

16 November 2016

REPORT OF FACTUAL FINDINGS TO THE DIRECTORS OF *POVEY MULVENNA & ASSOCIATES (PTY) LTD (REGISTRATION NO. 2005/037733/07)*, TRADING AS *KUSILE CONSULTING SERVICES FOR THE PURPOSE OF VERIFYING ITS QUALIFICATION AS AN EXEMPTED MICRO ENTERPRISE (EME) IN TERMS OF THE AMENDED BROAD-BASED BLACK ECONOMIC EMPOWERMENT CODES OF GOOD PRACTICE OF 2013*

The procedures I have performed are summarised as follows:

PROCEDURES

OWNERSHIP

1. Inspect a Sworn Affidavit signed by a Director of the Enterprise confirming that the percentage of Black Shareholding in the Enterprise is 5% and that the percentage of Black Woman Shareholding in the Enterprise is 5% per Schedule "A".

TURNOVER

2. Inspect a Sworn Affidavit signed by a Director of the Enterprise and the Enterprise's Annual Financial Statements for the year ended 29 February 2016 confirming that the Enterprise's annual turnover is below R10 million per Schedules "A" and "B" and that the enterprise is accordingly classified as an Exempted Micro Enterprise (EME) in terms of the Amended Broad-Based Black Economic Empowerment Codes of Good Practice of 2013.

EMPOWERING SUPPLIER

3. Confirm that the Enterprise satisfies the requirements of being classified as an Empowering Supplier as specified in the Amended Broad-Based Black Economic Empowerment Codes of Good Practice of 2013 and Government Gazette No. 40375, 28 October 2016.

FINDINGS

I report my findings below:

OWNERSHIP

1. With respect to procedure 1, I inspected a Sworn Affidavit signed by a Director of the Enterprise confirming that the percentage of Black Shareholding in the Enterprise is 5% and that the percentage of Black Woman Shareholding in the Enterprise is 5%.

TURNOVER

2. With respect to procedure 2, I inspected a Sworn Affidavit signed by a Director of the Enterprise and the Enterprise's Annual Financial Statements for the year ended 29 February 2016 confirming that the Enterprise's annual turnover is below R10 million per Schedules "A" and "B" and that the enterprise is classified as an Exempted Micro Enterprise (EME) in terms of the Amended Broad-Based Black Economic Empowerment Codes of Good Practice of 2013.

BROAD-BASED BEE STATUS

3. The enterprise is classified as a **B-BBEE Level Four Contributor** in terms of the Amended Broad-Based Black Economic Empowerment Codes of Good Practice of 2013.

B-BBEE PROCUREMENT RECOGNITION LEVEL

4. The enterprise's B-BBEE procurement recognition level is **100%** in terms of the Amended Broad-Based Black Economic Empowerment Codes of Good Practice of 2013.

EMPOWERING SUPPLIER

5. With respect to procedure 3, I confirmed that the enterprise meets the definition of an Empowering Supplier as specified in the Amended Broad-Based Black Economic Empowerment Codes of Good Practice of 2013 and Government Gazette No. 40375, 28 October 2016.

Because the above procedures do not constitute either an audit, review or other assurance engagement made in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, I do not express any assurance on the information in the Schedule.

My report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. I assume no liability or responsibility to any third party to which any report or letter is disclosed or otherwise made available.

This report relates only to the items specified above and do not extend to any financial statements of the Enterprise taken as a whole.



Michael Moffis B Acc (WITS) CA (SA)