GAIA
INFRASTRUCTURE CAPITAL

Condensed Annual Financial Statements

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Your Investment Partner

The reports and statements set out below comprise the condensed annual financial statements presented to the shareholders:

Highlights and key metrics

Earnings per share up by **205%** to **65.59** cents

Strong pipeline of new investment opportunities

An investment holding company listed on the main board of the JSE

December 2016: Acquired see-through economic interest of **25.2%** in Dorper Wind Farm

Tangible net asset value per share increased **6.7%** to **R10.63**

Notice of AGM: 29 August 2017

Maiden dividend of **63.5** cents per share declared

Opportunity for investors to gain direct exposure to large infrastructure assets

The Manager has finalized its BBBEE structure

DIRECTORS' REPORT

The Board submits their report on the condensed annual financial statements of GAIA Infrastructure Capital Ltd ("GAIA") for the year ended 28 February 2017.

1. Review of financial results and activities

GAIA was incorporated on 16 April 2015 and successfully listed as a Special Purpose Acquisition Company ("SPAC") on the Main Board of the JSE Ltd ("the JSE") on 12 November 2015. GAIA is focused on acquiring equity stakes in emerging Southern African infrastructure assets, specifically in the energy, transport and water and sanitation sectors. GAIA aims to be a leading investment holding company of infrastructure assets in South Africa. GAIA's investment philosophy is to invest in infrastructure assets that are operational or near operational, offer low risk and yield inflationary linked returns.

On listing, GAIA issued 55 150 000 shares at R10 per share, thereby raising R551.5 million. A SPAC is a special purpose vehicle established for facilitating the primary capital raising process to enable the acquisition of viable assets in pursuit of a listing on the JSE.

The purpose of listing was to give institutional investors access to an attractive alternative asset class that is usually only accessed through illiquid private equity investments.

GAIA invests substantially all its assets through its wholly owned subsidiary GAIA Financial Services (Pty) Ltd ("GAIA Financial Services"). The two companies are collectively referred to as "the Group".

On 20 December 2016, GAIA acquired through GAIA Financial Services an effective see-through economic interest of 25.2% in Dorper Wind Farm (RF) (Pty) Ltd ("Dorper") for a consideration of R501 million and transaction cost of R11.6 million ("Dorper Acquisition"). On completion of the Dorper Acquisition, the Company transferred to the Investment Services sector on the Main Board of the JSE.

Dorper is performing to expectations. At year end GAIA had received its first dividend income from its investment in Dorper of R15.6 million. GAIA earned interest income of R33 million over the reporting period with operating expenses amounting to R8.8 million.

Profit before interest and tax is R44.9 million and net comprehensive income for the period is R36.2 million. GAIA achieved a strong set of results, delivering an enhanced tangible net asset value of R10.63 (from R9.97) and a threefold improvement in earnings per share from 21.54 cents to 65.59 cents.

Total cash and cash equivalents remaining in the Company at the end of reporting period is R85 million.

2. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

Shareholding spread as at 28 February 2017	**Number of shares**	**%**
General public: Individual shareholding less than 5%	10 228 017	18.55
Government Employees Pension Fund	22 700 000	41.16
Specialised Listed Infrastructure Equity	19 247 699	34.90
Directors of GAIA Infrastructure Capital Ltd	2 975 284	5.39
	55 151 000	**100**

3. Directorate

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

Directors		Appointed	Resigned
Leon de Wit	Non-Executive Director	1 October 2015	
Nathiera Kimber	Independent Non-Executive Director	1 October 2015	
Prudence Lebina	Chief Executive Officer ("CEO")	1 October 2015	
Romeo Makhubela	Independent Non-Executive Director	1 October 2015	31 July 2016
Clive Ferreira	Non-Executive Director	1 October 2015	
Botha Schabort	Non-Executive Director	1 October 2015	
Eddie Mbalo	Independent Non-Executive Director	1 October 2015	
Tamee Soudien-Witten	Finance Director ("FD")	1 October 2015	
Mich Nieuwoudt	Chief Investment Officer ("CIO")	19 April 2015	
John Oliphant	Managing Director ("MD")	1 October 2015	19 April 2016
Sisanda Tuku	Independent Non-Executive Director	21 November 2016	

The following changes have been made to the Board:

- Mr Eddie Mbalo has been appointed as the Independent Non-Executive Chairman of the Company with effect from 19 October 2016. Mr Eddie Mbalo has replaced Mr Leon de Wit, who has continued to serve on the Board.
- Ms Prudence Lebina has been appointed as Chief Executive Officer, effective 1 October 2016.
- Ms Sisanda Tuku has been appointed as Independent Non-Executive Director on 21 November 2016. Ms Sisanda Tuku has replaced Ms Prudence Lebina as Audit and Risk Committee chair.
- Mr Romeo Makhubela has resigned as Independent Non-Executive Director with effect from 31 July 2016.

The Board appointed a Nomination Committee, chaired by Mr Eddie Mbalo, on 11 August 2016. The members of the Nomination Committee are Mr Leon de Wit, Mr Botha Schabort and Ms Prudence Lebina. The Nomination Committee was tasked by the Board to fill the resultant vacancy on the Board.

4. Directors' interests in shares

As at 28 February 2017, the Directors held beneficial interests in 5.39% of its issued ordinary shares, as set out below.

Interests in shares Directors	Direct	Indirect	Total shareholding 2017	% shareholding
Leon de Wit	–	1 179 222	1 179 222	2.14
Clive Ferreira	461 100	–	461 100	0.84
Botha Schabort	40 313	1 294 649	1 334 962	2.41
	501 413	**2 473 871**	**2 975 284**	**5.39**

The register of interests of directors and others in shares of the Company is available to the shareholders on request.

There have been no significant changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

5. Dividends

The Company's dividend policy is to pay consistent, stable inflationary linked returns. At its discretion, the Board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the Board may pass on the payment of dividends.

The Board of Directors has declared and approved a maiden dividend of 63.5 cents per share, from income reserves, for the year ended 28 February 2017. This equates to a dividend cover ratio of 1.03 times earnings per share (6% of tangible net asset value). The Board's goal is to deliver consistent and stable inflation linked dividend returns, growing in line with inflation.

Salient dates for payment of the final dividend are:

• Declaration date	3 May 2017
• Last day to trade cum dividend	23 May 2017
• First trading day ex dividend	24 May 2017
• Record date	26 May 2017
• Payment date	29 May 2017

Share certificates may not be dematerialised or rematerialised between Wednesday, 24 May 2017 and Friday, 26 May 2017, both days inclusive.

Dividend tax will be withheld from the amount of the gross dividend of 63.5 cents per share at the rate of 20% unless a shareholder qualifies for exemption. After the dividend tax has been withheld, the net dividend will be 50.8 cents per share.

The Company had a total of 55 151 000 shares in issue at the declaration date.

The Company's tax number is 9473/844/17/4.

6. Events after the reporting period

The directors are not aware of any material facts or circumstances that have arisen between the reporting date and the date of this report which affect the financial position of the Company as reflected in these condensed annual financial statements.

STATEMENT OF FINANCIAL POSITION

for the year ended 28 February 2017

	Note(s)	2017 R	2016 R
Assets			
Non-current assets			
Financial asset at fair value through profit and loss	2	503 680 415	–
Current assets			
Financial asset at fair value through profit and loss	2	–	549 042 504
Current tax receivable		–	971 588
Cash and cash equivalents		84 755 945	2 347 179
		84 755 945	**552 361 271**
Total assets		**588 436 360**	**552 361 271**
Equity and liabilities			
Equity			
Share capital		545 851 762	545 851 762
Retained income		40 233 869	4 058 529
		586 085 631	**549 910 291**
Liabilities			
Non-current liabilities			
Deferred tax		567 854	146 030
Current liabilities			
Trade and other payables		1 539 602	1 717 884
Loans from group companies		–	587 066
Current tax payable		243 273	–
		1 782 875	**2 304 950**
Total liabilities		**2 350 729**	**2 450 980**
Total equity and liabilities		**588 436 360**	**552 361 271**
Net asset value per share (Rand)		10.63	9.97

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 28 February 2017

	Note(s)	**2017** **R**	2016 R
Interest income	3	33 039 564	9 992 043
Dividend income	4	15 562 635	–
Net gain from financial assets at fair value through profit or loss	5	5 082 978	825 077
Total revenue		**53 685 177**	**10 817 120**
Total operating expenses		**(8 798 612)**	**(5 236 220)**
Operating profit before finance costs		**44 886 565**	**5 580 900**
Finance costs		(5 088)	(45 768)
Increase in net assets attributable to ordinary shareholders before taxation		**44 881 477**	**5 535 132**
Taxation		(8 706 137)	(1 476 603)
Increase in net assets attributable to ordinary shareholders		**36 175 340**	**4 058 529**
Earnings per share information			
Basic earnings per share (cents)		65.59	21.54
Diluted earnings per share (cents)		65.59	21.54

STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2017

	Share capital R	Retained income R	Total equity R
Balance at 16 April 2015	–	–	–
Increase in net assets attributable to ordinary shareholders	–	4 058 529	4 058 529
Issue of ordinary shares	551 500 100	–	551 500 100
Share issue costs	(5 648 338)	–	(5 648 338)
Balance at 1 March 2016	**545 851 762**	**4 058 529**	**549 910 291**
Increase in net assets attributable to ordinary shareholders	–	36 175 340	36 175 340
Balance at 28 February 2017	**545 851 762**	**40 233 869**	**586 085 631**

STATEMENT OF CASH FLOWS

for the year ended 28 February 2017

	2017 R	2016 R
Cash flows from operating activities		
Cash received from operations	39 625 306	6 515 693
Finance costs	(5 088)	(45 768)
Tax paid	(7 069 452)	(2 302 160)
Net cash generated by operating activities	**32 550 766**	**4 167 765**
Cash flows from investing activities		
Investment in financial asset at fair value through profit and loss	(501 000 000)	–
Purchase of financial assets	–	(551 500 000)
Proceeds on disposal of financial assets	551 445 066	3 240 586
Net cash generated by/(used in) investing activities	**50 445 066**	**(548 259 414)**
Cash flows from financing activities		
Proceeds from share issue	–	551 500 100
Share issue costs	–	(5 648 338)
Proceeds from related party loans	–	587 066
Repayment of related party loans	(587 066)	–
Net cash (used in)/from financing activities	**(587 066)**	**546 438 828**
Total cash movement for the year	**82 408 766**	**2 347 179**
Cash at the beginning of the year	2 347 179	–
Total cash at the end of the year	**84 755 945**	**2 347 179**

1. Summary of significant accounting policies

1.1 Presentation of condensed annual financial statements

The condensed annual financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Board, the Financial Reporting Pronouncements as issued by the Financial Reporting Accountants Council, the requirements of the Companies Act and the Listings Requirements of the JSE. The condensed annual financial statements do not include all of the information required for full financial statements. The condensed annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The condensed annual financial statements have been prepared on the historic cost basis except that financial assets and liabilities at fair value through profit and loss are stated at their fair value. They are presented in Rands, which is the Company's functional and presentation currency. Amounts are rounded to the nearest Rand.

These accounting policies are consistent with the previous period.

These condensed annual financial statements for the year have been extracted from audited information, but is not itself audited. The auditor's unqualified audit report and the audited financial statements are available for inspection at the Company's registered office in terms of Section 3.18(f) of the Listings Requirements. The condensed annual financial statements were prepared under supervision of the Financial Director, Tamee Soudien-Witten CA(SA). The results were approved by the Board of Directors on 20 April 2017.

The directors take full responsibility for the preparation of the condensed annual financial statements and that the financial information has been correctly extracted from the underlying audited annual financial statements.

1.2 Investment entities

An investment entity which acquires an interest in a subsidiary, joint venture or associate shall be exempt from consolidation or equity accounting in terms of amendments to IFRS 10, IFRS 12 and IAS 28 and shall measure an investment in a subsidiary, joint venture or associate at fair value through profit or loss.

An investment entity is defined as an entity that:

- obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- commits to its investors that its business purpose is to invest in partners solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates the performance of substantially all its investments on a fair value basis.

The Company has been deemed to meet the definition of an investment entity as per IFRS 10 based on the following:

- The Company has obtained funds for the purpose of providing investors with an operational and appropriately derisked secondary investment opportunity.

- The Company's business purpose, which was communicated directly to investors, is investing in infrastructure assets that are operational or near operation, offer low risk with inflationary linked investment returns.
- The performance of the Company's investments are measured and evaluated on a fair value basis.

1.3 Financial instruments

Classification

The Company classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss – designated
  - Equity and debt instruments.
- Loans and receivables at amortised cost
  - Cash and cash equivalents.
- Financial liabilities measured at amortised cost
  - Balances due by subsidiaries.

The Company designates all debt and equity investments at fair value through profit or loss on initial recognition because it manages, evaluates and reports on these securities on a fair value basis in accordance with its documented investment strategy. Internal reporting and performance measurement of these securities are on a fair value basis.

A non-derivative financial asset with fixed or determinable payments may be classified as a loan and receivable unless it is quoted in an active market, or it is an asset for which the holder may not recover substantially all its investments, other than because of credit deterioration.

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is reassessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Recognition and initial measurement

Financial assets and financial liabilities at fair value through profit and loss are recognised initially on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instruments. Other financial assets and financial liabilities are recognised on the date on which they are originated.

Financial assets and financial liabilities at fair value through profit and loss are initially recognised at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not at fair value through profit and loss are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

1. Summary of significant accounting policies *(continued)*

1.3 Financial instruments *(continued)*

Derecognition

The derecognition of a financial asset occurs when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company will derecognise a financial liability when its contractual obligations are discharged, cancelled or expire.

Fair value determination

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would consider in pricing a transaction.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

	2017 R	2016 R
2. Financial asset at fair value through profit and loss		
At fair value through profit or loss – designated		
Unit Trust Investment	–	549 042 504
GAIA Financial Services (Pty) Ltd	503 680 415	–
	503 680 415	**549 042 504**

The Company funded the acquisition of its effective see-through economic interest of 25.2% in Dorper, through a R501 million loan to GAIA Financial Services. The loan was financed using the proceeds from the partial disposal of the Company's unit trust investment. This loan is interest-free, unsecured and has no fixed terms of repayment.

The acquisition was concluded on 20 December 2016.

The residual capital is held in a money market fund.

The acquisition entails the subscription for the ordinary shares in GAIA RE 1 equal to 34.9% (R265 036 179) economic and voting interest of the issued share capital and the advancing of a convertible loan (R235 963 821) to GAIA RE 1 which will effectively give the Company an economic interest of 84.2% in GAIA RE 1.

The convertible loan may be settled in one of two ways, which could potentially trigger the acquisition of minority interest in three (3) additional renewal energy projects or the conversion of the convertible loan into additional ordinary shares in GAIA RE 1. The option may be exercised no sooner than 1 July 2017 and no later than 31 December 2017.

GAIA RE 1 holds 30% of the issued share capital in Dorper, the 84.2% economic interest in GAIA RE 1 equates to a 25.2% effective see-through economic interest in Dorper.

	2017 R	2016 R
Non-current assets		
Designated as at fair value through profit or loss	503 680 415	–
Current assets		
Designated as at fair value through profit or loss	–	549 042 504
	503 680 415	**549 042 504**

Fair value estimation

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices in active markets for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

2. Financial asset at fair value through profit and loss *(continued)*

Fair value estimation *(continued)*

Level 3 applies inputs which are not based on observable market data. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Valuation of underlying renewable assets

The value of the investment in the ordinary shares of Dorper was determined using the discounted cash flow valuation model. Assumptions and inputs used in valuation techniques include long-term CPI forecast and determination of an investor premium used in estimating discount rates.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the prices that would be received to sell the investment in Dorper in an orderly transaction between market participants at the measurement date.

The Company uses a valuation model that was developed by an experienced independent third party during the bidding process for the rights of the project. This model has been developed from recognised valuation models and the developer's experience regarding the valuation of renewable energy projects.

Some of the significant inputs into the discounted cash flow model may not be observable in the market and are derived from market prices or rates or are based on assumptions. This valuation model therefore requires more management judgement and estimation in determination of fair value.

In the valuation for the investment in Dorper management's judgement and estimation is required for:
- selection of the appropriate valuation model to be used, in this case the discounted cash flow model;
- assessment and determination of the expected cash flows from the investment in Dorper; and
- selection of the appropriate discount rate.

The fair value estimate obtained from the discounted cash flow model will only be adjusted for factors such as liquidity risk and model uncertainty to the extent that the Company believes that a third-party market participant would take them into account in pricing a transaction. No such adjustments were deemed necessary in the valuation of the investment in Dorper.

The Company has an established control framework with respect to the measurement of fair values. Specific controls include:
- verification of observable pricing inputs;
- a review and approval process for new models and changes to such models;
- analysis and investigation of significant valuation movements; and
- review of unobservable inputs and valuation adjustments.

The table on the next page analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. All fair value measurements are recurring.

	2017 R	2016 R
2. Financial asset at fair value through profit and loss *(continued)*		
Fair value estimation *(continued)*		
Level 1		
Unit trusts	–	549 042 504
Level 3		
GAIA Financial Services (Pty) Ltd	503 680 415	–
	503 680 415	**549 042 504**

As at 28 February 2017, the fair value measurement of shares held by the Company in GAIA Financial Services is categorised into Level 3. The fair value of investments in its 100% subsidiary is determined using unadjusted net asset value of GAIA Financial Services at reporting date.

Reconciliation of financial assets at fair value through profit or loss measured at Level 3

	Acquisitions	Gains in profit or loss	Total
GAIA Financial Services (Pty) Ltd	501 000 000	2 680 415	503 680 415

The change in unrealised gains or losses (net gain) for the period is included in profit or loss for financial assets held at the reporting date. These gains and losses are recognised in profit or loss as a net gain from financial instruments at fair value through profit or loss.

Sensitivity of fair value measurement to changes in unobservable inputs

Although management believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on net assets:

Valuation technique	Significant unobservable inputs	Range of estimates for unobservable inputs	Sensitivity to changes in significant unobservable inputs	1% decrease in unobservable input	1% increase in unobservable input
Discounted cash flow	Discount rate	12.92%	The estimated fair value would increase if the discount rate decreased	16 962 258	(15 165 102)

2. Financial asset at fair value through profit and loss *(continued)*

Significant unobservable inputs used in measuring fair value

Significant unobservable inputs are developed as follows.

Discount rate:

Represents the rate used to discount projected levered or unlevered forecasted cash flows for an asset to determine their present values. Their discounted present value cash flows are determined as their fair value at reporting date. GAIA RE 1 uses a discount rate that appropriately captures Dorper's stage-of-life, using South African data, substantiated by international findings.

	2017 R	2016 R
3. Interest income		
Interest income from financial assets carried at amortised cost:		
Money market funds	32 133 707	–
Cash and cash equivalents	905 857	–
	33 039 564	**–**
Interest income on financial assets carried at fair value through profit or loss:		
Unit trust investment	–	9 992 043

4. Dividend income

Dividend income is received from GAIA Financial Services's income which in turn received income from the underlying investment in Dorper.

	2017 R	2016 R
Dividend received	15 562 635	–

	2017 R	2016 R
5. Net gain on financial asset at fair value through profit or loss		
Fair value gains/(losses)		
Net gain on financial asset at fair value through profit or loss		
Financial asset – unit trusts – unrealised gain movement	(825 077)	825 077
Financial asset – unit trusts – realised gain	3 227 640	–
Financial asset – GAIA Financial Services (Pty) Ltd	2 680 415	–
	5 082 978	**825 077**

6. Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. Profit or loss attributable to the ordinary equity holders is determined as profit or loss after adjusting for the after-tax effect.

	2017 R	2016 R
6. Earnings per share *(continued)*		
Basic earnings per share		
From continuing operations (cents per share)	65.59	21.54

Basic earnings per share was based on earnings of R36 175 340 (2016: R4 058 529) and weighted average number of ordinary shares of 55 151 000 (2016: calculated based on 1 000 shares issued on 16 April 2015 and 55 150 000 shares issued on listing 12 November 2015).

Prior year results are not comparable to the current year as 2017 was the first full year of operations as a listed entity. It should also be noted that the acquisition of the viable asset took place during the year.

	2017 R	2016 R
Reconciliation of profit for the period to basic earnings		
Profit for the period attributable to equity holders of GAIA	36 175 340	4 058 529

Diluted earnings per share

In the determination of diluted earnings per share, profit or loss attributable to the equity holders and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

	2017 R	2016 R
From continuing operations (cents per share)	65.59	21.54

Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.

Headline earnings and diluted headline earnings per share

Headline earnings per share is calculated using Circular 2/2015. The calculation of headline earnings per ordinary share is based on the weighted average of 55 151 000 (2016: 55 151 000) ordinary shares in issue during the year, and headline earnings calculated as follows:

Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted average number of ordinary shares outstanding during a period.

Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable remeasurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.

	2017 R	2016 R
Headline earnings per share (cents)	65.59	21.54
Diluted headline earnings per share (cents)	65.59	21.54

7. Related parties

Relationships

GAIA Infrastructure Partners (Pty) Ltd has been appointed as Manager of GAIA and therefore has significant influence.

GAIA Infrastructure Partners (Pty) Ltd holds 1 000 shares in GAIA.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Financial assets exposed to credit risk at year-end were as follows:

	2017	2016
Financial instruments		
Cash and cash equivalents	1 090 872	2 347 179
Money market funds	83 665 073	–

8. Events after the reporting period

No material facts or circumstances have arisen between the reporting date and the date of this report which affect the financial position of the Company as reflected in these condensed annual financial statements.

9. Going concern

The condensed annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

NOTES

GENERAL INFORMATION

Country of incorporation and domicile
South Africa

Directors
KE Mbalo (Chairman)
L de Wit
N Kimber
KP Lebina (CEO)
C Ferreira
PB Schabort
TD Soudien-Witten (FD)
MM Nieuwoudt (CIO)
S Tuku

Registered office
37 Vineyard Road
Claremont
7708

Business address
37 Vineyard Road
Claremont
7708

Postal address
PO Box 44721
Claremont
7735

Bankers
FirstRand Bank Ltd

Auditors
KPMG Inc.
Chartered Accountants (S.A.)
Registered Auditors

Sponsor
PSG Capital

Secretary
Fusion Corporate Secretarial Services
Appointed 3 April 2017

Company registration number
2015/115237/06

Tax reference number
9473/844/17/4

Preparer
The condensed annual financial statements were independently compiled under the supervision of Tamee Soudien-Witten CA(SA)

Notice of AGM
29 August 2017
Venue and time to be confirmed at a later date

Issued
3 May 2017