continued)

DETERMINATION OF FAIR VALUES

The classification of assets and liabilities is based on the lowest level input that is significant to the fair value measurement in its entirety.

22. RELATED PARTIES

The NewGold Owner Trust owns 100% (2015: 100%) of the ordinary shares in the entity.
The founder of the NewGold Owner Trust is Absa Bank Limited whose ultimate holding company is Barclays Bank Plc. NewGold Managers Proprietary Limited manages and administers the affairs of NewGold Issuer (RF) Limited. The majority of NewGold Managers Proprietary Limited's directors are the same as those of NewGold Issuer (RF) Limited.

A fee of 0.1% of NewGold Issuer's expenses paid by NewGold Managers Proprietary Limited is payable by NewGold Issuer (RF) Limited to the NewGold Managers Proprietary Limited for services rendered in terms of the service level agreement. The Trustees of NewGold Owner Trust are Maitland Group South Africa.

Related Party transactions	Admin and Management fees paid R	Finance income R	Dividends paid R	Custodian Fees R
2016				
Shareholders				
NewGold Owner Trust	-	-	(95 700 000)	-
Other				
NewGold Managers Proprietary Limited	(18 388)	-	-	-
Maitland Group South Africa Limited	(389 896)	-	-	-
Absa Bank Limited cash and cash equivalents	-	4 333 204	-	-
Barclays Bank Plc	-	-	-	(13 173 290)
AIMS fees	(2 574)			
2015				
Shareholders				
NewGold Owner Trust	-	-	(94 730 000)	-
Other				
NewGold Managers Proprietary Limited	(25 558)	-	-	-
Maitland Group South Africa Limited	(315 730)	-	-	-
Absa Bank Limited cash and cash equivalents	-	3 478 438	-	-
Barclays Bank Plc	-	-	-	(18 590 668)
AIMS fees	(5 783)			

22. RELATED PARTIES (continued)

Related Party Balances	Cash and cash equivalents R	Other receivables R	Trade and other Payables R
2016			
Other related parties			
NewGold Managers Proprietary Limited	-	171 837	(21 006)
Absa Bank Limited cash and cash equivalents	83 221 220	-	(25 576)
Absa Bank Limited Interest receivable	-	486 179	-
Barclays Bank Plc	-	-	(3 211 472)
Maitland Group south Africa	-	-	(31 794)
	83 221 220	**658 016**	**(3 289 848)**
2015			
Other related parties			
NewGold Managers Proprietary Limited	-	794 811	(29 136)
Absa Bank Limited cash and cash equivalents	63 927 505		(25 551)
Absa Bank Limited Interest receivable	-	345 760	-
Barclays Bank Plc	-	-	(4 445 292)
Absa Linked Investment Service Providers (LISP)	-	-	(2 575)
	63 927 505	1 140 571	(4 502 554)

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

Financial instruments at amortised cost carried on the statement of financial position include cash and cash equivalents, trade and other receivables, and trade and other payables. As at 31 March 2016, for all these instruments, the carrying amounts approximate the fair values of the respective assets and liabilities because the instruments are short term in nature.

24. QUARTERLY REVIEW OF COMMODITY PRICES

	Gold $*/ounce	Platinum $*/ounce	Palladium $*/ounce	Exchange Rate R/$*	Gold R/ounce	Platinum R/ounce	Palladium R/ounce
QUARTERLY REVIEW OF COMMODITY PRICES							
2016							
30 June 2015	**1 171**	**1 078**	**677**	**12.16**	**14 241**	**13 110**	**8 233**
30 September 2015	**1 114**	**908**	**661**	**13.87**	**15 456**	**12 598**	**9 171**
31 December 2015	**1 062**	**872**	**547**	**15.62**	**16 596**	**13 623**	**8 546**
31 March 2016	**1 237**	**976**	**569**	**14.71**	**18 193**	**14 355**	**8 369**
2015							
30 June 2014	1 318	1 480	844	10.61	13 982	15 707	8 957
30 September 2014	1 217	1 300	775	11.32	13 771	14 717	8 773
31 December 2014	1 199	1 210	798	11.58	13 882	14 007	9 237
31 March 2015	1 187	1 129	729	12.17	14 446	13 740	8 872

VALUE PER DEBENTURE

	Gold R	Platinum R	Palladium R
2016			
30 June 2015	**136**	**130**	**81**
30 September 2015	**148**	**125**	**91**
31 December 2015	**159**	**134**	**85**
31 March 2016	**174**	**142**	**84**
2015			
30 June 2014	134	156	89
30 September 2014	132	146	88
31 December 2014	133	139	92
31 March 2015	139	136	88

*$: US Dollar

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 / US Dollar exchange rate applicable on 31 March 2016.

NewGold Issuer (RF) Limited debentures are primary listed on the Johannesburg Stock Exchange and secondary listed on various other exchanges.

The details of the number of debentures in issue are given below:

- Platinum 400 000 Stock Exchange of Mauritius
- Gold 150 000 Nigerian Stock Exchange
- Gold 50 000 Ghana Stock Exchange
- Gold 2 250 000 Botswana Stock Exchange
- Gold 150 000 Stock Exchange of Mauritius

25. EVENTS AFTER THE REPORTING DATE

The following distributions have been declared by NewGold Issuer (RF) Limited subsequent to year end:

Date	Dividend amount	Dividend per share
29 April 2016	7 000 000	70 000
31 May 2016	9 000 000	90 000
27 June 2016	8 500 000	85 000

Director EM Letty has resigned from the board of NewGold Issuer (RF) Limited subsequent to year end and has been replaced by Douglas Lorimer.

The directors are not aware of any other events after the reporting date and the date of authorisation of these annual financial statements (as defined per IAS 10: Events After The Reporting Period) that would impact on these annual financial statements.

The annual financial statements were approved by the directors on the date in the statement of directors' responsibility.

The annual financial statements cannot be amended after issue.

26. DIRECTORS' EMOLUMENTS

As per the requirements of Section 30 of the Companies Act, directors' emoluments have been disclosed for this entity. A trustee fee of R381, 529 (2015: R315, 730) is paid to the Trustees (Maitland) for the Trustee's Services and directorship provided to the Company. This is in respect of the following directors: EM Southey (Webber Wentzel), EM Letty and TJ Fearnhead (2015: EM Southey (Webber Wentzel), EM Letty, TJ Fearnhead and KW Van Staden (Resigned 30 September 2014)). The following directors are not paid for services rendered to the Company: V Nedeljkovic (resigned 31 January 2015), CJC Clarke (resigned 24 March 2016), WA Dennehy (resigned 15 October 2015), C Edwards and M Mgwaba who are paid by Absa Bank Limited.

27. GOING CONCERN

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

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 IFRIC that are relevant to its operations and effective for annual reporting periods beginning on 1 April 2015. The adoption of these new and revised standards and interpretations has not resulted in material changes to the Company's accounting policies.

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

IAS 19	Employee Benefits - Amendments clarifying the requirements for how contributions from employees or third parties that are linked to service should be attributed to periods of service.

Annual Improvements
Non-urgent but necessary clarifications and amendments to the following standards of IFRS:

IFRS 13	Fair Value Measurement
IAS 24	Related Parties

28. NEW ACCOUNTING PRONOUNCEMENTS (continued)

New and revised International Financial Reporting Standards issued not yet effective
At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective:

	Standard	Annual periods beginning on or after
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations - Specific guidance provided for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.	1 January 2016
IFRS 7	Financial Instruments: Disclosures - Clarifies whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required and clarifies the applicability of the offsetting disclosures to condensed interim financial statements.	1 January 2016
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture.	1 January 2016
	Clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances	1 January 2016
IFRS 11	Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation.	1 January 2016
IFRS 14	Regulatory Deferral Accounts - New accounting standard.	1 January 2016
IAS 1	Presentation of Financial Statements - further encouragement for companies to apply professional judgement in determining what information to disclose in their financial statements.	1 January 2016
IAS 7	In January 2016 the IASB published the final Standard Disclosure Initiative (Amendments to IAS 7—2016).These amendments to IAS 7 Statement of Cash Flows require a disclosure of changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes.	1 January 2017
IAS 12	Income taxes – Recognition of deferred taxes for the effect of exchange rate changes	1 January 2016
IAS 16	Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortization, and amendment to include bearer plants in the scope of IAS 16.	1 January 2016
IAS 19	Employee Benefits - Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level).	1 January 2016
IAS 27	Separate Financial Statements - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.	1 January 2016
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture.	1 January 2016
IAS 34	Interim Financial Reporting - Clarifies the meaning of 'elsewhere in the interim report' and requires a cross-reference.	1 January 2016
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation.	1 January 2016
IAS 41	Agriculture - Amendments bringing bearer plants into the scope of IAS 16.	1 January 2016

28. NEW ACCOUNTING PRONOUNCEMENTS (continued)

	Standard	Annual periods beginning on or after
IFRS 7	Financial Instruments: Disclosures - Additional disclosures following the finalisation of IFRS 9 Financial Instruments.	1 January 2018
IFRS 9	Financial Instruments - A new accounting standard that represents a package of reforms to financial instrument accounting was issued in July 2014. IFRS 9 replaces the previous standard on financial instruments, IAS 39.	1 January 2018
IFRS 15	Revenue from Contracts with Customers - A new accounting standard that provides a single, principle based, five-step model to be applied to all contracts with customers. New disclosures about revenue are also introduced.	1 January 2018
IFRS 16	Leases - A new accounting standard that eliminates the classification of leases as either operating leases or finance leases and, instead, introduces a single lessee accounting model, which recognises all leases on the statement of financial position.	1 January 2019

The Standards and interpretations have no material impact on the future financial performance or disclosure in the financial statements, except for IFRS 9 which the company is in the process of assessing the potential impact.