Directors’ statement of responsibility and approval of the annual financial statements

The directors are required by the Companies Act, 2008 of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements of Hulamin Limited and its subsidiaries and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company and the group as at the end of the financial year and the results of its operations and cash flows for the year then ended in conformity with International Financial Reporting Standards, the Companies Act, No 71 of 2008, as amended, and the JSE Listings Requirements. The external auditors are engaged to express an independent opinion on the annual financial statements.

In preparing the annual financial statements, the company and the group have used appropriate accounting policies, supported by reasonable and prudent judgement and estimates, and prepared the annual financial statements in accordance with International Financial Reporting Standards. The directors are of the opinion that the annual financial statements fairly present the financial position of the company and the group at 31 December 2018, and the results of its operations and cash flows for the year then ended. The directors have considered the group’s past results, expected future performance and reasonable changes thereto, and access to its funding, material and other resources, and in light of this review and the group’s current financial position, are satisfied that the company and group have access to adequate resources to continue in operational existence for the foreseeable future as a going concern.

The directors are responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the annual financial statements, to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss.

Based on the results of a formal documented review of Hulamin’s system of internal control and risk management by the internal audit function during the year, the information and explanations given by management and the comment by the independent auditors on the results of their statutory audit, nothing has come to the attention of the directors which indicates that, in all material aspects, Hulamin’s system of internal control and risk management is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable annual financial statements. The opinion of the directors is supported by the group’s Audit Committee.

The financial statements have been audited by the independent auditing firm, Ernst & Young Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholders, the Board of Directors and committees of the Board. The directors believe that all representations made to the independent auditors during the audit were valid and appropriate. Their unqualified report appears on pages 104 to 107.

The annual financial statements of the group and company set out on pages 108 to 187, which have been prepared on the going-concern basis, were approved by the Board of Directors on 19 March 2019 and were signed on its behalf by:

Thabo Patrick Leeuw
Chairman
Pietermaritzburg, KwaZulu-Natal
19 March 2019

Richard Gordon Jacob
Chief Executive Officer
Certificate by Company Secretary

I certify that, to the best of my knowledge and belief that the requirements as stated in terms of section 88(2) of the Companies Act, No 71 of 2008, as amended, have been met and that all returns, as required of a public company in terms of the aforementioned Act, have been submitted to the Companies and Intellectual Property Commission and that such returns are true, correct and up to date.

Willem Fitchat
Company Secretary
Pietermaritzburg, KwaZulu-Natal
19 March 2019
Report of the audit committee

Introduction
The Hulamin Group Audit Committee (“the committee” or “Audit Committee”) presents its report in terms of section 94(7)(f) of the Companies Act, No 71 of 2008, as amended (“Companies Act”), and as recommended by King IV, for the financial year ended 31 December 2018.

The Audit Committee is an independent statutory committee appointed by the shareholders. Further duties are delegated to the committee by the Board of Directors of the company.

Membership and meetings
The committee comprises three independent non-executive directors. All members of the committee have the requisite financial knowledge and commercial skills and experience to contribute effectively to committee deliberations. The members were appointed by shareholders at the 2018 annual general meeting of the company in terms of section 94(2) of the Companies Act. For the year under review, the Audit Committee comprised:

- N Maharajh (Appointed Chairman with effect from 1 May 2018)
- NNA Matyumza
- CA Boles (Appointed with effect from 1 May 2018)
- TP Leeuw (Resigned with effect from 30 April 2018)

Mr TP Leeuw was appointed Chairman of the Board of Directors with effect from 1 May 2018 and consequently resigned as head of the Audit Committee.

The Chief Financial Officer, Head of Internal Audit and representatives from the external and internal auditors attend meetings by invitation. Other members of the Board and management team attend as required. The committee meets separately with the external and internal auditors at least once a year without management present, to ensure that all relevant matters have been identified and discussed without undue influence.

The Audit Committee met three times during the year.

Full details of membership of the committee and attendance at committee meetings during the financial year are also set out in the Corporate Governance report available on the Hulamin website at www.hulamin.co.za.

Role and responsibilities
The role and responsibilities of the committee include statutory duties per the Companies Act, and further responsibilities assigned to it by the Board. The committee executed its duties in terms of the requirements of King IV. The Audit Committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk and information technology risks as it relates to financial reporting.

The key responsibilities of the committee are as follows:

- Ensuring the integrity of the financial reporting process, including sound systems of internal control and financial risk management;
- Review of integrated annual reports, annual financial statements, interim reports and other financial announcements, including the accounting principles and policies adopted therein and compliance with JSE regulations;
- Monitoring the performance and effectiveness of the independent external auditors and evaluating the qualifications, expertise, resources, fees, scope of work and independence of the external auditors prior to recommending their appointment to the Board and shareholders;
- Approving the internal audit workplan and overseeing the conduct of the internal audit and the implementation of internal control enhancements;
- Approving any non-audit services provided by the external auditors;
- Considering the appropriateness of the expertise, resources and experience of the finance function and of the Chief Financial Officer;
- Approving the appointment of an external assurance provider in respect of the sustainability report;
- Performing statutory duties in terms of the Companies Act, as well as to report to the shareholders in respect of the financial year, including those matters in terms of section 94(7)(f) of the Companies Act;
- Ensuring that the combined assurance model introduced by the King IV Code is applied to provide a coordinated approach to assurance activities;
- Providing oversight of the risk management through monitoring the implementation of the group risk policy and group risk plan as approved by the Board;
- Oversee the governance of technology and information by setting the direction on how technology and information should be approached and addressed, and recommend to the Board the policy that gives effect to the set direction of technology and information; and
- Review and recommend to the Board for authorisation the group’s treasury policy, authority limits and funding, investment and treasury risk management strategies.

Performance of duties
The Audit Committee is satisfied that, during the year under review, it complied with its legal, regulatory and other responsibilities, conducted its affairs in compliance with Board-approved terms of reference, and discharged its responsibilities contained therein. The committee is therefore pleased to report that it discharged the following responsibilities for the period under review:

External auditor appointment and independence
The committee has satisfied itself that the external auditor was independent of the company, as set out in section 94(8) of the Companies Act, which includes consideration of previous appointments of the auditor, the extent of other work undertaken by the auditor for the company and compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors.

The committee ensured that the appointment of the auditor complied with the Companies Act, and any other legislation relating to the appointment of auditors.
In respect of the 2018 financial year, the committee was satisfied with the quality and effectiveness of the audit process of Ernst & Young Inc. and that Ernst & Young Inc. and the designated audit partner, Mr S Sithebe, were accredited as such on the JSE list of auditors and their advisors. As required by the JSE Listings Requirements, the company received a summary from Ernst & Young of its latest IRBA inspection report, responses thereto and any remedial actions in respect thereof, including all legal and disciplinary procedures concluded within the last seven years as well as the quality control monitoring system applied by Ernst & Young.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and audit fees for the 2018 year as disclosed in note 2.3.3 of the financial statements of the group and note 2.2 of the financial statements of the company.

There is a formal procedure that governs the process whereby the auditor is considered for non-audit services. The committee considers the approval of non-audit services where the approval will add value to the external audit process or the anticipated engagement is considered to be superior to other service providers. The committee approved all engagements for the provision of non-audit services by the external auditor, in terms of the established policy for non-audit services. In terms of the policy the cumulative fee for non-audit services should not exceed 25% of the annual audit fee without the specific approval of the Audit Committee.

**Internal audit**

The committee is responsible for ensuring that the company’s internal audit function is independent and has the necessary resources, standing and authority within the company to enable it to discharge its duties in terms of the established internal audit charter. Furthermore, the committee oversees cooperation between the internal and external auditors, and serves as a link between the Board of Directors and these functions.

The internal audit function reports centrally and is responsible for reviewing and providing assurance on the adequacy of the internal control environment across all of the company’s operations. The Head of Internal Audit, Ms L Ncolwe, is responsible for reporting the findings of the internal audit work against the agreed internal audit plan to the committee on a regular basis and has direct access to the committee. The committee is also responsible for the performance assessment of the Head of Internal Audit and the internal audit function.

During the year the committee satisfied itself that the Head of Internal Audit, Ms L Ncolwe, is competent and possessed the appropriate expertise and experience to act in this capacity, and believes that the group’s internal audit function met its objectives and that the adequate procedures were in place to ensure that the group complies with its legal, regulatory and other responsibilities.

**Internal financial controls**

The committee has overseen a process by which internal audit performed a written assessment of the effectiveness of the company’s system of internal control and risk management, including internal financial controls.

Based on the results of the formal documented review of the company’s system of internal financial controls by the internal audit function, the information and explanations given by management and the comment by the independent auditors on the results of their statutory audit, including a review of significant issues raised by the internal audit processes and the adequacy of corrective action in response thereto, nothing has come to the attention of the committee which indicates that, in all material aspects, Hulamin’s system of internal financial controls was not operating effectively during the year under review.

This written assessment by internal audit formed the basis for the committee’s recommendation in this regard to the Board, in order for the Board to report thereon. The Board’s opinion on the effectiveness of the system of internal controls and risk management is included on page 98. The committee supports the opinion of the Board in this regard.

**Governance of risk**

The Board has assigned oversight of the company’s risk management function to the Risk and SHE Committee. The chairman of the Audit Committee attended meetings of the Risk and SHE Committee as a member thereof for the year under review to ensure that information relevant to these respective committees was transferred regularly. The Audit Committee fulfils an oversight role regarding financial reporting risks, internal financial controls, and fraud and information technology risks as they relate to financial reporting.

An internal audit charter is in place which defines the function, responsibility and authority of the group’s internal audit activity. The internal audit function’s 2018 annual audit plan was approved by the committee.

The internal audit function reports centrally with responsibility for reviewing and providing assurance on the adequacy of the internal control environment across all of the company’s operations. The head of the internal audit function, who has direct access to the committee, is responsible for reporting the findings of the internal audit work against the agreed internal audit plan to the committee on a regular basis.

During the year under review, the committee met with the internal and external auditors without management being present.

**Evaluation of the expertise and experience of the financial director and finance function**

The committee has satisfied itself during the year under review that the Chief Financial Officer has appropriate expertise and experience.

The committee has considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the financial function. It further considered and satisfied itself of the overall appropriateness of the expertise and adequacy of resources of the group’s finance function. The annual financial statements were compiled under the supervision of the Chief Financial Officer, Anton Krull, CA(SA).

**Financial statements and accounting practices**

The committee has reviewed the accounting policies and the financial statements of the company and the group for the year ended 31 December 2018, and is satisfied that they are appropriate and comply with International Financial Reporting Standards.
The committee receives and deals with any concern or complaints, whether from within or outside the company, relating to the accounting practices and internal audit of the company, the content or auditing of the company’s financial statements, the internal financial controls of the company and related matters. There were no such complaints during the year under review.

The committee has considered the events and conditions which lead to the restatement of the previously reported financial results. The committee has satisfied itself that management has put in place appropriate measures to prevent future misstatements of this nature and has developed an appropriate plan to implement IFRS 9, ‘Financial Instruments’ which provides greater scope for aligning the accounting treatment of derivative instruments designated as hedging instruments based on the underlying economic hedging strategy applied.

**Integrated reporting, sustainability and combined assurance**

The committee fulfils an oversight role regarding the company’s integrated report and the reporting process.

The committee considered the company’s sustainability information as disclosed in the integrated report and separate sustainability report of the group for the year ending 31 December 2018 and has assessed its consistency with operational and other information known to committee members, and for consistency with the annual financial statements. The committee discussed the sustainability information with management and has considered the conclusion of the external assurance provider. The committee is satisfied that the sustainability information is reliable and consistent with the financial results.

The committee recommended to the Board the appointment of KPMG Services (Pty) Ltd to perform an assurance engagement on key performance indicators included in the company’s 2018 sustainability reporting. The committee determined the scope of this assurance engagement and satisfied itself as to the independence and competency of the external assurance provider.

The committee ensures the combined assurance model is appropriate to address the significant risks facing the business, and is satisfied that the company has optimised the assurance coverage obtained from management, and internal and external assurance providers for the year under review.

The committee recommended the 2018 integrated report for approval by the Board of Directors.

**Technology and information**

The committee oversees the governance of technology and information by setting the direction on how technology and information should be approached and addressed.

The committee has reviewed and recommended for approval to the Board for authorisation the strategy that gives effect to its set direction on the employment of technology and information.

**Treasury**

The committee has reviewed and recommended to the Board for approval the group’s treasury strategy, policy and authority limits. The committee has reviewed the risk management activities report as provided by the Treasury Committee and has found the risk management activities to be sufficient to mitigate risk.

**Going concern**

The committee has reviewed a documented assessment, including key assumptions, prepared by management of the going concern status of the company and the group as at 31 December 2018 and has made a recommendation to the Board in this respect. The Board’s statement on the going-concern status of the company and the group, as supported by the committee, is detailed on page 98.

On behalf of the Audit Committee

Naran Maharajh

Chairman of the Audit Committee

Pietermaritzburg, KwaZulu-Natal

15 March 2019
Directors’ statutory report

Dear shareholder

The directors have pleasure in presenting their report for the year ended 31 December 2018.

Nature of business
Hulamin Limited is the holding company of two main operating segments, Hulamin Rolled Products and Hulamin Extrusions. Their activities are dealt with separately in note 2.1 of the group financial statements.

Financial results
The net (loss)/profit attributable to shareholders of the group for the year ended 31 December 2018 amounted to (R773 411 000) (2017 restated: R303 763 000). This translates into headline earnings per share of 91 cents (2017 restated: 95 cents) based on the weighted average number of shares in issue during the year.

The annual financial statements presented on pages 107 to 187 set out fully the financial position, results of operations and cash flows for the year.

Dividends
A final dividend of 18 cents per share was declared for the year ended 31 December 2018 (2017: 15 cents per share).

Share capital
There were no changes in the authorised and issued share capital during the year under review.

Details of the authorised, issued and unissued ordinary shares and the group’s share incentive schemes are set out in notes 3.4 and 8.1 of the group financial statements.

Subsidiaries
Details of Hulamin Limited’s interest in its subsidiaries are set out in note 6 of the group financial statements.

Directorate
Brief curricula vitae of the directors are listed on the company’s website. Details of directors’ remuneration are reflected in note 8.3 of the group financial statements.

Mr ME Mkwanazi resigned from the Board of Directors with effect from 30 April 2018.

Mr AT Nzimande resigned from the Board of Directors with effect from 30 June 2018.

Directors’ and prescribed officers’ shareholdings
At 31 December 2018, the present directors and prescribed officer of the company beneficially held a total of 1 167 359 ordinary no par value shares, equivalent to 0.37%, in the company (2017: 1 066 445 ordinary no par value shares, equivalent to 0.33%, were held by directors). Their associates held no ordinary par value shares in the company. Details of the directors’ and prescribed officers’ shareholdings and interests in the share incentive schemes are set out in note 8.3.3 of the group financial statements.

There has been no change in the directors’ and prescribed officers’ shareholdings between 31 December 2018 and 28 February 2019.

Holding company
Hulamin Limited is the ultimate holding company at 31 December 2018.

Auditors
As a result of the proposed implementation of an audit firm rotation process and taking into account that PricewaterhouseCoopers Inc. had been the group’s external auditor for the last 68 years, the group initiated a process to change the external auditor for the financial year ending 31 December 2018. Ernst & Young Inc. were the auditors of Hulamin Limited and its subsidiaries during the current financial year. At the annual general meeting of 25 April 2019, shareholders will be requested to appoint Ernst & Young Inc. as auditors of Hulamin Limited for the 2019 financial year and it will be noted that Mr S Sithebe will be the individual registered auditor that will undertake the audit.

Secretary
The Company Secretary of Hulamin Limited is Mr W Fitchat. His business and postal address appears in the corporate information section of this integrated annual report.

Post balance sheet events
The directors are not aware of any other matters or circumstances arising between the end of the financial year and the date of these financial statements which materially affect the financial position or results of the company or group.

Approval
The annual financial statements of the group and company set out on pages 108 to 187 have been approved by the board. Signed on behalf of the board of directors by:

Thabo Patrick Leeuw
Chairman

Richard Gordon Jacob
Chief Executive Officer

Pietermaritzburg, KwaZulu-Natal
19 March 2019
Independent auditor’s report
to the Shareholders of Hulamin Limited

Report on the audit of the separate and consolidated financial statements

Opinion

We have audited the separate and consolidated financial statements of Hulamin Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 108 to 187, which comprise the separate and consolidated statements of financial position as at 31 December 2018, and the separate and consolidated statements of profit or loss and other comprehensive income, the separate and consolidated statements of changes in equity and the separate and consolidated statements of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of the Company and Group as at 31 December 2018, and its separate and consolidated financial performance and separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Company and Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in South Africa, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.
**Key audit matter**  
**Impairment assessment of the rolled products cash generating unit (CGU)**

*IAS 36 Impairment of Assets* require an impairment test of non-financial assets to be performed when there are indicators that these may be impaired.

The Group’s market capitalisation was below its net asset value as at 31 December 2018, indicating that the carrying value of the Group’s assets may be impaired.

Management performed an impairment test which includes the following key assumptions. These assumptions affect the impairment test and requires the exercise of significant management judgement:

- Determining of cash generating units (CGU).
- Future sales volumes.
- Rolling margins, considering current and anticipated changes in market conditions and product mix.
- Forecasted currency exchange rates.
- The discount rate applied by management was based on the capital asset pricing model which includes inputs that are subjective.

We considered the impairment test of to be a matter of most significance to our audit due to the following:

- Management’s assessment involves significant judgement about future results of the business and the discount rate applied to cash flow forecasts;
- Given the magnitude of the related property, plant and equipment and intangible asset balances, the recognition of an impairment charge could have a significant impact on the financial statements; and
- The result of the cash flow forecast is sensitive to small changes in certain assumptions mentioned above.

Management’s disclosure on impairment consideration are detailed in Note 5.3 of the Annual Financial Statements.

<table>
<thead>
<tr>
<th>How our audit addressed the key audit matter</th>
</tr>
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<tbody>
<tr>
<td>We considered management’s assessment of the existence of an impairment indicator.</td>
</tr>
<tr>
<td>We assessed the basis adopted by management in the preparation of the discounted cash flow valuation model against the applicable requirements of <em>IAS 36 Impairment of Assets</em>.</td>
</tr>
<tr>
<td>We tested the mathematical accuracy of the model.</td>
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<tr>
<td>We have assessed the determination of the cash generating units (CGU)</td>
</tr>
<tr>
<td>We assessed various inputs in the cash flow forecasts, interrogated the integrity of supporting calculations and considered the reasonableness of the following key inputs: volume forecasts, currency rates, rolling margins and cost saving initiatives, with reference to the board approved business plan, market data and past performance of the CGU.</td>
</tr>
<tr>
<td>Market data that was considered included forecast exchange rates, aluminium prices, geographic premiums and inflation rates.</td>
</tr>
<tr>
<td>To assess the adequacy of management’s forecasts we considered the level of precision with which management had historically prepared their forecasts by comparing them to actual performance.</td>
</tr>
<tr>
<td>With the support of our valuation experts we considered the appropriateness of the discount rate as well as the methodology used by management in forecasting the ZAR/USD exchange rates beyond a two-year period. Our consideration of the discount rate included recalculating the inputs with reference to independent market data. This included risk-free rates, betas and market risk premiums.</td>
</tr>
<tr>
<td>We obtained and evaluated management’s sensitivity analyses, to ascertain the impact of reasonably possible changes in key assumptions. We performed our own independent sensitivity calculations to quantify the extent of downside changes required to result further in impairment.</td>
</tr>
<tr>
<td>We obtained and evaluated management’s sensitivity analyses, to ascertain the impact of reasonably possible changes in key assumptions. We performed our own independent sensitivity calculations to quantify the extent of downside changes required to result further in impairment.</td>
</tr>
<tr>
<td>We have assessed the adequacy of the accounting for the resulting impairment of the Rolled Products and Extrusions cash generating units as well as the disclosures made in the Annual Financial Statements in accordance with <em>IAS 36 Impairment of Impairment of Assets</em>.</td>
</tr>
</tbody>
</table>
Key audit matter | How our audit addressed the key audit matter
--- | ---
Cash flow hedging | We have assessed Hulamin Limited’s hedging principles in terms of compliance with IAS 39 Financial Instruments: Recognition and Measurement.
We have recalculated the fair value of the open hedging instruments as at 31 December 2018.
We have tested the management’s ability to forecast future sales through performing a reasonability test between forecasted and actual sales.
We have, together with our valuation experts, assessed management’s hedge effectiveness calculation in terms of IAS 39 Financial Instruments: Recognition and Measurement. We reviewed the calculation for the ineffective hedges and the recording of these amounts in the financial statements.
We inspected the apportionment of the changes in the fair value of the open financial instruments as at 31 December 2018 to the statement of profit or loss and the hedge reserve and independently assessed the compliance of the apportionment in terms of IAS 39 Financial Instruments: Recognition and Measurement.
We have assessed the adequacy of disclosures made in the Annual Financial Statements, including the adjustments reflected in the prior period error disclosure to account for the outcome of the hedge effectiveness test.

Hulamin Limited is a semi-fabricator of aluminium products and are therefore exposed to the fluctuations in the aluminium price from the date aluminium is purchased as a raw material to the date that is converted into a finished product and sold. Hulamin Limited hedges this risk through aluminium futures. Aluminium is traded in dollars which exposes Hulamin Limited to foreign currency risk. This risk is hedged through Foreign Exchange Contracts. These hedges are accounted for as cash flow hedges and are recognised and measured in terms of IAS 39 Financial Instruments: Recognition and Measurement.

We considered the measurement of the hedge reserve and the effectiveness of the hedges to be of most significance to our audit due to the following:

• Management’s forecasting of the future sale which is the hedge item.
• Whether Hulamin Limited’s hedging principles are in terms IAS 39 Financial Instruments: Recognition and Measurement which requires formal designation of the hedge instrument and documentation of the effectiveness test.
• Whether Hulamin Limited has correctly assessed if the hedge is effective or ineffective in terms of the criteria of IAS 39 Financial Instruments: Recognition and Measurement.

Management’s disclosure on hedging considerations are detailed in Note 7.1 (2) of the Annual Financial Statements.

Other information
The directors are responsible for the other information. The other information comprises the Directors’ Statutory Report, the Audit Committee’s Report and the Company Secretary’s Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the separate and consolidated financial statements and our auditor’s report thereon.

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

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

In preparing the separate and consolidated financial statements, the directors are responsible for assessing the group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or Group or to cease operations, or have no realistic alternative but to do so.
Auditor’s responsibilities for the audit of the separate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s and Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s and group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of Hulamin Limited for one year.

Ernst & Young Inc.
Director: Sifiso Sithebe
Registered Auditor
Chartered Accountant (SA)
19 March 2019
1 Pencarrow Crescent,
La Lucia Ridge Office Estate
Durban
4000