ANNUAL FINANCIAL STATEMENTS

Approval of annual financial statements and company secretary's confirmation	68
Report of the audit and risk committee	69
Independent auditor's report	70
Directors' report	72
Accounting policies	88
Financial statements and notes	112
Annexure 1 – analysis of financial instruments	164
Annexure 2 – interest in associates and joint ventures	168
Annexure 3 – subsidiaries	174
Annexure 4 – related party transactions	176
Annexure 5 – analysis of share options and share incentive plan	178
Annexure 6 – segmental analysis	184
Administration and contact information	IBC

The annual financial statements set out on pages 88 to 188 have been prepared under the supervision of the financial director, Mr AZ Khumalo CA (SA). The annual financial statements have been audited by Ernst & Young Inc.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS AND COMPANY SECRETARY'S CONFIRMATION

In approving the annual financial statements the directors hereby confirm:

1. That they are responsible for the preparation, integrity and fair presentation of the annual financial statements of Northam Platinum Limited and its subsidiaries. The auditors are responsible for auditing and reporting on whether the financial statements are fairly presented. Their report appears on page 70.
2. The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.
3. The annual financial statements presented on page 88 to 188 have been prepared in accordance with International Financial Reporting Standards. They conform and adhere to applicable accounting standards and are presented applying accounting policies supported by reasonable and prudent judgements and estimates made by management, which have been consistently applied.
4. Adequate accounting records and an effective system of internal controls and risk management have been maintained during the entire accounting period.
5. They have reviewed the additional information included in the annual report and they are responsible for both its accuracy and its consistency with the annual financial statements.
6. The going concern basis has been adopted in preparing the annual financial statements. The directors have no reason to believe that the group will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the company and the group.
7. The annual financial statements have been audited by the independent auditors, Ernst & Young Inc. who were given unrestricted access to all financial records and related data including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate. The unmodified audit report of Ernst & Young Inc. is presented on page 70.
8. A corporate governance report appears on pages 45 to 53 and includes information regarding the group's compliance with the King III Code.

The annual financial statements were approved by the board of directors on 27 September 2013 and are signed on its behalf by:

PL Zim	**GT Lewis**	**AR Martin**
Chairman	Chief Executive Officer	Chairman – Audit and Risk Committee

Johannesburg
27 September 2013

COMPANY SECRETARY'S CONFIRMATION

I, PB Beale, being the group company secretary of Northam Platinum Limited, hereby certify in terms of the Companies Act that all returns required of a public company have, in respect of the year under review, been lodged with the Companies and Intellectual Property Commission and that all such returns are true, correct and up to date.

PB Beale
Company secretary
Johannesburg
27 September 2013

REPORT OF THE AUDIT AND RISK COMMITTEE

RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the committee, which meets at least five times a year, are:

- the appointment and evaluation of external auditors and their terms of engagement;
- the appointment and evaluation of the internal auditors and their mandate;
- the approval of remuneration of external and internal auditors;
- ensuring the independence of external and internal auditors;
- the approval of non-audit work which may be performed by the external auditors which includes tax compliance services, assurance related work in respect of any corporate actions and opinions not related to any prohibited services;
- approving the internal audit plan;
- approving the external audit plan without infringing on the external auditors independence;
- reviewing interim and preliminary results of the company;
- reviewing and recommending to the board for approval the interim report and preliminary announcement of results, the annual financial statements, annual integrated report and the sustainability report;
- ensuring that the risks of the company are adequately assessed and monitored by management through a risk register and compliance review, and ensuring that such risks are properly mitigated;
- ensuring that internal controls of the company are implemented, effective and monitored; and
- ensuring a cordial working relationship between management and external and internal auditors.

EXPERTISE AND EXPERIENCE OF THE FINANCIAL DIRECTOR AND RESOURCES OF THE FINANCIAL DEPARTMENT

In terms of the JSE Listings Requirements, the audit and risk committee has satisfied itself as to the appropriateness of the expertise and experience of the financial director and that the financial department has adequate resources to execute its functions.

APPOINTMENT OF EXTERNAL AUDITORS

The committee confirms the skills, independence, audit plan, reporting and overall performance of the external auditors are acceptable and that it recommends their re-appointment for the financial year ending June 2014.

GOING CONCERN STATEMENT

The directors report that they have a reasonable expectation that the group has adequate cash resources and facilities to continue in operational existence for the foreseeable future.

ANNUAL FINANCIAL STATEMENTS

The committee has:

- reviewed and discussed the audited annual financial statements included in the integrated annual report with the external auditors, the chief executive officer and the financial director;
- reviewed the external auditor’s audit results report and considered management’s response thereto; and
- reviewed significant adjustments resulting from external audit queries and accepted any unadjusted audit differences; and received and considered reports from the internal auditors.

The committee concurs with and accepts the external auditor’s conclusions on the annual financial statements and has recommended the approval thereof to the board. The board has subsequently approved the financial statements, which will be open for discussion at the forthcoming AGM.

AR Martin
Chairman – audit and risk committee
Johannesburg
27 September 2013

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF NORTHAM PLATINUM LIMITED

REPORT ON THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

We have audited the consolidated and separate financial statements of Northam Platinum Limited set out on pages 88 to 188, which comprise the consolidated and separate statements of financial position as at 30 June 2013, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows 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 consolidated and separate 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 consolidated and separate 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 about 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 judgement, 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 consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Northam Platinum Limited as at 30 June 2013, and its consolidated and separate financial performance and consolidated and separate cash flows 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 30 June 2013, we have read the Directors' Report, the report of the Audit and Risk Committee and the Company Secretary's confirmation for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate 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 consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Ernst & Young Inc.
Director – Mike Herbst
Registered Auditor
Chartered Accountant (SA)

Wanderers Office Park
52 Corlett Drive, Illovo
Johannesburg
27 September 2013

The directors have pleasure in submitting their report for the year ended 30 June 2013. The review of the group's operational performance is set out in the operational review on pages 16 to 19, whilst the nature of business is described in the business profile which appears on page 1.

MAIN BUSINESS AND OPERATIONS

BOOYSENDAL MINE

Capital expenditure for F2013 was R1.5 billion (F2012: R1.7 billion) which includes capitalised finance charges. Capital expenditure is expected to be R532.1 million in F2014; this includes R75.6 million for on-going capital. Since inception the total project expenditure, including finance costs and other directly attributable expenditure, amounted to R4.0 billion against projected total expenditure of R4.5 billion. The original capital budget was R3.9 billion in June 2010 terms.

A total of 242 602 tonnes were milled in F2013, to produce 473kg of metal in concentrate. Metal sales from Booysendal were restricted to 109kg owing to the shutdown of the smelter at Zondereinde in May 2013. Revenue earned from metal sales to 30 June 2013 was credited to property, plant and equipment in line with IFRS accounting standards. For accounting purposes, the mine came into production on 1 July 2013. To counter certain delays in the construction of conveyors and other services underground, management has taken on additional contractors in a temporary capacity to mitigate further delays to the production build-up.

Following the commissioning of the permanent power supply on 10 March 2013, cold and hot commissioning of the concentrator continued to year end with a number of issues having been identified which have been or are in the process of being rectified. This process will continue until all outstanding issues have been remedied.

ZONDEREINDE MINE

The combined tonnes milled at Zondereinde mine were 9.4% up at 2 115 712 tonnes from 1 933 677 in F2012 comprising 958 211 Merensky tonnes milled (F2012: 884 660 million tonnes) and 1 157 501 UG2 tonnes milled (F2012: 1 049 017 million tonnes). The 3PGE+Au combined head grade dropped by 3.9% to 4.9g/t compared to 5.1g/t in F2012. This drop reflects the lower average UG2 grade of 4.2g/t over the period owing to poor grade control. This will be a key focus area for management in the year ahead. Available ore reserves are currently at 20 months for Merensky reef and 24 months for UG2.

In spite of the lower head grade, the increase in tonnes milled resulted in an increase in metals produced from underground operations. Metals from secondary material declined significantly resulting in total mine production increasing marginally to 9 041kg (F2012: 8 979kg). Volumes of concentrates purchased declined by 13% from 1 877kg in F2012 to 1 633kg in the current year. This is mainly due to the interruption of smelting activities both in July to September 2012 and again in May 2013.

The mining strategy at Zondereinde continues to be to open up ore reserves in the north-west quadrant and also on the lower levels of the mine to access normal Merensky reef. Shareholders were advised on 23 May 2013 that the smelter at Zondereinde would be shut down and rebuilt following the unexpected erosion of the refractory bricks comprising the walls of the smelter in proximity to the slag level interface.

The rebuild, using a different brick specification, is expected to be completed by the end of September 2013. The smelter was previously rebuilt in F2012 after a run-out.

ASSOCIATES AND JOINT VENTURES

The group has an interest in the following entities and joint ventures:

DWAALKOP PLATINUM PROJECT

This project is a PGM development opportunity in joint venture with Lonmin plc. The group's share of the exploration expenditure amounted to R0.5 million, which was charged to sundry expenditure. The carrying value of the group's investment is R300.7 million. Further details of the group's interest in Dwaalkop are set out in Annexure 2 on pages 168 to 173.

KOKERBOOM JOINT VENTURE

This is an early stage Iron Oxide Copper Gold and Massive Sulphide deposit situated in the Northern Cape Province. The exploration is being undertaken in joint venture with two other parties, with the group having a 51% interest. The group spent R9.8 million, primarily on an airborne magnetic survey, during the year, which was charged to sundry expenditure.

PANDORA JOINT VENTURE

The group's share of earnings from the Pandora joint venture amounted to R3.6 million (2012: R6.7 million). The carrying value of the group's investment was R121.0 million (2012: R136.9 million). Further details of the group's interest in Pandora are set out in Annexure 2 on pages 168 to 173.

TRANS HEX GROUP LIMITED (TRANS HEX)

The group has a 20.3% interest in this company, a diamond producing and marketing company, which is listed on the JSE. The group's share of earnings from Trans Hex, including its share of other comprehensive income, amounted to R6.1 million (2012: R32.4 million). The carrying value of the group's investment amounted to R73.7 million.

Further details of the group's interest in Trans Hex are set out in Annexure 2 on pages 168 to 173.

CORPORATE GOVERNANCE

The board of directors subscribes to and promotes the highest standards of integrity and good corporate governance throughout the group. The board and management recognise that, in order to safeguard the interests of stakeholders, all of their actions must be guided by full accountability and transparency.

The board is guided by the board charter, memorandum of incorporation (MOI), the Companies Act No 71 of 2008 (Companies Act), JSE listings requirements, the third King Report on Corporate Governance for South Africa 2009 (King III), the Global Reporting Initiative (GRI) as well as other applicable legislation.

Further details on the group's corporate governance practices are set out in the corporate governance report on page 45 to 53.

MINING LICENCES

BOOYSENDAL MINE

Micawber 278 Proprietary Limited holds a consolidated new order mining right for the Booysendal mine which covers an area of approximately 15 151 hectares on the farms Booysendal 43 JT, Buttonshope 51 JT, Der Brochen 7 JT, Draaikraal 48 JT, Hebron 5 JT, Hermansdal 3 JT, Kliprivier 73 JT, Pietersburg 44 JT, Uysedoorns 47 JT, Johannesburg 45 JT, Sheeprun 50 JT and Sheeprun 179 JT.

ZONDEREINDE MINE

The company holds two new order mining rights in respect of the Zondereinde mine covering an area of approximately 7 625 hectares on the farms Aapieskraal 377 KQ, Amandelbult 383 KQ, Elandsfontein 386 KQ, Grootkuil 376 KQ, Kopje Alleen 422 KQ, Middeldrift 379 KQ, Vrugbaar 381 KQ, Vrugbaar 387 KQ, Witvley 423 KQ and Zondereinde 384 KQ.

The converted new order mining rights were executed on 13 July 2011 and have been lodged for registration in the Mining Titles Registration Office (MTRO).

FINANCIAL RESULTS

The accounting policies, statements of financial position, statements of comprehensive income, statements of cash flow and statements of changes in equity and notes to the financial statements, on pages 88 to 188, reflect the financial results and position of the company and the group.

DIVIDENDS

Owing to the continued uncertainty prevailing in the mining industry and the cash requirements for the completion of the Booysendal mine, the board did not declare any dividend in respect of the year under review. (F2012: 5 cents per share).

SHARE CAPITAL

The authorised share capital of the company remains R5 450 000 divided into 545 000 000 shares.

During the year 56 700 shares were allotted and issued to participants of the Northam Share Option Scheme whilst 32 400 shares were allotted and issued to participants of the Northam Share Incentive Plan, resulting in the issued share capital at 30 June 2013 increasing to 382 586 090 (2012: 382 496 990) shares.

At the forthcoming AGM shareholders will be asked to place the authorised but unissued ordinary shares in the capital of the company, other than the 8 775 000 shares that are reserved for purposes of the Northam Share Option Scheme and 38 000 000 shares that are reserved for the Northam Share Incentive Plan, under the control of the directors. Furthermore, subject to the passing of the above ordinary resolution, shareholders will be asked to grant approval for the directors to issue equity securities for cash, subject to the Companies Act and the JSE listings requirements. The text of the necessary resolutions is set out in the notice of AGM on page 3.

REPURCHASE OF ISSUED SHARES

At the AGM on 7 November 2012 shareholders approved a special resolution granting a general authority for the repurchase of ordinary shares by the company (or any one of its wholly-owned subsidiaries), subject to the JSE listings requirements and the provisions of the Companies Act. No shares were repurchased in the current or prior year in terms of this general authority. This general authority is valid until the company's next AGM or for 15 months from the date of the aforementioned resolution (being 7 November 2012) whichever period is the shorter. Approval to renew this general authority will be sought at the forthcoming AGM to be held on Wednesday, 6 November 2013. The text of the necessary special resolution, as well as the reasons therefor and the effects thereof, appears in the notice of AGM on page 9, which forms part of the abridged annual report.

BORROWINGS AND BORROWING POWERS

In terms of the memorandum of incorporation (MOI), the directors may borrow for purposes of the company, such sums as they deem fit.

In November 2011 the company entered into a five-year revolving credit facility agreement with Nedbank Limited for an amount of R1 billion. Draw-downs under this facility started in July 2012, and at the reporting date an amount of R250.0 million had been drawn under this facility. At the date of this report, the entire facility had been drawn.

On 3 September 2012 the company announced that it had raised R1.25 billion through the issue of senior unsecured floating rate notes, under the company's R2 billion domestic medium term note (DMTN) programme dated 3 August 2012. On 11 July 2013, the company announced that a further R120.0 million had been raised in the domestic capital market through the DMTN programme. These funds have been used for the development of the Booysendal mine, the deepening project at the Zondereinde mine as well as and other operational and working capital requirements of the group.

In addition to the above a subsidiary, Norplats Properties Proprietary Limited has arranged loan facilities of R80.0 million to fund the sale of houses to employees in terms of the group's affordable housing initiative. Details of the interest rates and terms of these loans are contained in notes 21 and 23 to the annual financial statements on pages 144 to 146.

PROPOSED AMENDMENTS TO THE MOI

At the AGM in November 2012, shareholders approved the adoption of the company's MOI, in order to align it with the Companies Act, pursuant to which the new shares to be authorised and issued will be shares not having a nominal or par value. At the forthcoming AGM to be held on Wednesday, 6 November 2013 shareholders will be asked to approve appropriate resolutions to amend the MOI in respect of the following:

Executive directors – the existing MOI excludes the rotation of executive directors and having regard to international best practice, good governance and recent circumstances, wherein institutional investors have required that executive directors must be included in the rotation process and run for re-election, the board has proposed that the MOI be amended to include the retirement by rotation of executive directors once every 5 (five) years.

Distributions – to provide that distributions (in the form of a dividend or otherwise) to shareholders, be paid by means of electronic funds transfer into a bank account designated for such purposes by members, with payments by cheque no longer being permissible unless the member has specifically requested that such payments be made by cheque.

The text of the necessary special resolutions is contained in the notice of AGM and abridged annual report.

FINANCIAL ASSISTANCE

At the forthcoming AGM shareholders will be asked to approve a special resolution to authorise the granting of the necessary financial assistance as set out below. The text of the special resolution is contained in the notice of AGM on page 8, which forms part of this report.

Section 45 of the Companies Act requires that shareholders approve the granting of financial assistance by a company to, *inter alia*, any of its subsidiaries. At the date of this report Northam had granted the following financial assistance to its subsidiaries in accordance with the Companies Act:

Name of subsidiary	Approved loan facility at 30 June 2013	Balance at 30 June 2013	Additional amount to be advanced in coming year	New loan facility	Other facilities	Total financial assistance to be granted
	R000	R000	R000	R000	R000	R000
Broad Brush Investments 2 Proprietary Limited	19 500	nil	nil	19 500	nil	19 500
Dialstat Trading 133 Proprietary Limited (1)	260 000	1	nil	260 000	nil	260 000
Micawber 278 Proprietary Limited (2)	3 775 000	4 019 830	878 170	4 970 000	22 815	4 992 815
Mvelaphanda Resources Proprietary Limited (3)	nil	nil	60 000	60 000	nil	60 000
Norplats Properties Proprietary Limited (4)	79 000	36 840	nil	73 000	nil	73 000
Windfall 38 Properties Proprietary Limited (2)	15 800	15 424	384	15 800	nil	15 800

Notes:

(1) *The funds to be advanced to Dialstat will be used for any share repurchase programme. Such shares will be used exclusively for the settlement of shares to be transferred to employees who exercise options in terms of the rules of the Northam Share Option Scheme, or for the settlement of shares to be transferred to employees in terms of the rules of the Northam Share Incentive Plan.*

(2) *The loans to Micawber and Windfall bear interest at 2% below the South African prime interest rate.*

(3) *The loan to Mvela Resources will be used to fund working capital.*

(4) *The loan facility granted to Norplats comprises an interest bearing portion of R24.4 million which is repayable in 2026 and an interest free portion of R12.4 million which has no fixed repayment date. The interest bearing portion carries interest at prime less 2.0%.*

STRATE (Share Transactions Totally Electronic)

Shareholders who have not already dematerialised their shares (certificated shareholders) are once again strongly urged to do so as soon as possible (unless it is their explicit intention not to do so) in order to enable them to trade in such shares. It is most important for certificated shareholders to note that their shares may not be traded on the JSE unless the shares have been dematerialised.

NORTHAM SHARE OPTION SCHEME (the Scheme)

The Scheme was established on 4 January 1995 with the objective of attracting and retaining employees with appropriate levels of ability and expertise who made a significant contribution to the operations of the company. The Scheme was discontinued in 2011 owing to its dilutionary nature, although share options issued before its discontinuance will be allowed to run their course.

Options were offered at the volume weighted average price at which Northam shares traded on the JSE on the trading day immediately preceding the offer date. In terms of the rules of the Scheme, option holders may exercise 50% of their options two years after the offer date and 100% of their options three years after the offer date. Options not exercised within seven years of the offer date shall lapse.

In March 2013 the JSE approved a change to the rules of the Scheme in terms of which option holders may elect to receive either the shares over which an option has been granted or a cash payment equivalent to the difference between the volume weighted average price at which Northam shares traded on the day preceding the exercise date and the exercise price. Options which are cash settled are regarded as having been exercised. At 30 June 2013 the outstanding options were exercisable as indicated in Annexure 5 on pages 178 to 183:

A summary of the options held at the year end is as follows:

Earliest and latest exercise date	Price per share	Total number of options
	R	
24 October 2007 and 23 October 2012	17.00	56 700
23 October 2008 and 21 October 2013	38.45	1 071 000
22 October 2009 and 21 October 2014	48.00	1 467 500
27 November 2010 and 26 November 2015	32.38	1 955 500
5 November 2011 and 4 November 2016	36.95	2 752 500
1 July 2012 and 30 June 2017	45.59	125 000
12 October 2012 and 11 October 2017	46.57	3 242 500
Number of options held at 30 June 2012		10 670 700
Number of options forfeited during the year		556 000
Number of options exercised during the year – refer Annexure 5 on pages 178 to 183		
Equity settled options		56 700
Cash settled options		1 283 000
Number of options held at 30 June 2013		**8 775 000**

Earliest and latest exercise date	Price per share	Total number of options	Options vested at 30 June 2013	Options exercisable in F2014
	R			
23 October 2008 and 22 October 2013	38.45	1 058 000	1 058 000	–
22 October 2009 and 21 October 2014	48.00	1 397 500	1 397 500	–
27 November 2010 and 26 November 2015	32.38	1 237 000	1 237 000	–
5 November 2011 and 4 November 2016	36.95	2 050 000	2 050 000	–
1 July 2012 and 30 June 2017	45.59	125 000	62 500	62 500
12 October 2012 and 11 October 2017	46.57	2 907 500	1 453 750	1 453 750
Number of options held at 30 June 2013		**8 775 000**	**7 258 750**	**1 516 250**

Full details of the options exercised during the year are set out in Annexure 5 on pages 178 to 183, and are summarised as follows:

	Equity settled options			Cash settled options		
Grant date	Number of options exercised	Exercise price	Consideration received	Number of options exercised	Exercise price	Total gain paid to participants
		R	R000		R	R000
24 October 2005	56 700	17.00	964	Nil	–	–
27 November 2008	Nil	–	–	680 500	32.38	4 561
5 November 2009	Nil	–	–	602 500	36.95	1 373
Total	**56 700**		**964**	**1 283 000**		**5 934**

NORTHAM SHARE INCENTIVE PLAN (the Plan)

The Plan was approved in 2011 when shareholders approved a proposal that the Scheme be discontinued and replaced by the Plan, as the Scheme no longer served the primary purpose of attracting and retaining employees.

The Plan is a full share-type plan which incorporates a combination of a conditional share plan (CSP) and a forfeitable share plan (FSP). The key features that are common to both the CSP and the FSP are as follows:

- All senior officials and executives, including executive directors, in job grade D1 and above are eligible.
- Non-executive directors are not eligible to participate.
- Employees will not be required to pay for shares granted to them.
- In the event of a change of control of the company, all awards will vest.

- In the event of a variation in share capital such as a capitalisation issue, subdivision of shares, consolidation of shares, liquidation etc., employees will continue to participate in the Plan. The committee may make such adjustment to awards or take such other action to place employees in no worse a position than they were prior to the happening of the relevant event, and to ensure that the fair value of awards immediately after the event is materially the same as the fair value thereof immediately before the event.
- The issue of shares as consideration for an acquisition or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to awards.
- Where necessary, the auditors of the company will confirm to the company and JSE that the adjustments are calculated on a non-prejudicial basis.
- Any adjustments made will be reported in the company's annual financial statements in the year during which the adjustment is made.
- Subject to approval by the JSE, employees will also, for their own account, be entitled to participate in any rights issue in respect of their forfeitable shares held.
- To prevent the dilutionary effect of issuing new shares, whether in terms of the Scheme, the CSP or the FSP can be settled by the use of treasury shares purchased for this purpose on the market.

The key features of the CSP and FSP are as follows:

CSP

- Shares will be awarded on a regular basis.
- The number of conditional shares awarded, and the extent to which they will be subject to performance conditions, will primarily be based on the employee's annual salary, grade, performance, retention requirements and market benchmarks or some combination thereof.
- Vesting of a portion of the conditional shares will be made subject to company performance conditions, in addition to the particular employee remaining in the employ of a group company for a pre-determined vesting period.
- Conditional shares will only be registered in the name of the employees, free of any further restrictions or conditions, after vesting. Before such time, the employees will not enjoy any shareholder rights in relation to the conditional shares.
- Once vested and delivered, the employees will have all shareholder rights thereto.
- The employees will not be required to pay for the conditional shares.
- Performance conditions will be set by the Social, Ethics and Human Resources (SE&HR) committee before an award is made, and will be based on appropriate company performance measures at the time.

FSP

- Shares will only be allocated in exceptional circumstances.
- The number of forfeitable shares to be made to an employee will primarily be based on the employee's annual salary, grade, performance and retention or attraction requirements.
- The forfeitable shares will be delivered to the employees, free of charge, subsequent to the award date, with them enjoying all shareholder rights from inception.

- Awards will, however, be subject to restrictions that will prevent the forfeitable shares from being disposed of, ceded, transferred or otherwise encumbered before vesting.
- Vesting of the forfeitable shares will only be subject to the particular employee remaining in the employ of a group company for a pre-determined vesting period. No company performance conditions will apply.

In March 2013 the JSE approved a change to the rules of the Plan in terms of which, upon the vesting of any awards, participants may elect to receive either the shares that have vested or an amount equal to the volume weighted average price on the day preceding the settlement date.

The SE&HR committee, which is charged with overseeing the group's remuneration policy, reviews the performance criteria annually and revises them as economic and operational circumstances dictate.

No shares were allocated under the FSP during the year under review, whilst the details of the shares allocated under the CSP are set out below.

Grant date	Details	Total	Retention shares	Performance shares
Balance at 30 June 2012		1 941 000	684 000	1 257 000
6 November 2012	Shares awarded	2 549 000	930 000	1 619 000
	Shares forfeited	(140 000)	(48 000)	(92 000)
	Shares cash-settled	(152 000)	(54 000)	(98 000)
Balance at 30 June 2013		**4 198 000**	**1 512 000**	**2 686 000**

At 30 June 2013 the following awards were outstanding:

Grant date	Details	Total	Retention shares	Performance shares
22 November 2011	Retention shares	608 000	608 000	–
22 November 2011	Performance shares	1 113 000	–	1 113 000
6 November 2012	Retention shares	904 000	904 000	–
6 November 2012	Performance shares	1 573 000	–	1 573 000
Balance at 30 June 2013		**4 198 000**	**1 512 000**	**2 686 000**

Full details of the shares granted during the year are set out in Annexure 5 on pages 178 to 183.

A maximum of 38 000 000 unissued shares is reserved for the Plan and that the maximum number of shares which may be allocated to any single employee in any cycle is limited to 4 000 000. Copies of the rules of the Scheme and the Plan are available for inspection at the company's registered office during normal business hours.

DIRECTORATE

The following changes have occurred in the composition of the directorate since the date of the last annual report:

- Mr MJ Willcox resigned as alternate director to Mr MSMM Xayiya on 5 November 2012.
- Mr MSMM Xayiya resigned as a non-executive director on 7 December 2012.
- Dr NJ Dlamini resigned as a director with effect from 30 September 2013.

The composition of the board of directors, as well as of board appointed committees, at the date of this report, is reflected on pages 54 to 55.

Further, in terms of the company's MOI one third of the non-executive directors, being those longest in office, must retire from office at each AGM. A retiring director who is eligible and available may offer himself or herself for re-election and appointment. Mr CK Chabedi, Ms ET Kgosi and Mr AR Martin retire by rotation and, being eligible and available, offer themselves for re-election. Accordingly at the forthcoming AGM members will be requested to consider resolutions providing for the election and re-appointment of the aforementioned non-executive directors of the company.

Brief summaries of their curricula vitae appear on pages 54 to 55.

In addition, in terms of Section 94 of the Companies Act, shareholders are required to appoint the company's audit and risk committee. The members of the committee are Mr AR Martin (Chairman), Mr ME Beckett, Mr R Havenstein and Ms ET Kgosi, all of whom are independent non-executive directors. Accordingly at the forthcoming AGM members will be requested to consider resolutions providing for the appointment of the aforementioned members of the audit and risk committee.

DIRECTORS' FEES

In terms of the MOI the fees for services as directors are determined by the company in general meeting. The current level of fees paid to non-executive directors for their services is as follows:

Board fees

- Board chairman – R110 400 per annum.
- Lead independent director – R82 200 per annum.
- Board members – R52 500 per annum.
- Board meeting attendance fees – R34 000 per meeting.

Audit and risk committee fees

- Committee chairmen – R49 500 per annum.
- Committee members – R25 200 per annum.
- Committee meeting attendance fees – R16 500 per meeting.

Social, ethics and human resources committee fees

- Committee chairmen – R42 300 per annum.
- Committee members – R20 700 per annum.
- Committee meeting attendance fees – R13 200 per meeting.

Other board appointed committee fees

- Committee chairmen – R39 600 per annum.
- Committee members – R19 800 per annum.
- Committee meeting attendance fees – R13 200 per meeting.
- *Ad hoc* fees – R2 640 per hour.

The above fees were set in 2012, and in order to recognise the ever increasing regulatory environment as well as the effects of inflation, it is proposed that they be increased by an average of 5.0% to bring them more into line with market norms. The proposed fee for *ad hoc* work is calculated on the basis of 1/5 (one fifth) of the board appointed committee meeting attendance fee, on the basis that the average meeting preparation and attendance time being five hours.

Subject to approval by members, the revised level of fees will be as follows:

Board fees

- Board chairman – R116 100 per annum.
- Lead independent director – R86 100 per annum.
- Board members – R55 200 per annum.
- Board meeting attendance fees – R35 700 per meeting.

Audit and risk committee fees

- Committee chairman – R51 900 per annum.
- Committee members – R26 400 per annum.
- Committee meeting attendance fees – R17 300 per meeting.

Social, ethics and human resources committee fees

- Committee chairman – R44 400 per annum.
- Committee members – R21 900 per annum.
- Committee meeting attendance fees – R13 800 per meeting.

Other board appointed committee fees

- Committee chairmen – R41 400 per annum.
- Committee members – R20 700 per annum.
- Committee meeting attendance fees – R13 800 per meeting.
- *Ad hoc* fees – R2 760 per hour.

DIRECTORS' REMUNERATION

The directors' remuneration for the year ended 30 June 2013 was as follows:

	Fees	Remuneration package	Performance bonus	Benefits	Gain on exercise of options	Total
	R000	R000	R000	R000	R000	R000
2013 Executive						
AZ Khumalo	–	2 392	955	391	–	3 738
GT Lewis	–	5 841	2 291	809	–	8 941
Non-executive						
ME Beckett	475	–	–	–	–	475
CK Chabedi	389	–	–	–	–	389
JAK Cochrane	282	–	–	–	–	282
NJ Dlamini	512	–	–	–	–	512
R Havenstein [(1)]	892	–	–	–	–	892
ET Kgosi	510	–	–	–	–	510
AR Martin	517	–	–	–	–	517
MSMM Xayiya [(2)]	112	–	–	–	–	112
PL Zim	280	–	–	–	–	280
	3 969	**8 233**	**3 246**	**1 200**	**–**	**16 648**

(1) Mr R Havenstein was paid an ad hoc fee of R217 000 in respect of special work done for the board.
(2) Mr MSMM Xayiya resigned as a director 7 December 2012.

	Fees	Remuneration package	Performance bonus	Benefits	Gain on exercise of options	Total
	R000	R000	R000	R000	R000	R000
2012 Executive						
AZ Khumalo	–	1 752	699	228	–	2 679
GT Lewis	–	3 091	7 617	398	–	11 106
BR van Rooyen [(1)]	–	1 950	185	62	–	2 197
Non-executive						
ME Beckett	402	–	–	–	–	402
CK Chabedi	308	–	–	–	–	308
JAK Cochrane [(2)]	188	–	–	–	–	188
NJ Dlamini	385	–	–	–	–	385
R Havenstein	469	–	–	–	–	469
ET Kgosi	436	–	–	–	–	436
AR Martin	361	–	–	–	–	361
MSMM Xayiya	174	–	–	–	–	174
PL Zim	258	–	–	–	–	258
	2 981	**6 793**	**8 501**	**688**	–	**18 963**

(1) Mr BR van Rooyen retired as an executive director on 12 March 2012.
(2) Mr JAK Cochrane was appointed a non-executive director with effect from 10 November 2011.

SERVICE CONTRACTS

Mr AZ Khumalo, the financial director, has a service contract with the company which is subject to a notice period of three months, whilst Mr GT Lewis, the chief executive officer, has a service contract that expires on 31 December 2013 which is intended to be extended. None of the non-executive directors have a service contract with the company.

DIRECTORS' INTERESTS

According to information available to the company after reasonable enquiry, the interests of the directors and their families in the shares of the company at 30 June 2013 were as follows:

	30 June 2013		
	Direct beneficial holding	Indirect beneficial holding	Total
ME Beckett	30 000	–	30 000
NJ Dlamini	–	326	326
	30 000	**326**	**30 326**

	30 June 2012			
	Direct beneficial holding	Indirect beneficial holding	Indirect non-beneficial holding	Total
ME Beckett	30 000	–	–	30 000
NJ Dlamini		326	–	326
MJ Willcox	336 085	–	5 026 710	5 362 795
MSMM Xayiya	614 598	–	1 518 038	2 132 636
PL Zim	–	–	11 174 520	11 174 520
	980 683	**326**	**17 719 268**	**18 700 277**

There have been no significant changes in the directors' shareholding outlined above since the end of the financial year and at the date of this report.

ANALYSIS OF SHAREHOLDERS AT 30 JUNE 2013

Shareholding range	Number of holders	Total shareholding	Percentage holding
1 – 5 000	6 373	5 929 684	1.5
5 001 – 10 000	319	2 349 031	0.6
10 001 – 50 000	360	8 628 528	2.3
50 001 – 100 000	140	9 981 253	2.6
100 001 – 1 000 000	180	57 291 943	15.0
1 000 001 and over	52	298 405 651	78.0
Total	**7 424**	**382 586 090**	**100.0**

Category of shareholder	Number of holders	Total shareholding	Percentage holding
Individuals	6 892	15 326 062	4.0
Companies	2	59 552 951	15.6
Managed funds and other bodies	530	307 707 077	80.4
Total	**7 424**	**382 586 090**	**100.0**

Geographic analysis of shareholders	Total shareholding	Percentage holding
Australasia	1 387 152	0.4
Europe and United Kingdom	21 833 628	5.7
North America	69 548 018	18.2
Far East	7 162 794	1.9
Africa	670 246	0.2
South Africa	273 653 746	71.5
Other	8 330 506	2.1
Total	**382 586 090**	**100.0**

MAJOR SHAREHOLDERS AT 30 JUNE 2013

Owner	Number of shares	Percentage holding
ENRC NV	51 732 782	13.5

Fund manager	Number of shares	Percentage Holding
Public Investment Commission	68 332 592	17.9
Coronation Asset Management	54 623 506	14.3
Sanlam Investment Managers	28 066 779	7.3
Capital group Companies Inc.	21 949 794	5.7
Ameriprise Financial Inc.	16 699 952	4.4

SHAREHOLDER SPREAD AT 30 JUNE 2013

The company's shareholder spread is set out below.

	Number of shareholders	Percentage holding
Public	7 421	86.5
Non-public		
– Directors	2	***
– Other (any who fall outside the scope of the above)	1	13.5
Total	7 424	100.0

**** Shareholding below 0.1%.*

BEE STATUS

There have been no further developments with regard to the Northam Black Economic Empowerment (BEE) shareholding. Shareholders are referred to the announcement dated Friday, 3 August 2012 wherein they were advised of a restructure of the group's BEE shareholding. Since then, the group has proposed an 'A' class share scheme to be held by BEE trusts, as outlined in the announcement. The proposal is aimed at restoring the group's BEE shareholding to 26%. Shareholders will be informed of progress in due course.

NORTHAM PLATINUM RESTORATION TRUST FUND (THE FUND)

The Northam Platinum Restoration Trust Fund was established in 1996 to assist the group in making financial provision for the environmental rehabilitation of the group's mines, in terms of the Mineral and Petroleum Resources Development Act, No. 28 of 2002, upon cessation of their mining operations. Details of the contributions made and provisions raised are disclosed in notes 10 and 20 of the notes to the financial statements. In addition, the group has procured the issue of guarantees for R96.9 million (2012: R96.9 million) in respect of certain unfunded environmental restoration costs, as more fully disclosed in note 11 of the notes to the financial statements.

BUTTONSHOPE CONSERVANCY TRUST

The Buttonneshope Conservancy Trust was established in 2011 as part of an initiative to retain a portion of the freehold land adjacent to the Booysendal mine as an environmental conservancy. Details of the contributions are disclosed in note 12 of the notes to the financial statements.

TORO EMPLOYEE EMPOWERMENT TRUST

The group has entered into an agreement with the representative unions at the Zondereinde mine in terms of which the group contributes 4% of Zondereinde mine's after-tax profits to a registered trust fund (The Toro Employee Empowerment Fund), providing Zondereinde mine's unskilled and semi-skilled employees with an opportunity to participate in the profits of the mine. Eligible employees will receive payment at the end of each five year cycle, beginning in F2013. A similar scheme may be considered for Booysendal mine employees.

SUBSIDIARIES

Northam acquired a 70.0% interest in Northam Chrome Producers Proprietary Limited (NCP) at a cost of R10.0 million on 1 July 2012. The primary business of NCP is producing a metallurgical grade chrome concentrate from Northam's UG2 tailings. The product is sold primarily via traders into the export market at international market related prices. The plant operated satisfactorily within design parameters during the year under review. Subsequent to year end, Northam acquired a further 10% of NCP for R10 million, increasing its total shareholding to 80%.

Details of Northam's subsidiaries at 30 June 2013 are set out in Annexure 3 on pages 174 to 175.

SPECIAL RESOLUTIONS

Special resolutions relating to financial assistance and the adoption of a new MOI to harmonise with the Companies Act, were passed by Northam's subsidiary companies during the year under review.

GOING CONCERN AND IMPAIRMENT TESTING

Mining entities have a finite life that depends on geological and technical factors as well as commodity prices and other economic factors. Taking account of the outlook for these factors as contained in the chairman and chief executive's message, as well as the group's present financial resources and borrowings, the directors believe that the group is a going concern. Details of the key assumptions made are set out in note 1 of the notes to the financial statements. The group annual financial statements have accordingly been prepared on this basis. In addition management has assessed whether there are any indicators of impairment in the market and believes that the increase in the average price realised, the firmer outlook of the platinum price, as well as the recovery in the automotive industry indicates that no impairment needs to be recognised.

Management has assessed the valuation of the Booysendal mine as required in terms of IAS 36 – Impairments of Assets, and has concluded that the mine is not impaired. The assessment was based on previous independent valuations taking into account the current available future outlook of commodity prices and exchange rates and Booysendal's ore reserves. None of Northam's investments in subsidiaries manifested any indicators of impairment requiring management to perform impairment testing.

COMPANY SECRETARY

Ms PB Beale continues in office as company secretary. Relevant details appear on the inside back cover of this report.

LISTING

Northam is listed on the JSE, trading under the equity issuer code NHM, and the debt issuer code NHMI for the DMTN programme. The ISIN is ZAE000030912.

ADR LISTING

The company has a Level 1 American Depositary Receipt (ADR) listing. The shares are traded under the ticker code of NMPNY on the over-the-counter (OTC) market in the United States of America.

POST BALANCE SHEET FINANCING ACTIVITY

Shareholders are referred to the announcement dated 20 September 2013, wherein the company announced a new R1.0 billion funding programme, comprising a R600.0 million fully subscribed renounceable claw-back rights offer, a R400.0 million additional revolving credit facility and amendments to certain key terms of Northam's current revolving credit facility.

In terms of the claw back offer, 15 000 000 new Northam ordinary shares of no par value will be offered to shareholders at a price of R40 per share, representing a total claw back offer subscription consideration of R600 million. The subscription price represents a 2% discount to the 30 day volume weighted average price (VWAP) and a 5% premium to the 60 day VWAP of Northam ordinary shares, calculated at 18 September 2013. The claw back shares will be offered to shareholders in the ratio of 3.92068 claw back shares for every 100 Northam ordinary shares held on 15 November 2013. The circular containing details of the claw back offer will be posted to shareholders on or about Monday, 18 November 2013.

As advised in the above announcement, Northam has secured an additional revolving credit facility of R400.0 million (new RCF), on terms that are customary for a credit facility of this nature. The new RCF has an automatic termination date of 31 March 2015, whereupon any drawn down and unpaid balance must be repaid in full and the facility will expire. The new RCF is unsecured and does not introduce any material new or otherwise onerous lending conditions relative to those governing the existing revolving credit facility. Northam has retained full flexibility to draw down funds, to repay funds drawn under the new facility and/or to cancel the facility, entirely or partially, prior to its expiry date.

In addition to the new RCF referred to above, Northam secured a complete special covenant holiday in respect of all debt covenants applicable to the existing revolving credit facility that pertain to, or are calculated with reference to Northam's earnings before interest, tax, depreciation and amortisation over the next three measuring periods. The covenant holiday will also apply to the new RCF.

ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that have been measured at fair value, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The consolidated financial statements incorporate the following accounting policies which have been applied on a basis consistent with the previous year, with the exception of the policies adopted during the year as more fully set out below in accounting policy note 1.1.

The preparation of financial statements in conformity with IFRS requires that management and the board exercises their judgement in the process of applying the company's group accounting policies. It also requires the use of certain critical economic and other estimates. The areas requiring a high degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in note 1 to the financial statements.

1.1 NEW ACCOUNTING POLICIES ADOPTED

The group has adopted the following new and amended International Financial Reporting Standards and IFRIC interpretations during the year.

- IAS 1 – Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income (Amendment).
- IAS 12 – Income Taxes – Deferred Taxes – Recovery of underlying assets (Amendment).

The effect of the adoption of these standards, interpretations and amendments in the current financial year is set out below:

IAS 1 – Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income (Amendment)
The amendments to IAS 1 change the grouping of items presented in Other Comprehensive Income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time are now presented separately from items that will never be reclassified. The amendments also reaffirm existing requirements that items in other comprehensive income and profit or loss should be presented as either a single statement or two consecutive statements.

The amendment has an impact on the group's share of other comprehensive income from associate in that the associate's foreign currency translation reserve (FCTR) and fair value adjustments on available-for-sale financial assets are classified as recyclable.

IAS 12 – Income Taxes – Deferred Taxes – Recovery of underlying assets (Amendment)
The amendments incorporate SIC 21 into IAS 12 for non-depreciable assets measured using the revaluation model in IAS 16. The aim for the amendments is to provide a practical solution for jurisdictions where entities currently find it difficult and subjective to determine the expected manner of recovery for investment property that is measured using the fair value model in IAS 40. A rebuttable presumption was introduced that an investment property measured using the fair value

model will be recovered in its entirety through sale. Deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16 should always be measured on a sale basis.

The adoption of this amendment has no material effect on the group as the group does not have investment properties or non-depreciable assets measured using the revaluation model.

1.2 STANDARDS AND INTERPRETATIONS ISSUED AND NOT YET EFFECTIVE:

At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective. The effective date refers to periods beginning on or after, unless otherwise indicated.

Standard or Interpretation	Description	Impact	Effective date
IFRS 1	First time adoption of International Financial Reporting Standards – Government Loans (amendments)	The amendments, dealing with loans received from governments at a below market rate of interest, give first-time adopters of IFRSs relief from full retrospective application of IFRSs when accounting for these loans on transition. It provides the same relief to first-time adopters as is granted to existing preparers of IFRS financial statements when applying IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. The adoption of these amendments will have no impact on the financial statements of the group as the group adopted IFRS in 2006 already.	1 January 2013
IFRS 1	First time adoption of International Financial Reporting Standards – Application of IFRS 1 for previous IFRS reporters (Annual Improvements Project 2012)	The amendment clarifies that when an entity ceased IFRS reporting, it may choose to either re-apply IFRS 1 or apply changes retrospectively in accordance with IAS 8. The adoption of this amendment will have no impact on the financial statements of the group as the group adopted IFRS in 2006 already.	1 January 2013
IFRS 1	First time adoption of International Financial Reporting Standards – Borrowing costs capitalised under previous GAAP (Annual Improvements Project 2012)	The amendment clarifies that when an entity capitalised borrowing costs as per previous GAAP, it may carry forward the amount previously capitalised on the date of transition. The adoption of this amendment will have no impact on the financial statements of the group as the group adopted IFRS in 2006 already.	1 January 2013

Standard or Interpretation	Description	Impact	Effective date
IFRS 9	Financial Instruments-Classification and Measurement of Financial Assets and Liabilities	**Financial Assets:** This phase applies to financial assets and simplifies the classification of financial assets whilst retaining the measurement principles, being at fair value or amortised cost. Financial assets are classified on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The IAS 39 exemption which allows equity instruments to be measured at cost will be limited further and reclassifications between categories will only be allowed in exceptional circumstances. IFRS 9 could impact the classification and measurement of the group's financial assets – the impact has not yet been assessed as the group is still awaiting the finalisation of the other chapters in the accounting standard, e.g. amortised cost and impairment. **Financial Liabilities:** The Standard retains the existing IAS 39 classification and measurement requirements for financial liabilities not designated at fair value through profit or loss using the Fair Value Option as well as the criteria within IAS 39 for using the fair value option for financial liabilities. The changes only affect the measurement of fair value option liabilities. All other requirements in IAS 39 in respect of liabilities are carried forward into IFRS 9. For fair value option liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income (OCI). The remainder of the change in fair value is presented in profit or loss. The Standard prohibits any recycling through profit or loss of amounts recognised in OCI upon derecognition of the liability, but these amounts may be transferred to retained earnings upon derecognition. Liabilities arising from certain derivatives on unquoted equity instruments will no longer be able to be measured at cost and will be required to be measured at fair value. The impacts of this Standard have not yet been assessed.	

Standard or Interpretation	Description	Impact	Effective date
IFRS 10	Consolidated Financial Statements	IFRS 10 includes a new definition of control which is used to determine which entities are consolidated. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This will apply to all entities, including special purpose entities (now known as 'structured entities'). The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore consolidated, and may result in a change to the entities which are within the group, the impact of which has not yet been assessed.	1 January 2013
IFRS 10	Consolidated Financial Statements – Transition guidance amendments (amendment)	The amendments clarify that an entity is not required to make adjustments to the previous accounting for its involvement with entities if the consolidation conclusion reached at the date of initial application is the same when applying IAS 27/SIC-12 and when adopting IFRS 10. As a result, relief from retrospective application of IFRS 10 would also apply to an investor's interests in investees that were disposed of during a comparative period, such that consolidation would not occur in accordance with either IAS 27/SIC-12 or IFRS 10 at the date of initial application. Although the impacts of the amendments have not yet been assessed in detail, it might reduce the burden of adopting IFRS 10 during the 2014 financial year.	1 January 2013
IFRS 10	Consolidated Financial Statements – Investment entities final amendment – exception to consolidation (amendment)	The amendment provides an exception to the consolidation requirement for entities that meet the definition of an investment entity. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The adoption of this amendment will have no impact on the Group as the holding company does not comply with the definition of an investment entity.	1 January 2014

Standard or Interpretation	Description	Impact	Effective date
IFRS 11	Joint Arrangements	This standard deals with the accounting for joint arrangements and focuses on the rights and obligations of the arrangement rather than its legal form. Joint arrangements will be classified as joint operations or joint ventures. Proportionate consolidation will no longer be permitted for joint ventures. The impact of adoption of this new standard has not yet been assessed.	1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	IFRS 12 includes all the disclosures that are required relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. An entity is now required to disclose the judgements made to determine whether it controls another entity and as such the adoption of this new standard in future will result in additional disclosure which has not yet been assessed in sufficient detail to determine the impacts.	1 January 2013
IFRS 11 and IFRS 12	Joint Arrangements and Disclosure of Interests in Other Entities – Transition guidance amendments	The amendments provide transition relief, as follows: To limit the requirement to provide adjusted comparative information to the immediately preceding period only; and for the first year that IFRS 12 is applied, the requirement to present comparative information for the disclosures related to unconsolidated structured entities is removed. Although the impacts of these amendments have not yet been assessed in detail, it might reduce the burden of adopting IFRS 11 and IFRS 12 during the 2014 financial year.	1 January 2013
IFRS 13	Fair Value Measurement	IFRS 13 provides guidance on how to measure fair value of financial and non-financial assets and liabilities when fair value measurement is required or permitted by IFRS. The proposed disclosures increase transparency about fair value measurement, e.g. fair value hierarchy, inputs in fair value measurement, etc. The impact of the adoption of this Standard has not yet been assessed.	1 January 2013
IAS 16	Property, Plant and Equipment – Classification of servicing equipment (Annual Improvements Project 2012)	The amendment clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory. The adoption of this amendment will have no impact on the group, as this principle is already applied.	1 January 2013

Standard or Interpretation	Description	Impact	Effective date
IAS 19	Employee Benefits (revised)	Numerous changes to IAS 19 have been made. The two most significant of these relates firstly to short and long-term benefits that will now be distinguished based on the expected timing of settlement, rather than employee entitlement. The second item relates to the corridor mechanism for pension plans being removed. This means all changes in the value of defined benefit plans will be recognised as they occur. The adoption of this revised standard with regards to defined benefit plans will have no material effect on the group's financial statements, as there are no such plans. The removal of the corridor method will not impact the Toro Long Term Employee plan, as the corridor method cannot be applied to such plans at present. The measurement implications for the recognition of net interest (as opposed to interest cost and expected return on plan assets) are yet to be determined. The impacts of the amendments to short-term employee benefits have not yet been assessed.	1 January 2013
IAS 27	Consolidated and Separate Financial Statements – Reissued as IAS 27 Separate Financial Statements (as amended in 2011)	This amendment is as a consequence of amendments resulting from the issue of IFRS 10, 11 and 12. The adoption of this standard should not have an impact on the financial statements of the group as the basis of preparation for the separate financial statements of the company remains the same, i.e. investments in group entities are measured at cost.	1 January 2013
IAS 28	Investments in Associates and Joint Ventures (amendment)	The revised standard caters for joint ventures (now accounted for by only applying the equity method) in addition to prescribing the accounting for investments in associates. The adoption of this amended standard is not expected to impact the group as the current application of the equity method should not change.	1 January 2013
IAS 32	Financial Instruments: Presentation – Tax effect of distributions (Annual Improvements Project 2012)	The amendment clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12. The adoption of this amendment will have no impact on the group as these principles were already applied.	1 January 2013

Standard or Interpretation	Description	Impact	Effective date
IAS 32	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (amendment)	The amendments clarify the accounting requirements for offsetting financial instruments. New guidance clarifies that the right of set-off must not be contingent on a future event and must be legally enforceable in the normal course of business, or in the event of a default, or in the event of insolvency or bankruptcy of the entity and all of the counterparties. The adoption of this amendment is unlikely to have an impact on the group, as the financial statements that were previously offset are likely to comply with the new criteria also.	1 January 2014
IFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (amendment)	The amendments introduce new disclosure requirements that aim to improve the comparability of financial statements. New disclosures are required for all financial instruments that are set off in accordance with the amendments made in IAS 32 and for financial assets that are subject to an enforceable master netting arrangement or similar arrangement regardless whether they are set off. The impacts of this amendment have not yet been assessed.	1 January 2013
IAS 34	Interim Financial Reporting – Interim Financial Reporting and segment information for total assets and liabilities (Annual Improvements Project 2012)	The amendment clarifies the requirements of IAS 34 to disclose segment information for total assets and liabilities only if such information is regularly provided to the chief operating decision maker. This amendment will have no impact on the group, as these principles are already applied in the preparation of interim reports or press releases.	1 January 2013
IAS 36	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets (amendment)	These amendments clarify the disclosure requirements about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendments clarify that additional information should also be disclosed on discount rates if fair value less costs of disposal is based on present value techniques. It is unlikely that this amendment will have an impact on the group, as impairment calculations are normally done on a value-in-use basis.	1 January 2014

Standard or Interpretation	Description	Impact	Effective date
IAS 39	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting (amendment)	The amendment provides relief from discontinuing hedge accounting when novation of a derivative (designed as a hedging instrument) to a central counterparty following the introduction of a new law or regulation meets certain criteria. The adoption of this amendment will have no impact on the group as hedge accounting is not applied.	1 January 2014
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. This interpretation will have no impact on the financial statements of the group as the group is not involved in "open cast" mining activities.	1 January 2013
IFRIC 21	Levies	The interpretation clarifies that a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and those where the timing and amount of the levy is certain. The interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specified minimum threshold is reached. The impact of this interpretation has not yet been assessed.	1 January 2014

The group does not intend early adopting any of the above amendments, standards and interpretations.

2. CONSOLIDATION

The consolidated financial statements include the results, financial position and cash flows of Northam, its subsidiaries, joint ventures and associates. A subsidiary is an entity that is controlled due to the company having the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of any subsidiary acquired or disposed of during the year are included from the date control was obtained up to the date control ceased to exist. Where an acquisition of a subsidiary is made during the financial year, any excess or deficit of the purchase price compared to the fair value of the attributable net identifiable assets is recognised respectively as goodwill (excess) or in profit or loss (deficit) and accounted for as described in the goodwill accounting policy note 4.

The financial statements of the subsidiaries are prepared for the same reporting period as Northam, using consistent accounting policies, and all intra-group transactions and balances are eliminated on consolidation.

Non-controlling interests represent the portion of profit or loss and net assets not held by the group and are presented separately in profit or loss and within equity in the consolidated statement of financial position, separately from parent shareholders equity.

Investments in subsidiaries are recognised at cost less accumulated impairment losses in the accounts of the company.

3. ASSOCIATES

The group has an interest in a joint venture which is classified as an investment in associate due to the existence of significant influence as opposed to joint control; as well as other interests in associates. The group's investment in its associates is accounted for using the equity method of accounting except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. An associate is an entity in which the group has significant influence.

The group also has an interest in a joint venture which is classified as such in terms of IAS 31 Interests in Joint Ventures. The group's investment in this joint venture is accounted for using the equity method of accounting except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Profit or loss in the Statement of Comprehensive Income reflects the share of the results of operations of the associate. Where there has been a change recognised directly in other comprehensive income or equity of the associate, the group recognises its share of any changes and recognises this, when applicable, in other comprehensive income or equity within the statement of changes in equity. Unrealised gains and losses resulting from transactions between the group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of associates is shown on the face of the Statement of Comprehensive Income in profit or loss. This is the profit attributable to equity holders of the associate and is therefore profit after tax and non-controlling interests.

The financial statements of the associates are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the group.

After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on the group's investment in its associates. The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

Upon loss of significant influence over the associate, the group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

4. BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit and loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, is recognised in accordance with IAS 39 Financial Instruments: Recognition and Measurement, either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the date of acquisition. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss. Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) that is expected to benefit from the combination. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Goodwill is tested for impairment annually or more frequently if events or circumstances suggest that it might be impaired and an impairment loss recognised is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

5. PROPERTY, PLANT AND EQUIPMENT

5.1 MINING ASSETS

Mining assets are recorded at cost of acquisition less accumulated depreciation and accumulated impairment losses.

5.2 MINE DEVELOPMENT COSTS

Capitalised mine development costs include expenditure incurred to develop new ore bodies, to define further mineralisation in existing ore bodies and to expand the capacity of the mine. Costs include interest capitalised during the construction period until commercial production is reached where development is financed by borrowings, and the net present value of future decommissioning costs. Depreciation is first charged on new mining ventures from the date on which the mining venture reaches commercial production levels. Development costs to maintain production are recognised as an expense when incurred. Mine development costs are depreciated on a straight-line basis, over the estimated economic life of the mine, based on measured and indicated resources which are revised annually.

5.3 MINING PLANT AND EQUIPMENT

Mining plant and equipment, including the decommissioning asset, is depreciated on a straight-line basis over the lesser of the estimated economic life of the mine, based on measured and indicated resources, which are revised annually, or their expected useful lives.

Where items of plant and equipment comprise separate, identifiable components that have differing lives, such components are depreciated according to their individual useful lives.

Research costs associated with the design of new items of plant and equipment, or improvements to existing items of plant and equipment, are expensed when incurred, unless the recognition criteria are met.

Items of property, plant and equipment that are withdrawn from use, or have no reasonable prospect of being recovered through use or sale, are regularly identified and impaired/scrapped.

5.4 DECOMMISSIONING ASSET

The decommissioning asset is depreciated on a straight-line basis over the estimated economic life of the mine, based on measured and indicated resources which are revised annually.

The decommissioning asset is recognised and subsequent changes in the assumptions which impact the asset is reflected in the asset as set out in the decommissioning provision accounting policy note 11.1.1.

5.5 INTANGIBLE ASSETS COMPRISING MINING PROPERTIES

Mining properties, comprising mineral rights and mineral leases are recorded at cost of acquisition. Depreciation is first charged on new mining properties from the date on which the mining in respect of the mining property reaches commercial production levels. Mining properties are depreciated on a straight-line basis over the estimated economic life of the mine, based on measured and indicated resources which are revised annually.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is expensed in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense of intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

5.6 PLANT AND EQUIPMENT

Office equipment, furniture and vehicles are depreciated using varying rates, ranging between 10% and 20% on a straight-line basis over their expected useful lives.

5.7 LAND

Land is recorded at cost of acquisition less accumulated impairment losses and is not depreciated.

5.8 IMPAIRMENT

At each reporting date, the group assesses whether there is any indication that an asset or cash-generating-unit may be impaired. Where an indicator of impairment exists or where annual impairment testing for an asset is required, the group makes a formal estimate of the asset or cash-generating-unit's recoverable amount. Where the carrying amount of an asset or cash-generating-unit exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount and the difference is recognised in profit or loss. The recoverable amount is the higher of value in use and fair value less cost to sell.

The value in use of mining assets is determined by applying a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset to the anticipated cash flows for the remaining useful life of the assets.

The fair value less costs to sell of non-mining assets is determined with reference to market values by making use of a valuation model.

The revised carrying amounts are depreciated on a systematic basis over the remaining useful lives of such affected assets.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

An impairment calculation used during a previous financial year can be re-used if the recoverable amount is significantly greater than the carrying amount and if no events have occurred that would eliminate this difference.

5.9 DERECOGNITION

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

5.10 ANNUAL REVIEW OF RESIDUAL VALUES, DEPRECIATION METHOD AND USEFUL LIVES

The assets' residual value, depreciation method and useful life are reviewed, and adjusted prospectively, if appropriate, at each financial year end.

5.11 SUBSEQUENT EXPENDITURE

Subsequent expenditure relating to an item of property, plant, equipment and mining properties is added to the carrying value of the asset when it is probable that future economic benefits will flow to the group. All other subsequent expenditure is recognised as an expense and included in profit before tax.

6. TOWNSHIP LAND AND DEVELOPMENT

Township land and development, which is an initiative in order to assist the group's employees to acquire their own affordable housing, is initially recognised at cost, being the fair value of the consideration given and including acquisition charges. Where the recoverable amount is less than the carrying value, an impairment loss is recognised in accordance with accounting policy note 5.8. Cost is determined on the basis of land acquisition, development and housing construction cost. Township land and development is derecognised when the risks and rewards of ownership of the property transfers to the employees.

7. FINANCIAL INSTRUMENTS

Financial instruments recognised on the statement of financial position include investments, cash and cash equivalents, long-term receivables, trade accounts receivable, trade accounts payable, borrowings and derivative instruments. These are recognised when the group becomes party to the contractual agreements. All financial instruments are initially recorded at fair value and in the case of financial instruments not at fair value through profit or loss, directly attributable transaction costs.

7.1 INVESTMENTS

Investments acquired for the purpose of selling in the near term are classified as held for trading and is part of the fair value through profit or loss category of financial assets. Other investments are classified as available-for-sale.

After initial recognition, investments, which are classified as available-for-sale, are re-measured at fair value with unrealised gains or losses recognised as other comprehensive income until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired when it is recognised in profit or loss – refer to accounting policy note 7.7.

Gains or losses on investments held for trading are recognised in profit or loss.

7.2 TRADE AND OTHER RECEIVABLES

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement receivables are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the receivables are derecognised or impaired, as well as through the amortisation process.

7.3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise demand and time deposits with banking institutions and money market instruments readily convertible to known amounts of cash subject to insignificant risk of changes in value. Current account balances are only netted off when set-off would apply or when the balances are with the same banking institution. Cash and cash equivalents are subsequently carried at amortised cost.

Negotiable instruments are recorded initially at the fair value of the consideration given subsequent measurement is at amortised cost which is incorporated in the determination of investment income.

7.4 TRADE AND OTHER PAYABLES

Trade and other payables are stated at the recognised obligation less payments made and adjustments made to reflect the fair value of the expected outflow of economic resources and are subsequently carried at amortised cost.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

7.5 BORROWINGS

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

7.6 DERIVATIVE INSTRUMENTS

In the ordinary course of its operations, the group is exposed to fluctuations in metal prices, exchange rates and changes in interest rates. The group engages in a number of activities to manage these risks. These activities include economic hedging of a portion of these exposures through the use of derivative financial instruments. Forward sales contracts and option contracts are utilised to manage metal price and exchange rate exposures. The group does not speculate, acquire, hold or issue derivative instruments for trading purposes, and does not apply hedge accounting.

Derivatives are initially measured at fair value and associated transaction costs are charged to profit or loss when incurred. Subsequently these instruments are measured as set out as follows:

- All forward and option contracts outstanding at reporting date are marked to market and any changes in their fair value is included in net sundry income/ (expenditure).

- Gains and losses on all contracts not outstanding at reporting date are recognised and included in net sundry income/(expenditure) at the time that the contracts expire.

7.7 IMPAIRMENT OF FINANCIAL INSTRUMENTS

The group assesses at each reporting date whether a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in estimated future cash flows. The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss.

The group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

In relation to loans and receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Available-for-sale investments

For available-for-sale investments, the group assesses at each reporting date whether there is objective evidence that an investment or group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is to be evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available for sale are not recognised in profit or loss and are reversed in other comprehensive income. Reversals of impairment losses on debt instruments are reversed through profit or loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

7.8 DERECOGNITION OF FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; and
- the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either: (a) the group has transferred substantially all the risks and rewards of the asset or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, 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.

8. COMMODITY CONTRACTS

Contracts that are entered into and continue to meet the group's expected purchase, sale or usage requirements that were designated for that purpose at their inception and are expected to be settled by delivery are recognised in the financial period when the risks and rewards of ownership of such items have passed.

9. INVENTORIES

9.1 CONSUMABLE STORES

Consumable stores consist of consumable and maintenance stores and are valued at the lower of cost or net realisable value. Cost is determined on the weighted average cost basis. Consumable stores are under continual review and are written down in regard to age, condition and utility.

9.2 METAL ON HAND

Stocks of the three major platinum group elements and gold (3 PGEs + Au), either in refined or concentrate form, are valued at the lower of cost of production (including the value of any purchased concentrate) or net realisable value. Production costs include an appropriate portion of overhead expenses. Cost is determined on the first-in, first-out basis. No account is taken of the value of metal in the process of production prior to the production of flotation concentrate.

Other metals are accounted for as by-products and are not capitalised as inventory.

10. DEFERRED TAX

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affect neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profits will be available, against which the deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilised in the foreseeable future except:

- where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss.

Deferred income tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority and taxable entity.

11. PROVISIONS

11.1 ENVIRONMENTAL REHABILITATION PROVISIONS

11.1.1 Decommissioning provision

Provision is made for the present value of the estimated future decommissioning costs at the end of the mine's life. A decommissioning asset is recognised as part of the underlying property, plant and equipment.

With regards to the provision, the estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the decommissioning provision due to the passage of time is recognised as a finance cost in profit or loss. Other changes in the carrying value of the provision subsequent to initial recognition are adjusted in the determination of the carrying value of the decommissioning asset as opposed to being recognised in profit or loss. If the adjustment result in an addition to the decommissioning asset consideration is given as to whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount in accordance with accounting policy note 5.8.

11.1.2 Environmental restoration provision

Provision is made for the estimated cost to be incurred on long-term environmental obligations, comprising expenditure on pollution control and closure over the estimated life of the mine.

The estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money.

The increase in the restoration provision due to the passage of time is recognised as a finance cost in profit or loss.

In assessing the future liability, no account is taken of the potential proceeds from the sale of assets and metals from the plant clean-up. The future liability is reviewed regularly and adjusted as appropriate for new facts and changes in legislation.

The cost of ongoing programmes to prevent and control pollution and rehabilitate the environment is recognised as an expense when incurred.

11.1.3 Environmental rehabilitation fund

The group makes annual contributions to a dedicated trust fund, the Northam Platinum Restoration Trust Fund ("the Fund"), to fund the expenditure on future decommissioning and restoration. Income earned by the fund is credited to the group's statement of comprehensive income in the period to which it relates.

In terms of IFRIC 5 – Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds, the Fund is consolidated.

The assets of the Fund are separately administered and the group's right of access to these funds is restricted.

11.2 OTHER PROVISIONS

Provisions are recognised where the group has a present legal or constructive obligation as a result of a past event, a reliable estimate of the obligation can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

12. FOREIGN CURRENCIES

The functional and presentation currency of the group is the South African Rand. Transactions in foreign currencies are translated into South African Rand at the rates of exchange ruling at the transaction date. Monetary assets or liabilities denominated in foreign currencies are translated at rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Profits and losses arising on the translation of foreign currencies, whether realised or unrealised, are credited to or charged to profit or loss.

13. REVENUE RECOGNITION

Revenue is recognised to the extent it is probable that the economic benefits associated with the transaction will flow to the group and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the amounts received or receivable net of value added tax, cash discounts and rebates.

13.1 METAL SALES

Revenue from the sale of metal is accounted for when the risks and rewards of ownership have passed and is recorded at the invoiced amounts with an adjustment for provisional pricing at each reporting date. Adjustments, in respect of final assayed quantities and/or prices, arising between the date of recognition of the revenue and the date of settlement are recognised in the period in which the adjustment arises.

13.2 REVENUE FROM THE SALE OF TOWNSHIP LAND

Revenue from the sale of township land which is sold under suspensive sale agreements is recognised when the substantial risks and rewards of ownership have been assigned to the purchaser.

13.3 INTEREST REVENUE

Interest revenue is recognised as it accrues, using the effective interest rate method.

13.4 DIVIDENDS

Dividend revenue is recognised when the right to receive payment has been established.

13.5 SUNDRY INCOME

Sundry income is recognised when the right to receive payment has been established.

14. LEASED METAL

When metal is leased to fulfil marketing commitments, the equivalent cost of production is charged to cost of sales in profit or loss and is reflected in the statement of financial position as a liability. On the maturity of the lease the liability is credited to metal inventories.

The leasing transaction costs associated with the borrowed metal are charged to other costs in net sundry revenue on a time proportional basis.

15. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or development of qualifying assets that require a substantial period of time to prepare for their intended use are capitalised. Capitalisation is suspended when the active development is interrupted and ceases when the activities necessary to prepare the asset for its use are complete. Other borrowing costs are recognised as an expense when incurred.

In determining the amount of borrowing cost eligible for capitalisation during a period, any investment income earned on such funds is deducted from the borrowing costs incurred.

16. EMPLOYEE BENEFITS

16.1 SHORT-TERM EMPLOYEE BENEFITS

Remuneration to employees in respect of services rendered during a reporting period is recognised as an expense in that reporting period. Provision is made for accumulated leave.

16.2 EQUITY COMPENSATION PLANS

16.2.1 Share Option Scheme

Options granted to employees in terms of the rules of the Northam Share Option Scheme (the Scheme) are valued at the grant date using the Binomial Model. The value so determined is recognised as an expense within operating costs, together with a corresponding increase in the equity compensation reserve, evenly over the period between the grant date and the date on which the relevant employees become fully entitled to the award (vesting date).

The cumulative expense recognised for these options at each reporting date until the vesting date reflects the best estimate of the value attributable to the number of options that will ultimately vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share and diluted headline earnings per share.

Where employees exercise options in terms of the rules of the Scheme, shares are issued to them as beneficial owners. In exchange, employees pay in cash a consideration equal to the price specified in the option allocated to them. The nominal value of the shares is credited to share capital and the difference between the nominal value and the price of the cash consideration credited to share premium.

Options granted to an employee are forfeited in the event of the employee resigning or being dismissed.

The accumulated credit to the equity compensation reserve in respect of options that have lapsed or been forfeited after their vesting date is transferred to retained earnings.

16.2.2 Share Incentive Plan

Awards granted to employees in terms of the rules of the Northam Share Incentive Plan (the Plan) are measured at fair value based on market prices at the date of grant (measurement date).

The shares awarded in terms of the rules of the Plan comprise: retention shares, which vest after two years with no performance criteria, and performance shares, which vest after three years. The final number of performance shares that the relevant employee will receive will be subject to certain performance criteria being met.

The fair value so determined at the measurement date is recognised as an expense within operating costs, together with a corresponding increase in the equity compensation reserve, evenly over the period between the grant date and the date on which the relevant employees become fully entitled to the award (vesting date).

Vesting conditions, other than market conditions, are taken into account by adjusting the number of shares actually expected to vest at each reporting period. Where the performance criteria attached to the awards are not met, any cumulative expense previously recognised is reversed.

On vesting date, the estimated equity instruments shall be revised to equal the number of equity instruments that ultimately vest. No subsequent adjustment shall be made to the equity compensation reserve after vesting date.

16.2.3 Modification during the year

During the year both the Scheme and Plan was amended to provide employees with the option to either elect for settlement in shares or cash. The change was made to avoid the ongoing dilution of the BEE position and approval was granted by the JSE during March 2013.

Where the counterparty has the right to elect for settlement in either shares or cash, IFRS 2 regards the transaction as a compound transaction to which split accounting must be applied. The general principle is that the transaction must be analysed into a liability component (the counterparty's right to demand settlement in cash) and an equity component (the counterparty's right to demand settlement in shares).

Management considered the requirements and determined that based on historical information very few individuals, if any, have kept their Northam shares, and that the majority of the outstanding options, performance and retention shares will be settled in cash and should therefore be accounted for as a liability rather than an equity compensation reserve. Cash-settled options and shares are accounted for as a liability and until the liability is settled, the entity remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value being recognised in profit or loss for the period.

16.3 RETIREMENT BENEFITS

Eligible employees are members of various defined contribution schemes.

Employer contributions are recognised as an expense during the period in which the employees' services are rendered.

16.4 MEDICAL BENEFITS

Employer contributions in respect of current medical benefits are recognised as an expense during the period in which the employees' services are rendered.

16.5 POST-RETIREMENT MEDICAL COSTS

Eligible employees are members of a defined contribution scheme established to assist those employees to meet post-retirement medical costs.

Employer contributions are recognised as an expense during the period in which the employees' services are rendered. These contributions cease when the employees' service terminate.

16.6 TORO EMPLOYEE EMPOWERMENT TRUST

The Toro employee empowerment trust ("the Trust") was established for the benefit of eligible employees. Northam contributes 4% of its after tax profits to the Trust where after eligible employees will receive payment at the end of each 5 year cycle. The amount of this cash to be distributed is based on the valuation of the fund and Northam does not guarantee any values over and above what is included in the Trust and managed accordingly by the investment manager.

The Trust is a special purpose entity that is consolidated in terms of SIC-12 Consolidation – *Special Purpose Entities.*

Since the cash distribution is payable to employees after the end of the period in which the related services are rendered and it is not a post-employment benefit or a termination benefit, the Trust is accounted for as an "Other Long Term Employee Benefit" in terms of IAS 19. The benefits payable to employees are therefore measured using the Projected Unit Credit Method. All actuarial gains or losses as well as past service costs are recognised in profit or loss immediately.

The defined benefit asset or liability comprises the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by the Trust and are not available to the creditors of the Group.

17. LEASES

17.1 GROUP AS LESSEE

A finance lease transfers substantially all the risks and rewards of ownership of an asset to the group.

Assets subject to finance leases are capitalised as property, plant and equipment at the lower of the fair value of the leased asset at inception of the lease or the present value of the minimum lease payments with the related lease obligation recognised at the same amount. Capitalised leased assets are depreciated over the estimated useful lives. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Finance lease payments are allocated between finance costs and the capital repayment so as to achieve a constant rate of interest on the remaining balance of the liability.

Leases in respect of which the lessor retains substantially all the risks and rewards of ownership of an asset are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the period of the lease.

17.2 GROUP AS LESSOR

Leases in respect of which the group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Operating lease payments received such as those relating to mining properties are recognised as revenue in profit or loss on a straight-line basis over the period of the lease.

18. TAXATION

18.1 CURRENT TAX

The charge for current tax is based on the results for the year, as adjusted for by items that are exempt or disallowed, and is calculated using the enacted or substantially enacted tax rates, at the reporting date.

Where items are credited or charged directly to equity or other comprehensive income the tax effect is also recognised within equity or other comprehensive income.

18.2 DEFERRED TAX

Deferred tax is provided at enacted or substantially enacted tax rates, as more fully set out in accounting policy note 10.

18.3 DIVIDENDS WITHHOLDING TAX

During the 2012 financial year, secondary taxation on companies on dividends declared was accrued in the period in which the dividend was declared. Dividends withholding tax is a tax on shareholders receiving dividends and is applicable to all dividends declared on or after 1 April 2012.

The group withholds dividends tax on behalf of its shareholders at a rate of 15% on dividends declared. Amounts withheld are not recognised as part of the group's tax charge but rather as part of the dividend paid recognised directly in equity.

18.4 VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authorities, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item where applicable; and
- receivables and payables that are stated with the amount of value added tax included.

19. DIVIDENDS DECLARED

Dividends declared are charged to equity in the period in which the dividend is declared.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2013

		Group		Company	
		2013	2012	2013	2012
	Note	R000	R000	R000	R000
ASSETS					
Non-current assets		**12 622 989**	9 831 213	**8 287 148**	8 147 929
Property, plant and equipment	2	**6 222 226**	4 598 689	**2 147 090**	2 027 614
Mining properties and mineral resources	3	**5 708 825**	4 537 133	**121 762**	130 369
Interest in associates and joint ventures	5	**495 498**	505 415	**122 442**	47 533
Investments in subsidiaries	6			**5 801 514**	5 863 688
Unlisted investment	7	**6**	6	**6**	6
Land and township development	8	**15 553**	43 849	**–**	–
Long-term receivables	9	**87 400**	64 937	**–**	–
Investments held by Northam Platinum Restoration Trust Fund	10	**40 948**	35 689	**33 913**	31 231
Environmental Guarantee Investment	11	**42 407**	35 720	**35 965**	31 523
Buttonshope Conservancy Trust	12	**10 126**	9 775	**–**	–
Long-term subsidiary loans	13			**24 456**	15 965
Current assets		**1 734 675**	1 232 339	**5 534 946**	3 647 671
Short-term subsidiary loans	13			**4 119 639**	2 640 498
Inventories	14	**878 530**	811 183	**872 333**	811 183
Trade and other receivables	15	**547 920**	303 268	**333 959**	155 877
Cash and cash equivalents	16	**298 580**	104 980	**209 015**	38 358
South African Revenue Service		**9 645**	12 908	**–**	1 755
Mineral resources classified as held for sale	3	**–**	1 180 300	**–**	–
Total assets		**14 357 664**	12 243 852	**13 822 094**	11 795 600

		Group		Company	
		2013	2012	2013	2012
	Note	R000	R000	R000	R000
EQUITY AND LIABILITIES					
Stated capital/Share capital and share premium	17	**8 599 655**	8 597 648	**8 599 655**	8 597 648
Retained earnings		**2 220 477**	1 622 833	**2 063 282**	1 427 527
Equity compensation reserve	18	**–**	202 634	**–**	202 634
Share of other comprehensive income from associate		**(14 013)**	(9 868)	**–**	–
Equity attributable to owners of the parent		**10 806 119**	10 413 247	**10 662 937**	10 227 809
Non-controlling interests		**9 516**	–	**–**	–
Total equity		**10 815 635**	10 413 247	**10 662 937**	10 227 809
Non-current liabilities		**1 997 826**	648 600	**1 909 754**	575 857
Deferred tax liability	19	**476 053**	504 628	**484 447**	500 365
Long-term provisions	20	**133 267**	111 118	**90 299**	75 492
Long-term loans	21	**47 564**	32 854	**–**	–
Share-based payment liability	22	**90 942**	–	**85 008**	–
Domestic medium-term notes	23	**1 250 000**	–	**1 250 000**	–
Current liabilities		**1 544 203**	1 182 005	**1 249 403**	991 934
Current portion of long-term loans	21	**3 801**	2 430	**–**	–
Share-based payment liability	22	**16 665**	–	**14 518**	–
Revolving credit facilities	23	**250 000**	–	**250 000**	–
South African Revenue Service		**156 963**	101 900	**52 848**	–
Trade and other payables	24	**1 012 104**	981 209	**826 650**	895 468
Short-term provisions	25	**104 670**	96 466	**104 670**	96 466
Short-term subsidiary loans	13			**717**	–
Total equity and liabilities		**14 357 664**	12 243 852	**13 822 094**	11 795 600

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

		Group		Company	
		2013	2012	2013	2012
	Note	R000	R000	R000	R000
Revenue	27	**4 510 475**	3 802 662	**4 579 424**	4 394 469
Sales revenue	27	**4 420 977**	3 684 000	**4 243 420**	3 648 663
Cost of sales		**3 813 301**	3 345 311	**3 745 036**	3 320 299
Operating costs	28	**2 826 094**	2 632 926	**2 759 433**	2 607 914
Concentrates purchased		**657 540**	624 774	**657 540**	624 774
Refining and other costs		**161 591**	100 612	**161 591**	100 612
Depreciation and write-offs	29	**234 690**	190 287	**232 930**	190 287
Change in metal inventories		**(66 614)**	(203 288)	**(66 458)**	(203 288)
Operating profit		**607 676**	338 689	**498 384**	328 364
Share of earnings from associate/ dividends received	30	**13 783**	16 602	**16 740**	816
Investment revenue	31	**33 434**	53 951	**174 311**	34 124
Finance charges		**(17 946)**	–	**(119 669)**	–
Sundry expenditure	32	**(28 254)**	(36 885)	**(70 666)**	(654 483)
Sundry income	32	**88 362**	80 228	**193 067**	720 767
Profit before tax		**697 055**	452 585	**692 167**	429 588
Taxation	33	**169 054**	142 073	**149 149**	137 099
Profit for the year		**528 001**	310 512	**543 018**	292 489
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss		**(4 145)**	(9 868)	**–**	–
Share of associate's exchange differences on translating foreign operations		**(4 105)**	(9 582)	**–**	–
Share of associate's fair value adjustment on available for sale financial assets		**(40)**	(286)	**–**	–
Total comprehensive income for the year		**523 856**	300 644	**543 018**	292 489

		Group		Company	
		2013	2012	2013	2012
	Note	R000	R000	R000	R000
Profit attributable to:					
Owners of the parent		**504 907**	310 512	**543 018**	292 489
Non-controlling interests		**23 094**	–	**–**	–
Profit for the year		**528 001**	310 512	**543 018**	292 489
Total comprehensive income attributable to:					
Owners of the parent		**500 762**	300 644	**543 018**	292 489
Non-controlling interests		**23 094**	–	**–**	–
Total comprehensive income for the year		**523 856**	300 644	**543 018**	292 489
		Cents	Cents	Cents	Cents
Earnings per share	34	**132.0**	81.2		
Fully diluted earnings per share	34	**132.0**	81.2		
Headlines earnings per share	34	**136.5**	80.9		
Fully diluted headline earnings per share	34	**136.5**	80.9		

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

GROUP
Balance at 1 July 2011
Share-based payments expense
Total comprehensive income for the year
Profit for the year
Other comprehensive income for the year
Transfer of equity compensation reserve to retained earnings
Dividends declared
Issue of new shares
Balance at 30 June 2012
Share-based payments expense
Transfer of equity compensation reserve to share-based payment liability
Transfer of equity compensation reserve to retained earnings
Non-controlling interest arising on a business combination
Total comprehensive income for the year
Profit for the year
Other comprehensive income for the year
Dividends declared#
Issue of new shares
Balance at 30 June 2013
Note

Non-controlling interest's portion of dividends declared by entities within the Northam group.
* *Share capital and share premium were converted to no par value shares and are now referred to as stated capital.*

EQUITY COMPENSATION RESERVE

The equity compensation reserve represents the value of equity-settled share-based payments provided to employees as part of their remuneration. Refer to note 18 for further details.

OTHER COMPREHENSIVE INCOME FROM ASSOCIATE

The value of other comprehensive income from associate relates to the translation differences on foreign subsidiaries held by the associate, as well as the fair value adjustment on available for sale financial assets.

Share capital*	Share premium*	Equity compensa-tion reserve	Retained earnings	Other com-prehensive income from associate	Non-controlling interest	Total
R000	R000	R000	R000	R000	R000	R000
3 824	8 592 258	156 076	1 363 194	–	–	10 115 352
–	–	53 049	–	–	–	53 049
–	–	–	310 512	(9 868)	–	300 644
–	–	–	310 512	–	–	310 512
–	–	–	–	(9 868)	–	(9 868)
–	–	(6 491)	6 491	–	–	–
–	–	–	(57 364)	–	–	(57 364)
1	1 565	–	–	–	–	1 566
3 825	8 593 823	202 634	1 622 833	(9 868)	–	10 413 247
–	–	13 807	–	–	–	13 807
–	–	(123 704)	–	–	–	(123 704)
–	–	(92 737)	92 737	–	–	–
–	–	–	–	–	8 169	8 169
–	–	–	504 907	(4 145)	23 094	523 856
–	–	–	504 907	–	23 094	528 001
–	–	–	–	(4 145)	–	(4 145)
–	–	–	–	–	(21 747)	(21 747)
1	2 006	–	–	–	–	2 007
3 826	**8 595 829**	**–**	**2 220 477**	**(14 013)**	**9 516**	**10 815 635**
17	17	18				

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013 CONTINUED

	Share capital*	Share premium*	Equity compensa-tion reserve	Retained earnings	Total
	R000	R000	R000	R000	R000
COMPANY					
Balance at 1 July 2011	3 824	8 592 258	156 076	1 185 911	9 938 069
Share-based payments expense	–	–	53 049	–	53 049
Total comprehensive income for the year/profit for the year	–	–	–	292 489	292 489
Transfer of equity compensation reserve to retained earnings	–	–	(6 491)	6 491	–
Dividends declared	–	–	–	(57 364)	(57 364)
Issue of new shares	1	1 565	–	–	1 566
Balance at 30 June 2012	3 825	8 593 823	202 634	1 427 527	10 227 809
Share-based payments expense	–	–	13 807	–	13 807
Transfer of equity compensation reserve to share-based payment liability	–	–	(123 704)	–	(123 704)
Transfer of equity compensation reserve to retained earnings	–	–	(92 737)	92 737	–
Total comprehensive income for the year/profit for the year	–	–	–	543 018	543 018
Dividends declared	–	–	–	–	–
Issue of new shares	1	2 006	–	–	2 007
Balance at 30 June 2013	**3 826**	**8 595 829**	**–**	**2 063 282**	**10 662 937**
Note	17	17	18		

** Share capital and share premium were converted to no par value shares and are now referred to as stated capital.*

EQUITY COMPENSATION RESERVE

The equity compensation reserve represents the value of equity-settled share-based payments provided to employees as part of their remuneration. Refer to note 18 for further details.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

		Group		Company	
		2013	2012	2013	2012
	Note	R000	R000	R000	R000
Cash flows from operating activities		**524 200**	437 662	**428 377**	496 690
Cash generated from operations	35	**915 317**	608 378	**829 423**	639 209
Interest received		**29 290**	50 723	**17 468**	30 896
Change in working capital	36	**(281 104)**	(90 367)	**(308 050)**	(41 430)
Taxation paid	37	**(139 303)**	(131 072)	**(110 464)**	(131 985)
Cash flows utilised in investing activities		**(1 703 238)**	(2 010 021)	**(1 640 058)**	(1 388 968)
Property, plant, equipment, mining properties and mineral reserves					
– additions to maintain operations		**(363 914)**	(331 070)	**(347 871)**	(328 312)
– additions to expand operations		**(1 383 200)**	(1 684 331)	**–**	–
– disposals proceeds		**4 497**	6 488	**3 689**	5 762
Land and township development					
– additions		**(17 683)**	(12 942)	**–**	–
– disposals proceeds		**45 979**	25 011	**–**	–
Investment in associate					
– cash distributed		**16 740**	816	**16 740**	816
Increase in subsidiary loans				**(1 401 345)**	(1 714 300)
Increase in investments held by Northam Platinum Restoration Trust Fund		**(5 259)**	(4 098)	**(2 682)**	(1 932)
Increase in investments held by Environmental Contingency Fund		**(6 687)**	(6 249)	**(4 442)**	(4 102)
Increase in investment held in Buttonshope Conservancy Trust		**(351)**	(9 775)	**–**	–
Acquisition of subsidiary net of cash acquired		**6 416**	–	**(10 000)**	–
Dividends received		**224**	6 129	**105 853**	653 100

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013 CONTINUED

		Group		Company	
		2013	2012	2013	2012
	Note	R000	R000	R000	R000
Cash flows generated from/ (utilised in) financing activities		**1 372 638**	(20 514)	**1 382 338**	(55 798)
Proceeds from issue of shares		**2 007**	1 566	**2 007**	1 566
Finance charges		**(123 703)**	–	**(119 669)**	–
Dividends paid		**(21 747)**	(57 364)	**–**	(57 364)
Increase in long-term loans		**16 081**	35 284	**–**	–
Revolving credit facilities utilised		**250 000**	–	**250 000**	–
Domestic medium-term notes issued		**1 250 000**	–	**1 250 000**	–
Increase/(decrease) in cash and cash equivalents		**193 600**	(1 592 873)	**170 657**	(948 076)
Cash and cash equivalents at beginning of year	16	**104 980**	1 697 853	**38 358**	986 434
Cash and cash equivalents at end of year	16	**298 580**	104 980	**209 015**	38 358

1. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the company and group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date.

However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of assets or liabilities affected in future.

These estimates and assumptions are continually evaluated, and are based on historical experience and expectations of future events that are believed to be reasonable under the circumstances.

1.1 IMPAIRMENT OF ASSETS

The Group assesses each cash generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted by an appropriate discount rate to determine the net present value. Management has assessed its cash generating units as being both Zondereinde and Booysendal, which is the lowest level for which cash flows are largely independent of other assets.

Impairment testing requires management to make significant judgements concerning the existence of impairment indicators, identification of cash-generating units, remaining useful lives of assets and estimates of projected cash flows and fair value less costs to sell. Management's analysis of cash-generating units involves an assessment of a group of assets' ability to independently generate cash inflows and involves analysing the extent to which different products make use of the same assets. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

The determined value in use of the cash-generating unit is most sensitive to the platinum price, the US dollar exchange rate and the discount rate.

In assessing the value in use, the following key estimates and judgments were made by management, which are based on management interpretation of market forecast and the future.

1. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS CONTINUED

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
The main assumptions include:				
Long-term real platinum price – US$ per ounce	**1 750**	1 595	**1 750**	1 595
Long-term real exchange rate – US$ = R	**9.10**	7.50	**9.10**	7.50
Long-term real discount rate – %	**9.76**	10.00	**9.76**	10.00

Management estimated the residual amount of mineral assets that the group is not planning to develop. For those assets, the residual amount is calculated on a fair-value-less-cost-to-sell basis taking into account earlier binding sales agreements that did not occur.

1.2 PROVISIONS

The net present value of current decommissioning and restoration costs are based on the following assumptions:				
Long-term inflation rate for South Africa – %	**6.00**	6.00	**6.00**	6.00
Long-term real discount rate – % (based on long bond yield rates)	**8.00**	8.00	**8.00**	8.00

The group assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the statement of financial position by adjusting the rehabilitation asset and liability. If, for mature mines, the revised mine assets net of rehabilitation provisions exceed the carrying value, that portion of the increase is expensed.

1.3 USEFUL LIVES AND RESIDUAL VALUES OF PROPERTY, PLANT AND EQUIPMENT

The group estimates the useful life of its assets by taking into account the age of the asset, its physical condition and technical obsolescence as well as the life of the mine.

As residual values are the expected values at the end of an asset's useful life, a process of estimation is required to determine the residual values at year end.

1.4 LIFE OF MINE AND ESTIMATION OF RESERVES

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the group's mining properties. The group estimates its ore reserves and mineral resources, based on information compiled by appropriately qualified persons, relating to the geological data on the size, depth and shape of the ore body, and requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgements made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, provision for rehabilitation, recognition of deferred tax assets (if any), and depreciation and amortisation charges.

1.5 PRODUCTION START DATE FOR BOOYSENDAL

The group assesses the stage of a mine under construction to determine when the mine moves into the production phase. This being when the mine is substantially complete and ready for its intended use. The criteria used to assess the start date are determined based on the unique nature of that mines construction project, such as the complexity of the project and its location. The group considers various relevant criteria to assess when the production phase is considered to have commenced. At this point, all related amounts are reclassified from "pre-production development expenditure" to "property, plant and equipment".

Some of the criteria used to identify the production start date include, but are not limited to:
- Level of capital expenditure incurred compared to the original construction cost estimate
- Completion of a reasonable period of testing of the mine plant and equipment
- Ability to produce metal in saleable form (within specifications)
- Ability to sustain ongoing production of metal

When a mine development project moves into the production phase, the capitalisation of certain mine development costs ceases and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development. It is also at this point that depreciation commences.

1.6 CAPITALISATION OF BORROWING COSTS

Northam obtained various forms of borrowings to fund the development of the Booysendal mine. In assessing these borrowing costs incurred, an allocation is made to estimate the percentage of these costs that funds working capital at the Zondereinde mine. Only borrowing costs relating to qualifying assets (development of the Booysendal mine) is capitalised.

1. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS CONTINUED

1.7 TORO EMPLOYEE EMPOWERMENT TRUST

In applying the projected unit credit method, the following estimates were used:

	2013	2012
	%	%
– Discount rate	**5.40**	7.75
– Expected rate of return on assets	**7.30**	7.45

2. PROPERTY, PLANT AND EQUIPMENT

	Mining plant and equipment	Development costs	Decom-missioning asset	Motor vehicles	Total
	R000	R000	R000	R000	R000
GROUP – 30 JUNE 2013					
Property, plant and equipment:					
– at cost	3 656 756	4 016 435	95 430	19 230	**7 787 851**
– accumulated depreciation	(1 539 254)	–	(17 953)	(8 418)	**(1 565 625)**
Balance at end of year	2 117 502	4 016 435	77 477	10 812	**6 222 226**
Reconciliation of movement in property, plant and equipment:					
– balance at beginning of year	1 983 761	2 529 543	69 172	16 213	**4 598 689**
– additions to maintain operations	345 745	–	–	478	**346 223**
– present value of decommissioning asset capitalised (note 20)	–	–	10 658	–	**10 658**
– additions to expand operations	–	1 381 135	–	2 065	**1 383 200**
– borrowing costs capitalised	–	105 757	–	–	**105 757**
– acquisition of a subsidiary (note 4)	10 039	–	–	456	**10 495**
– disposals at cost	(117 989)	–	–	(7 782)	**(125 771)**
– accumulated depreciation on disposals during the year	117 989	–	–	2 777	**120 766**
– depreciation charged for the year	(189 043)	–	(2 353)	(3 395)	**(194 791)**
– write-off of assets	(33 000)	–	–	–	**(33 000)**
Balance at end of year	2 117 502	4 016 435	77 477	10 812	**6 222 226**

	Mining plant and equipment	Development costs	Decom-missioning asset	Motor vehicles	Total
	R000	R000	R000	R000	R000
GROUP – 30 JUNE 2012					
Property, plant and equipment:					
– at cost	3 418 961	2 529 543	84 772	24 013	**6 057 289**
– accumulated depreciation	(1 435 200)	–	(15 600)	(7 800)	**(1 458 600)**
Balance at end of year	1 983 761	2 529 543	69 172	16 213	**4 598 689**
Reconciliation of movement in property, plant and equipment:					
– balance at beginning of year	1 842 148	845 577	72 500	19 294	**2 779 519**
– additions to maintain operations	319 832	–	–	4 800	**324 632**
– additions to expand operations	–	1 683 966	–	3 017	**1 686 983**
– present value of decommissioning asset capitalised (note 20)	–	–	(1 123)	–	**(1 123)**
– reclassification between categories	(12)	–	12	–	**–**
– disposals at cost	(5 613)	–	–	(9 047)	**(14 660)**
– accumulated depreciation on disposals during the year	4 471	–	–	2 135	**6 606**
– depreciation charged for the year	(177 065)	–	(2 217)	(3 986)	**(183 268)**
Balance at end of year	1 983 761	2 529 543	69 172	16 213	**4 598 689**

2. PROPERTY, PLANT AND EQUIPMENT CONTINUED

	Mining plant and equipment and development cost	Decom-missioning asset	Motor vehicles	Total
	R000	R000	R000	R000
COMPANY – 30 JUNE 2013				
Property, plant and equipment:				
– at cost	3 644 818	52 628	9 743	**3 707 189**
– accumulated depreciation	(1 537 621)	(17 953)	(4 525)	**(1 560 099)**
Balance at end of year	2 107 197	34 675	5 218	**2 147 090**
Reconciliation of movement in property, plant and equipment:				
– balance at beginning of year	1 983 761	33 545	10 308	**2 027 614**
– additions to maintain operations	343 846	–	478	**344 324**
– present value of decommissioning asset capitalised (note 19)		3 483	–	**3 483**
– disposals at cost	(117 989)	–	(6 570)	**(124 559)**
– accumulated depreciation on disposals during the year	117 989	–	2 498	**120 487**
– depreciation charged for the year	(187 410)	(2 353)	(1 496)	**(191 259)**
– write-off of assets	(33 000)	–	–	**(33 000)**
Balance at end of year	2 107 197	34 675	5 218	**2 147 090**

	Mining plant and equipment and development cost	Decom-missioning asset	Motor vehicles	Total
	R000	R000	R000	R000
COMPANY – 30 JUNE 2012				
Property, plant and equipment:				
– at cost	3 418 961	49 145	15 835	**3 483 941**
– accumulated depreciation	(1 435 200)	(15 600)	(5 527)	**(1 456 327)**
Balance at end of year	1 983 761	33 545	10 308	**2 027 614**
Reconciliation of movement in property, plant and equipment:				
– balance at beginning of year	1 841 006	35 179	14 170	**1 890 355**
– additions to maintain operations	319 832	–	4 800	**324 632**
– present value of decommissioning asset capitalised (note 19)	–	571	–	**571**
– transfer between categories	(12)	12	–	**–**
– disposals at cost	(4 471)	–	(8 009)	**(12 480)**
– accumulated depreciation on disposals during the year	4 471	–	1 931	**6 402**
– depreciation charged for the year	(177 065)	(2 217)	(2 584)	**(181 866)**
Balance at end of year	1 983 761	33 545	10 308	**2 027 614**

3. MINING PROPERTIES AND MINERAL RESOURCES

	Mining properties	Mineral resources*	Total
	R000	R000	R000
GROUP – 30 JUNE 2013			
– at cost	282 374	5 571 003	**5 853 377**
– accumulated depreciation	(144 552)	–	**(144 552)**
Balance at end of year	137 822	5 571 003	**5 708 825**
Reconciliation of movement in mining properties and mineral resources			
– balance at beginning of year	146 430	4 390 703	**4 537 133**
– additions during the year	63	–	**63**
– reclassification from mineral resource held for sale	–	1 180 300	**1 180 300**
– depreciation charged for the year	(8 671)	–	**(8 671)**
Balance at end of year	137 822	5 571 003	**5 708 825**
GROUP – 30 JUNE 2012			
At cost	282 311	4 390 703	**4 673 014**
Accumulated depreciation	(135 881)	–	**(135 881)**
Balance at end of year	146 430	4 390 703	**4 537 133**
Reconciliation of movement in mining properties and mineral resources			
– balance at beginning of year	148 413	5 571 003	**5 719 416**
– reclassification to mineral resource held for sale	–	(1 180 300)	**(1 180 300)**
– additions to expand operations	6 438	–	**6 438**
– depreciation charged for the year	(8 421)	–	**(8 421)**
Balance at end of year	146 430	4 390 703	**4 537 133**

** The mineral resources relates to the mining titles that were acquired in respect of the Booysendal mine.*

MINERAL RESOURCE HELD FOR SALE

	Mineral resources	Total
	R000	R000
Balance at 1 July 2011	–	–
Carrying value of assets held for sale previously classified under mining properties and mineral resources	1 180 300	1 180 300
Balance at 30 June 2012	1 180 300	1 180 300
Carrying value of assets held for sale reclassified to mining properties and mineral resources	(1 180 300)	(1 180 300)
Balance at 30 June 2013	–	–

The aforementioned represented the agreement with Aquarius Platinum Limited and Aquarius Platinum (South Africa) Proprietary Limited to dispose of the mineral rights attached to the southern portion of Booysendal mine for an amount of R1.2 billion.

The agreement lapsed during the year and the mineral resource has subsequently been reclassified to mineral resources.

	Mining properties	Mineral resources	Total
	R000	R000	R000
COMPANY – 30 JUNE 2013			
– at cost	266 314	–	**266 314**
– accumulated depreciation	(144 552)	–	**(144 552)**
Balance at end of year	121 762	–	**121 762**
Reconciliation of movement in mining properties and mineral resources			
– balance at beginning of year	130 369	–	**130 369**
– additions during the year	64	–	**64**
– depreciation charged for the year	(8 671)	–	**(8 671)**
Balance at end of year	121 762	–	**121 762**
COMPANY – 30 JUNE 2012			
At cost	266 250	–	**266 250**
Accumulated depreciation	(135 881)	–	**(135 881)**
Balance at end of year	130 369	–	**130 369**
Reconciliation of movement in mining properties and mineral resources			
– balance at beginning of year	135 110	–	**135 110**
– additions during the year	3 680	–	**3 680**
– depreciation charged for the year	(8 421)	–	**(8 421)**
Balance at end of year	130 369	–	**130 369**

Certain mining properties have been secured by a notarial bond in favour of Northam Platinum Restoration Trust Fund to meet future decommissioning and restoration costs (see note 10). The bond was cancelled during the prior financial year.

4. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS

ACQUISITIONS IN 2013

Acquisition of Northam Chrome Producers Proprietary Limited

On 1 July 2012, the company acquired 70% of the voting shares in Northam Chrome Producers Proprietary Limited (NCP), an unlisted company based in the town of Northam, and specialising in chrome recovery, for a cash consideration of R10 million. The group acquired NCP in order to capture benefits from the chrome industry, a by-product to PGM mining.

ASSETS ACQUIRED AND LIABILITIES ASSUMED

The fair values of the identifiable assets and liabilities of NCP as at the date of acquisition were:

	Group	
	2013	2012
	R000	R000
ASSETS		
Property, plant and equipment	**10 495**	–
Cash and cash equivalents	**16 416**	–
Trade receivables	**1 442**	–
Inventories	**689**	–
	29 042	–
LIABILITIES		
Long-term provisions	**166**	–
Short-term provisions	**18**	–
Trade payables	**6 619**	–
Receiver of revenue	**4 070**	–
	10 873	–
Total identifiable net assets	**18 169**	–
Non-controlling interest	**(8 169)**	–
Non-controlling interest's portion of the identifiable net assets	**(5 173)**	–
Non-controlling interest's portion of pre-acquisition dividends declared during the financial year	**(2 996)**	–
Purchase consideration transferred	**10 000**	–

The non-controlling interest in NCP has been determined as the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Subsequent to year end, the company acquired an additional 10% of the voting shares in NCP for a consideration of R10 million.

From the date of acquisition, NCP has contributed R129.8 million of revenue and R105.6 million to profit before tax for the group.

Trade receivables are considered fully recoverable.

No significant transaction costs were incurred with the acquisition of NCP.

5. INTEREST IN ASSOCIATES AND JOINT VENTURES

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Interest in associates and joint ventures comprises of a 7.5% interest in the Pandora joint venture (associate), a 50% interest in the Dwaalkop platinum project (joint venture), a 51% interest in the Kokerboom exploration project and a 20.3% interest in the issued share capital of Trans Hex Group Limited (associate). The percentage holdings remain unchanged from the prior year.				
Dwaalkop joint venture	**300 679**	300 679	**–**	–
Pandora joint venture/associate	**120 915**	136 915	**44 933**	47 533
Trans Hex Group Limited	**73 904**	67 821	**77 509**	–
	495 498	505 415	**122 442**	47 533

Details of the group's share of the comprehensive income and financial position are set out in Annexure 2, which forms part of these notes.

During the financial year the investment in Trans Hex Group Limited was transferred from Mvelaphanda Resources Proprietary Limited to Northam Platinum Limited.

6. INVESTMENTS IN SUBSIDIARIES

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Dialstat Trading Proprietary Limited [(1)]			*	*
Khumama Platinum Proprietary Limited [(2)]			**5 566 000**	5 566 000
Mvelaphanda Resources Proprietary Limited [(3)]			**225 514**	297 688
Norplats Properties Proprietary Limited [(4)]			*	*
Northam Chrome Producers Proprietary Limited [(5)]			**10 000**	–
Windfall 38 Properties Proprietary Limited [(6)]			*	*
Balance at end of year			**5 801 514**	5 863 688

(1) *The company holds 120 ordinary shares representing a 100% equity interest in Dialstat Trading Proprietary Limited.*

(2) *The company holds 405 ordinary shares representing a 100% equity interest in Khumama Platinum Proprietary Limited.*

(3) *The company holds 217 881 101 ordinary shares representing a 100% equity interest in Mvelaphanda Resources Proprietary Limited.*

(4) *The company holds 100 ordinary shares representing a 100% equity interest in Norplats Properties Proprietary Limited.*

(5) *The company holds 70 ordinary shares representing a 70% equity interest in Northam Chrome Producers Proprietary Limited.*

(6) *The company holds 100 ordinary shares representing a 100% equity interest in Windfall 38 Properties Proprietary Limited.*

With the exception of NCP, all companies are wholly-owned.

All companies are incorporated in the Republic of South Africa.

* *Represents investment of less than R1 000.*

Details of the subsidiaries are contained in Annexure 3, which forms part of these notes.

7. UNLISTED INVESTMENTS

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Available for sale investment	**6**	6	**6**	6

The unlisted investment represents an equity investment in a mining industry service organisation, Rand Mutual Assurance Company Limited.

8. LAND AND TOWNSHIP DEVELOPMENT

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Balance at beginning of year	**43 849**	55 918	**–**	–
Construction in progress	**28**	435	**–**	–
Acquisitions and surrenders	**17 655**	12 507	**–**	–
Disposals	**(45 979)**	(25 011)	**–**	–
Balance at end of year	**15 553**	43 849	**–**	–

Township development comprising 411 residential erven (2012: 382 residential erven) with houses erected thereon in Northam, District of Thabazimbi, as well as 502 undeveloped erven (2012: 1 757 undeveloped erven) in Northam. These properties have been acquired in order to assist the group's employees to acquire affordable housing. The 411 erven are registered in the name of the company's subsidiary, Norplats Properties Proprietary Limited, whilst the 502 erven are registered in the name of Broad Brush Investments 2 Proprietary Limited, a wholly-owned subsidiary of Norplats Properties Proprietary Limited.

97 houses (2012: 140 houses) were sold in Mojuteng Township of Northam town during the year, totalling the number of houses sold to date at 336 (2012: 239).

Broad Brush Investments 2 Proprietary Limited sold 1 255 undeveloped erven to Rustenburg Platinum Mines Limited during the year for R23 million, inclusive of VAT. The undeveloped erven were sold with the intention of township development.

9. LONG-TERM RECEIVABLES

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Long-term receivables	**92 961**	68 042	**–**	–
Current portion of long-term receivables (note 15)	**(5 561)**	(3 105)	**–**	–
Non-current portion of long-term receivables	**87 400**	64 937	**–**	–

This comprises balances due by employees in respect of Northam's employee home ownership scheme under suspensive sale agreements. The loans to the employees bear interest at the South African prime interest rate, and are repayable over 15 years. In terms of the agreements, employees enjoy the full benefits of home ownership, and at such a time as the loan is paid off, the title to the houses will be transferred to the employees. As at 30 June 2013 there were no receivables (2012: R nil) which were impaired and fully provided for. The group has pledged the instalment sales agreements as security for the loan secured from Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden NV (FMO) (note 21).

10. INVESTMENTS HELD BY NORTHAM PLATINUM RESTORATION TRUST FUND

The company contributes to a dedicated environmental restoration trust fund to provide for the estimated decommissioning and environmental restoration costs at the end of the mine's life.

The balance of the fund comprises:

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Balance at beginning of year	**35 689**	31 591	**31 231**	29 299
Contributions made during the year	**3 114**	2 183	**806**	156
Interest earned during the year (note 31)	**2 145**	1 915	**1 876**	1 776
Balance at end of year	**40 948**	35 689	**33 913**	31 231

The assets of the fund are separately administered and the group's right of access to these funds are restricted.

11. ENVIRONMENTAL GUARANTEE INVESTMENT

The balance of the fund comprises:

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Balance at beginning of year	**35 720**	29 471	**31 523**	27 421
Contributions made during the year	**6 000**	6 000	**3 000**	3 000
Management fees	**(1 312)**	(1 312)	**(350)**	(350)
Interest earned during the year (note 31)	**1 999**	1 561	**1 792**	1 452
Balance at end of year	**42 407**	35 720	**35 965**	31 523

The Environmental Guarantee Investment policy was issued in terms of the insurance guarantee for R96.9 million (2012: R89.9 million) relating to the group and R31.0 million (2012: R24.0 million) for the company.

The assets of the fund are separately administered and the group's right of access to these funds are restricted.

12. BUTTONSHOPE CONSERVANCY TRUST

The balance of the fund comprises:

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Balance at beginning of year	**9 775**	–	**–**	–
Contributions received during the year	**48**	10 000	**–**	–
Interest earned during the year (note 31)	**351**	–	**–**	–
Less expenditure incurred during the year	**(48)**	(225)	**–**	–
Balance at end of year	**10 126**	9 775	**–**	–

The trust was established as a conservancy trust by Northam Platinum Limited (Northam), with the principal objective of engaging in the conservation, rehabilitation and/or protection of the natural environment, including flora, fauna and the biosphere as well as promoting the establishment of, and education and training programmes relating to, environmental awareness, greening, clean-up and/or sustainable development projects in respect of Portion 1 of the Farm Buttonshope 51, Registration Division JT, Mpumalanga Province, and which may involve the participation by local communities. The aforementioned property is owned by Micawber 278 Proprietary Limited (Micawber), an indirect subsidiary of Northam. An initial contribution of R10 million was required by Micawber in terms of the trust agreement, which was paid in the previous financial year.

Funds of R10.1 million (2012: R9.8 million) are invested with Standard Bank Limited in a call fund account.

The assets of the trust are separately administered and the group's right of access to these funds is restricted.

13. SUBSIDIARY LOANS

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Long-term subsidiary loans receivable				
Norplats Properties Proprietary Limited			**24 456**	15 965
The loan bears interest at 2.0% below South African prime interest rate and may only be repaid once the loan from FMO has been repaid by Norplats Properties Proprietary Limited (note 21).				
Short-term subsidiary loans receivable				
Broad Brush Investments 2 Proprietary Limited			**–**	13 066
Micawber 278 Proprietary Limited			**4 091 830**	2 583 789
Norplats Properties Proprietary Limited			**12 384**	27 948
Windfall 38 Properties Proprietary Limited			**15 424**	15 695
Dialstat Trading 133 Proprietary Limited			**1**	–
			4 119 639	2 640 498
Total subsidiary loans receivable			**4 144 095**	2 656 463
Short-term subsidiary loans payable				
Broad Brush Investments 2 Proprietary Limited			**(717)**	–
Total subsidiary loans payable			**(717)**	–

The loans to Broad Brush Investments 2, Dialstat Trading 133 and Norplats Properties Proprietary Limited are unsecured and interest-free, repayable on demand and, therefore, stated as current.

The loans to Micawber 278 and Windfall 38 Properties bear interest at 2.0% below the South African prime interest rate, repayable on demand and, therefore, stated as current.

Details of the subsidiaries are set out in Annexure 3, which forms part of these notes.

14. INVENTORIES

Inventory comprises:

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Metals on hand and in transit – at net realisable value	**825 733**	759 275	**825 733**	759 275
Chrome finished product – at cost	**274**	–	**–**	–
Consumable stores – at cost	**52 523**	51 908	**46 600**	51 908
Total inventories at the lower of cost and net realisable value	**878 530**	811 183	**872 333**	811 183

The cost-of-sales figure disclosed in the statement of comprehensive income approximates the cost of inventory expensed.

Included in cost of sales is R0.1 million (2012: R1.0 million) for consumable stores written-down to net realisable value and R72.7 million (2012: R127.4 million) recognised as an expense for metals on hand and in transit carried at net realisable value.

15. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise:

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Trade receivables	**215 965**	33 109	**213 899**	33 109
Prepayments	**58 124**	60 191	**57 346**	60 191
Receiver of revenue-value added tax	**139 838**	131 183	**20 799**	26 005
Current portion of long-term receivables (note 9)	**5 561**	3 105	**–**	–
Other	**128 432**	75 680	**41 915**	36 572
	547 920	303 268	**333 959**	155 877

Trade receivables are unsecured, non-interest-bearing and are generally on 30 day terms except for metal debtors who have payment terms of between 2-5 days. As at 30 June 2013, there were no receivables (2012: R nil), which were impaired and fully provided for.

The age analysis of trade receivables as at 30 June 2013 is set out in Annexure 1, which forms part of these notes.

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Cash at banks and on hand	**132 501**	84 530	**42 936**	17 908
Short-term deposits	**166 079**	20 450	**166 079**	20 450
	298 580	104 980	**209 015**	38 358

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

At 30 June, 2013 the group had R750 million (2012: R nil) of undrawn committed borrowing facilities.

Included in cash and cash equivalents is R4.3 million (2012: R3.5 million) that has been pledged to FMO by Norplats Properties Proprietary Limited (Norplats Props) as a debt service reserve account (the account) as security for servicing of the loan from FMO (note 21). In accordance with the FMO agreement, Norplats Props shall maintain at all times a balance in the account equal to not less than the sum of all payments of principal and interest on each loan which will be due and payable during the next relevant period. Norplats Props may withdraw amounts from the account only for the purpose of paying principal and interest under the agreement. Norplats Props shall not withdraw funds from the account for any other purpose without the written consent of FMO.

For the purpose of the statement of cash flows, cash and cash equivalents comprise only the above balances as the group has no bank overdrafts.

17. STATED CAPITAL/SHARE CAPITAL AND SHARE PREMIUM

	2013		2012	
	R000	Number of shares	R000	Number of shares
	Group and Company		Group and Company	
Authorised share capital	**5 450**	**545 000 000**	5 450	545 000 000
Issued share capital				
At 1 July 2011	**3 824**	**382 416 190**	3 824	382 416 190
Shares issued during the year for cash on the exercise of share options	**1**	**80 800**	1	80 800
At 1 July 2012	**3 825**	**382 496 990**	3 825	382 496 990
Shares issued during the year for cash on the exercise of share options	**1**	**89 100**		
	3 826	**382 586 090**		
Share premium				
At 1 July 2011	**8 592 258**		8 592 258	
Shares issued during the year for cash on the exercise of share options	**1 565**		1 565	
At 1 July 2012	**8 593 823**		8 593 823	
Shares issued during the year for cash on the exercise of share options	**2 006**			
	8 595 829			
Share capital and share premium	**8 599 655**	**382 586 090**	8 597 648	382 496 990
Transfer to stated capital	**(8 599 655)**			
Stated capital	**8 599 655**			

During the year share capital and share premium were converted to no par value shares and are now referred to as stated capital.

During the year 89 100 (2012: 80 800) shares were allotted and issued it terms of the rules of Northam Share Option Scheme at a value of R2.0 million (2012: R1.6 million). This resulted in the issued share capital increasing to 382 586 090 (2012: 382 496 990) shares.

Details of share capital and shares held by the directors are contained in the Directors' Report.

18. EQUITY COMPENSATION RESERVE

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Balance at beginning of year	**202 634**	156 076	**202 634**	156 076
Increase in equity compensation reserve	**13 807**	53 049	**13 807**	53 049
Transfer to retained earnings	**(92 737)**	(6 491)	**(92 737)**	(6 491)
Transfer to share-based payment liability (note 22)	**(123 704)**	–	**(123 704)**	–
Balance at end of year	**–**	202 634	**–**	202 634

The group has a Share Option Scheme (the Scheme) and Share Incentive Plan (the Plan) under which options to subscribe for the group's shares were granted to certain executives and senior employees.

Options were offered at the volume weighted average price at which Northam shares traded on the JSE up to the trading day immediately preceding the offer date. In terms of the rules of the Scheme, option holders may exercise 50% of their options two years after the offer date and 100% of their options three years after the offer date. Options not exercised within seven years of the offer date shall lapse. The Scheme has been discontinued owing to its dilutionary nature although share options issued before its discontinuance will be allowed to run their course. The shares awarded in terms of the rules of the Plan comprise: retention shares, which vest after two years with no performance criteria, and performance shares, which vest after three years. The final number of performance shares that an employee receives is subject to certain performance criteria being met.

During the year, the rules of both the Scheme and the Plan were amended to allow for a cash-settlement option. Consequently, both the Scheme and Plan are now accounted for as cash settled share-based payments based on the historical number of shares retained by employees. Details thereof can be found under note 22.

Refer to Annexure 5, which forms part of these notes, for further details on the equity settled and cash settled share-based payments.

19. DEFERRED TAX LIABILITY

The principal components of the deferred tax liability are as follows:

	Group 2013 R000	Group 2012 R000	Company 2013 R000	Company 2012 R000
Deferred tax liabilities				
Property, plant and equipment	**547 872**	534 336	**559 675**	534 336
Metal inventory	**16 971**	14 176	**16 971**	14 176
Section 24C allowance in respect of long-term receivables	**3 746**	4 263	**–**	–
	568 589	552 775	**576 646**	548 512
Deferred tax assets				
Employee benefits relating to leave pay and bonus provisions	**(39 339)**	(27 010)	**(39 048)**	(27 010)
Decommissioning and environmental restoration provisions	**(25 330)**	(21 137)	**(25 284)**	(21 137)
Share-based payment liability	**(27 867)**	–	**(27 867)**	–
	(92 536)	(48 147)	**(92 199)**	(48 147)
Net deferred tax liability	**476 053**	504 628	**484 447**	500 365
The charge in the deferred tax balance is reconciled as follows:				
Deferred tax liability at beginning of year	**504 628**	477 145	**500 365**	477 145
Charge for the year (per note 33)	**(28 575)**	27 483	**(15 918)**	23 220
Temporary differences in respect of property, plant and equipment	**13 536**	26 353	**25 339**	26 353
Depreciation component included in metals on hand and in transit	**2 795**	6 903	**2 795**	6 903
Section 24C allowance in respect of long-term receivables	**(517)**	4 263	**–**	–
Temporary difference in respect of employee benefits	**(12 329)**	(3 488)	**(12 038)**	(3 488)
Temporary difference in respect of decommissioning and environmental restoration provisions	**(4 193)**	(6 548)	**(4 147)**	(6 548)
Temporary difference in respect of share-based payment liabilities	**(27 867)**	–	**(27 867)**	–
Net deferred tax liability at end of year	**476 053**	504 628	**484 447**	500 365

The group offsets tax assets and liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

A deferred tax asset has not been raised for items included in Micawber 278 Proprietary Limited as taxable profits will not be generated in the foreseeable future against which the deferred tax asset can be utilised. The amount of unrecognised deferred tax assets amounts to R8.7 million (2012: R nil).

20. LONG-TERM PROVISIONS

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Provision for decommissioning costs				
Balance at beginning of year	**91 659**	93 105	**67 262**	62 332
Change in estimate and capitalisation of decommissioning costs as part of the development of the Booysendal mine (note 2)	**9 600**	(1 123)	**3 483**	571
Unwinding of discount (note 28)	**4 394**	(323)	**4 394**	4 359
Balance at end of year	**105 653**	91 659	**75 139**	67 262
Provision for restoration costs				
Balance at beginning of year	**19 459**	14 230	**8 230**	7 682
Restoration provision acquired under a business combination	**167**	–	**–**	–
Capitalisation of restoration cost as part of the development of the Booysendal mine (note 2)	**1 058**	–	**–**	–
Change in estimate (note 28)	**6 272**	4 614	**6 272**	(67)
Unwinding of discount (note 28)	**658**	615	**658**	615
Balance at end of year	**27 614**	19 459	**15 160**	8 230
Total long-term provisions	**133 267**	111 118	**90 299**	75 492

In terms of, *inter alia*, the Mineral and Petroleum Resources Development Act No 28, of 2002, the company is required to make financial provision for its decommissioning and restoration costs that will be incurred upon the cessation of mining activities. The future value of environmental obligation will be paid over to Northam Platinum Restoration Trust Fund (note 10) over the remaining life of the Zondereinde mine which is currently estimated at 16 years, and over the remaining life of the Booysendal mine which is currently estimated at over 25 years. Financial provision is not, however, required to be made for the decommissioning of certain structures, such as housing, which may have alternative use.

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Provisions before funding	**133 267**	111 118	**90 299**	75 492
Less: Northam Platinum Restoration Trust Fund (note 10)	**(40 948)**	(35 689)	**(33 913)**	(31 231)
Less: Environmental Guarantee Investment (note 11)	**(42 407)**	(35 720)	**(35 965)**	(31 523)
Net present value of unfunded environmental rehabilitation obligations	**49 912**	39 709	**20 421**	12 738
The future value of the environmental rehabilitation obligation will be paid over to the Northam Platinum Restoration Trust Fund (note 10) over the remaining life of the mines, which is currently estimated at 16 years for the Zondereinde mine and over 25 years for the Booysendal mine.				
The present value of the environmental restoration obligation is determined by applying a pre-tax discount rate of 8.0% (2012: 8.0%) and a long-term inflation rate of 6.0% (2012: 6.0%) over the remaining life of the mines.				
The decommissioning and restoration costs are reviewed on an annual basis, and at the reporting date the net unfunded future obligations were as follows:				
Undiscounted decommissioning obligations	**150 211**	129 353	**101 519**	90 509
Undiscounted restoration obligations	**40 051**	28 953	**20 444**	11 074
Total decommissioning and restoration obligation	**190 262**	158 306	**121 963**	101 583
Less: Obligation not requiring financial provision	**(43 057)**	(38 855)	**(43 057)**	(38 855)
	147 205	119 451	**78 906**	62 728
Less: Funds held by Northam Platinum Restoration Trust Fund (note 10)	**(40 948)**	(35 689)	**(33 913)**	(31 231)
Less: Environmental Guarantee Investment (note 11)	**(42 407)**	(35 720)	**(35 965)**	(31 523)
Total unfunded future rehabilitation obligations	**63 850**	48 042	**9 028**	(26)

20. LONG-TERM PROVISIONS CONTINUED

The group has procured the issue of an insurance guarantee for R96.9 million (2012: R89.9 million) in respect of the unfunded decommissioning and restoration costs, of which R31.0 million (2012: R24.0 million) relates to the company.

21. LONG-TERM LOANS

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden NV (FMO)	**51 365**	35 284	**–**	–
Current portion of long-term loans	**(3 801)**	(2 430)	**–**	–
Total long-term loans	**47 564**	32 854	**–**	–

The loan, which is repayable in equal bi-annual instalments over 15 years, bears interest at 3.5% above JIBAR, with the last payment due 30 September 2026.

The group has pledged the instalment sales agreement as security for the loan (note 9).

22. SHARE-BASED PAYMENT LIABILITY

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Share-based payment liability at modification date	**123 704**	–	**123 704**	–
Share-based payment liability reversal	**(16 097)**	–	**(24 178)**	–
Total share-based payment liability at year end	**107 607**	–	**99 526**	–
Short-term share based payment liability	**16 665**	–	**14 518**	–
Long-term share based payment liability	**90 942**	–	**85 008**	–

The group operates the Northam Share Option Scheme (the Scheme) as well as the Northam Share Incentive Plan (the Plan). The Scheme has been discontinued owing to its dilutionary nature although share options issued before its discontinuance will be allowed to run their course.

During the year, both the Scheme and Plan were amended to provide employees with the option to either elect for settlement in shares or cash. The change was made to avoid the ongoing dilution of the BEE position and approval was granted by the JSE during March 2013.

The previous share Scheme and Plan were considered an equity settled share-based payment transactions. The fair value of these equity instruments were measured at the grant date and included in equity as an equity compensation reserve.

Where the counterparty has a right to elect for the settlement in either shares or cash, IFRS 2 regards the transaction as a compound transaction to which split accounting must be applied. The general principle is the transaction must be analysed into a liability component (the counterparty's right to demand settlement in cash) and an equity component (the counterparty's right to demand settlement in shares).

Management considered the requirements and determined that based on historical information very few individuals, if any, have kept their Northam shares, and that the majority of the outstanding options, performance and retention shares will be settled in cash and should, therefore, be accounted for as a liability rather than an equity compensation reserve.

Refer to Annexure 5, which forms part of these notes, for further details on the share-based payments.

23. UNSECURED LENDING

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Domestic medium-term notes	**1 250 000**	–	**1 250 000**	–

The group raised term debt through the issue of R1.25 billion, 3-year senior unsecured floating rate notes (notes) under its R2 billion Domestic Medium Term Note Programme dated 3 August 2012. The notes attract a coupon of 350 basis points above three-month JIBAR and interest payments are due quarterly. The notes will mature on 4 September 2015.

The issue is guaranteed by Northam's wholly owned subsidiaries, Micawber 278 Proprietary Limited and Khumama Platinum Proprietary Limited, who are the statutory entities in which the Booysendal mine development is housed.

Subsequent to year end, on 11 July 2013, the company raised an additional amount of R120 million in the domestic capital market through a tap issue which will also mature on 4 September 2015.

The interest rate for the tap issue notes was placed at a lower rate of JIBAR plus 330 basis points, which was accounted for in the issue price.

23. UNSECURED LENDING CONTINUED

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Revolving credit facilities	**250 000**	–	**250 000**	–

The group entered into a facility agreement with Nedbank Limited in August 2011 regarding a R1.0 billion 5-year senior unsecured revolving credit facility (the facility). The facility is available to be utilised by way of periodic drawdown requests until the earlier of 1 month prior to final maturity and cancellation of the agreement. Interest is calculate at JIBAR plus 2.80% for each applicable interest period.

24. TRADE AND OTHER PAYABLES

Trade and other payables comprise:

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Trade payables	**319 397**	294 436	**280 700**	250 230
Accruals	**364 577**	427 397	**362 147**	427 397
Accrual for acquisition of participating interest in the Pandora joint venture	**65 000**	65 000	**65 000**	65 000
Receiver of revenue-value added tax	**12 804**	8 111	**–**	–
Other	**250 326**	186 265	**118 803**	152 841
	1 012 104	981 209	**826 650**	895 468

Trade payables are unsecured, non-interest bearing and are normally settled on 30-day terms.

The amount payable for the acquisition of the Pandora joint venture participating interest will be payable once the mineral reserves have been transferred.

25. SHORT-TERM PROVISIONS

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Provision for leave pay				
Balance at beginning of year	**96 466**	84 006	**96 466**	84 006
Additional amounts raised	**120 938**	111 817	**120 938**	111 817
Utilised	**(112 734)**	(99 357)	**(112 734)**	(99 357)
Balance at end of year	**104 670**	96 466	**104 670**	96 466

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the financial reporting date based on the basic cost of employment and available leave entitlement at that date.

26. TORO EMPLOYEE EMPOWERMENT TRUST

The company entered into an agreement with the representative unions at the Northam mine in terms of which the company has undertaken to contribute 4% of its after tax profits to the Toro Employee Empowerment Trust, providing Northam's Zondereinde mine unskilled and semi-skilled employees an opportunity to participate in the profits of the company. Eligible employees will receive payment at the end of each five year cycle, starting from September 2013.

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Assets at fair market value as at 1 July	**96 863**	85 466		
Expected return on assets	**7 402**	7 921	**–**	–
Employer contributions	**24 006**	10 823	**–**	–
Benefits paid	**(1 415)**	(1 683)	**–**	–
Actuarial gain/(loss)	**314**	(5 664)		
Assets at fair market value as at 30 June	**127 170**	96 863	**–**	–
Unrecognised due to Paragraph 58 limit*	**(75 533)**	(32 979)		
Defined benefit obligation as at 1 July	**63 884**	55 115	**–**	–
Service cost	**19 067**	21 780	**–**	–
Interest cost	**6 379**	6 676	**–**	–
Actuarial gain	**(36 278)**	(18 004)	**–**	–
Benefits paid	**(1 415)**	(1 683)		
Defined benefit obligation as at 30 June	**51 637**	63 884	**–**	–
Asset/(liability) recognised on the statement of financial position	**–**	–	**–**	–

* *The "Paragraph 58 limit" ensures the asset to be recognised on the company's balance sheet is subject to a maximum of the sum of any unrecognised actuarial losses, past-service costs and the present value of any economic benefits available to the company in the form of refunds or reductions in future contributions.*

The company is not entitled to any refund from the fund and hence the economic benefit available to the company is nil.

27. REVENUE

Total revenue comprises:

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Sales revenue	**4 420 977**	3 684 000	**4 243 420**	3 648 663
Investment income (note 31)	**33 434**	53 951	**174 311**	34 124
Sundry revenue (note 32)	**56 064**	64 711	**161 693**	711 682
	4 510 475	3 802 662	**4 579 424**	4 394 469

Sales revenue comprises the turnover of platinum group metals and related precious and base metals, net of value added tax, trade discounts and intra-group sales.

28. OPERATING COSTS

Operating costs comprise mining and concentrating costs, excluding depreciation, and consist of the following principal prime cost categories:

	Group 2013 R000	Group 2012 R000	Company 2013 R000	Company 2012 R000
Labour (note 39)	**1 289 703**	1 197 619	**1 275 927**	1 197 619
Stores	**701 268**	690 620	**701 268**	690 620
Utilities	**344 463**	298 353	**342 802**	298 353
Sundries	**479 336**	441 427	**428 112**	416 415
Provision for decommissioning and restoration costs (note 20)	**11 324**	4 907	**11 324**	4 907
	2 826 094	2 632 926	**2 759 433**	2 607 914

The analysis of operating costs by principal activity is as follows:

	Group 2013 R000	Group 2012 R000	Company 2013 R000	Company 2012 R000
Mining operations	**2 117 255**	1 988 417	**2 117 255**	1 988 417
Smelter operations	**97 532**	100 114	**97 532**	100 114
Base metal removal plant operations	**64 053**	85 099	**64 053**	85 099
Overheads	**535 930**	454 389	**469 269**	429 377
Provision for decommissioning and restoration costs (note 20)	**11 324**	4 907	**11 324**	4 907
	2 826 094	2 632 926	**2 759 433**	2 607 914

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Operating costs include the following:				
Directors' remuneration:				
– Non-executive fees	**3 969**	2 981	**3 969**	2 981
– Executive remuneration	**12 679**	15 982	**12 679**	15 982
Share-based payment expense (note 18)	**13 807**	53 049	**13 807**	53 049
Share-based payment liability reversal (note 22)	**(16 097)**	–	**(24 178)**	–
Operating lease payments:				
– Office equipment	**1 813**	813	**771**	727
– Premises	**3 422**	5 571	**1 040**	895

Details of directors' remuneration are contained in the Directors' Report on page 83.

29. DEPRECIATION AND WRITE-OFFS

Depreciation of mining properties, plant and equipment consists of the following:

	Group 2013 R000	Group 2012 R000	Company 2013 R000	Company 2012 R000
Mining property	**8 671**	8 421	**8 671**	8 421
Plant and equipment	**189 043**	177 065	**187 410**	177 065
Decommissioning asset	**2 353**	2 217	**2 353**	2 217
Vehicles	**1 623**	2 584	**1 496**	2 584
Write-off of assets	**33 000**	–	**33 000**	–
	234 690	190 287	**232 930**	190 287

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
30. SHARE OF EARNINGS FROM ASSOCIATES/ DIVIDENDS RECEIVED				
Share of earnings from associates/dividends received (refer Annexure 2)	**13 783**	16 602	**16 740**	816
31. INVESTMENT REVENUE				
Investment revenue consists of the following:				
Interest received on cash and cash equivalents	**21 855**	45 960	**17 468**	30 574
Interest received from subsidiary	**–**	–	**153 175**	322
Interest received on instalment sale agreement	**7 084**	4 515	**–**	–
Interest received in Northam Platinum Restoration Trust Fund (note 10)	**2 145**	1 915	**1 876**	1 776
Interest received in Environmental Guarantee Investment (note 11)	**1 999**	1 561	**1 792**	1 452
Interest received in Buttonshope Conservancy Trust (note 12)	**351**	–	**–**	–
	33 434	53 951	**174 311**	34 124
32. NET SUNDRY INCOME				
Net sundry income is arrived taking into account the following:				
Dividends received	**224**	6 129	**105 853**	653 100
Royalties received from chrome recovery plant	**–**	5 940	**–**	5 940
Treatment charges in respect of concentrates purchased	**55 840**	52 642	**55 840**	52 642
Sundry revenue (note 27)	**56 064**	64 711	**161 693**	711 682
Rent received	**5 377**	1 662	**5 377**	1 662
Sale of scrap	**2 145**	1 761	**2 145**	1 761
Insurance claim	**4 318**	2 072	**4 318**	2 072
Other income	**2 168**	10 022	**1 244**	3 590
Currency translation gain	**18 290**	–	**18 290**	–
Total sundry income	**88 362**	80 228	**193 067**	720 767

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Sundry expenditure				
Loss on sale of property, plant and equipment	**(508)**	(317)	**(383)**	(317)
Currency translation loss	**–**	(3 133)	**–**	(3 133)
Amortisation of participation interest of the Pandora joint venture	**(2 600)**	(2 600)	**(2 600)**	(2 600)
Dividends forfeited	**–**	554	**–**	554
Write-down on investment	**–**	(3 230)	**(62 270)**	(630 813)
Other expenditure	**(25 146)**	(28 159)	**(5 413)**	(18 174)
Total sundry expenditure	**(28 254)**	(36 885)	**(70 666)**	(654 483)
Net sundry income	**60 108**	43 343	**122 401**	66 284

33. TAXATION

	Group 2013	Group 2012	Company 2013	Company 2012
Current income tax				
Current income tax charge	**197 346**	114 120	**163 704**	110 298
Adjustment in respect of current income tax of previous year	**283**	471	**1 363**	3 581
	197 629	114 591	**165 067**	113 879
Deferred tax				
Relating to origination and reversal of temporary differences (note 19)	**(28 575)**	27 482	**(15 918)**	23 220
Income tax expense reported in profit or loss	**169 054**	142 073	**149 149**	137 099
Taxation comprises:				
Mining tax	**131 883**	85 702	**131 883**	85 702
Non-mining tax	**65 300**	23 675	**31 662**	19 853
Tax on share of earnings from associate – current year	**159**	919	**159**	919
Secondary tax on companies	**–**	3 824	**–**	3 824
Capital gains tax	**4**	–	**–**	–
Adjustment in respect of prior years	**283**	471	**1 363**	3 581
Temporary differences	**(28 575)**	27 482	**(15 918)**	23 220
	169 054	142 073	**149 149**	137 099

33. TAXATION CONTINUED

A reconciliation of the standard rate of South African tax compared with that charged in the statement of comprehensive income is set out below:

	Group		Company	
	2013	2012	2013	2012
	%	%	%	%
South African normal tax	**28.0**	28.0	**28.0**	28.0
Secondary tax on companies	**–**	0.8	**–**	0.9
Adjustments in respect of prior periods	**–**	0.1	**0.2**	0.8
Expenditure disallowed and other adjustments	**0.3**	2.5	**(2.7)**	2.2
Other	**(4.0)**	–	**(4.0)**	–
Effective tax rate	**24.3**	31.4	**21.5**	31.9

33.1 MINING TAX

The current rate of mining tax applicable to the company is 28% (2012: 28%).

33.2 NON-MINING TAX

Non-mining income is subject to a rate of 28% (2012: 28%).

33.3 DEFERRED TAX

Deferred tax is provided at the statutory rate of 28% for all temporary differences.

33.4 DIVIDENDS WITHHOLDING TAX AND SECONDARY TAX ON COMPANIES

With effect from 1 March 2012, dividends withholding tax replaced secondary tax on companies and is levied at 15% for local shareholders. Prior to 1 March 2012, secondary tax on companies was levied at a rate of 10% of net dividends declared.

33.5 CAPITAL GAINS TAX

With effect from 1 March 2012, the effective capital gains tax rate increased to 18.7%. Prior to 1 March 2012, capital gains tax at an effective rate of 14% was payable on any gains realised on the disposal of investments or mining properties.

33.6 TAX ON SHARE OF EARNINGS FROM ASSOCIATE

Mining and non-mining income is subject to a rate of 28% (2012: 28%).

34. EARNINGS AND DIVIDEND PER SHARE

Basic earnings per share amounts are calculated dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares of 382 560 902 (2012: 382 426 483) outstanding during the year. Headline earnings per share are based on headline earnings and are reconciled to profit attributable to shareholders as follows:

	Group	
	2013	2012
	R000	R000
Profit attributable to shareholders	**504 907**	310 512
(Profit)/loss on sale of property, plant and equipment	**(1 769)**	317
Write-off of smelter	**33 000**	–
Insurance claim	**(4 318)**	(2 072)
Profit on sale of associate's property, plant and equipment	**(2 118)**	–
Tax effect on above	**(7 520)**	491
Headline earnings	**522 182**	309 248

Fully diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Fully diluted headline earnings per share are based on the headline earnings and the average number of potential diluted shares in issue.

Dividends per share (cents)	**–**	5
The number of potential diluted shares are calculated as follows:		
Average number of ordinary shares in issue during the year	**382 560 902**	382 426 483
Average number of Northam Share Option Scheme options and Incentive Scheme shares outstanding during the year*	**–**	–
Average number of potential diluted ordinary shares in issue	**382 560 902**	382 426 483

* *The effect of the Northam Share Option and Incentive Schemes was not included as the options/incentive shares were antidilutive in the current and prior year.*

35. CASH GENERATED FROM OPERATIONS

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Profit before taxation	**697 055**	452 585	**692 167**	429 588
Adjusted for non-cash items:				
Loss on disposal of property,plant and equipment	**508**	317	**383**	317
Depreciation and write-off	**234 690**	90 287	**232 930**	190 287
Increase/(decrease) in long-term provisions	**22 149**	4 907	**14 807**	4 907
(Increase)/decrease in long-term receivables	**(22 463)**	(37 603)	**–**	–
Share based payment expense	**(2 290)**	53 049	**(10 371)**	53 049
Share of profit from associate	**(13 783)**	(16 602)	**(16 740)**	(816)
Amortisation of participation interest in the Pandora joint venture	**2 600**	2 600	**2 600**	2 600
Change in short-term provisions	**8 204**	12 460	**8 204**	12 460
Fair value adjustment of investment in associate/impairment of investment in subsidiary	**215**	3 230	**62 270**	630 813
Interest paid	**17 946**	–	**119 669**	–
Interest received	**(29 290)**	(50 723)	**(170 643)**	(30 896)
Dividend received	**(224)**	(6 129)	**(105 853)**	(653 100)
	915 317	608 378	**829 423**	639 209

36. CHANGE IN WORKING CAPITAL

Inventories	**(67 347)**	(206 536)	**(61 150)**	(206 536)
Trade and other receivables	**(244 652)**	107 353	**(178 082)**	165 679
Trade and other payables	**30 895**	8 816	**(68 818)**	(573)
	(281 104)	(90 367)	**(308 050)**	(41 430)

37. TAXATION PAID

Balance owing at beginning of year	**88 992**	105 473	**(1 755)**	16 351
Profit or loss charge	**197 629**	114 591	**165 067**	113 879
Balance owing at end of year	**(147 318)**	(88 992)	**(52 848)**	1 755
	139 303	131 072	**110 464**	131 985

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000

38. COMMITMENTS

Capital expenditure – Booysendal mine				
– Authorised but not contracted	**54 801**	888 484	**–**	–
– Contracted	**477 281**	916 113	**–**	–
Capital expenditure – Zondereinde mine				
– Authorised but not contracted	**223 071**	494 138	**223 071**	494 138
– Contracted	**127 085**	152 232	**127 085**	152 232
Information technology – outsource service provider charges				
– Due within one year	**9 710**	9 777	**9 710**	9 777
– Due within two to five years	**31 753**	41 309	**31 753**	41 309
Operating lease rentals – office equipment				
– Due within one year	**1 117**	1 981	**847**	1 843
– Due within two to five years	**915**	2 829	**915**	2 518
Operating lease – premises				
– Due within one year	**3 116**	3 463	**734**	1 040
– Due within two to five years	**11 098**	11 215	**–**	734
– More than five years	**11 900**	13 976	**–**	–
Housing development				
– Authorised	**4 000**	30 483	**4 000**	–
Unutilised loan facility granted to subsidiary			**–**	504 537
Bank guarantees issued	**73 210**	66 340	**49 240**	66 340

These commitments will be funded from a combination of internal retentions and debt as more fully described in the financial review and Directors' Report.

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
39. EMPLOYEE BENEFITS				
The aggregate earnings and benefits of employees, including directors, were:				
– Salaries, wages, share-based payments and other benefits	**1 119 286**	1 046 957	**1 105 510**	1 046 957
– Contributions to retirement benefit funds	**94 050**	84 212	**94 050**	84 212
– Contributions to health-care funds	**52 361**	55 627	**52 361**	55 627
– Employee empowerment scheme (note 26)	**24 006**	10 823	**24 006**	10 823
Total labour	**1 289 703**	1 197 619	**1 275 927**	1 197 619
– Fees paid to non-executive directors	**3 969**	2 981	**3 969**	2 981
	1 293 672	1 200 600	**1 279 896**	1 200 600

40. RELATED PARTIES

Details of transactions and period end balances with those entities identified as related parties are contained in Annexure 4 which forms part of these notes.

41. SEGMENTAL REPORTING

The group has two operating segments, the Zondereinde mine and the Booysendal mine. The group's operating committee looks at the performance of the Zondereinde and Booysendal mines when allocating resources and assessing the segmental performances.

Details of the financial position and net income of the two segments are set out in Annexure 6 which forms part of these notes.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the group's operations and to provide guarantees to support its operations. The group has various financial assets such as trade receivables, investments, long-term receivables, and cash and cash equivalents, which arise directly from its operations.

The group may enter into derivative transactions, being forward currency contracts or metal hedging contracts. The purpose is to manage the currency risks arising from the group's operations and its sources of finance.

The main risks arising from the group's financial instruments are interest-rate risk, liquidity risk, foreign-currency risk, commodity-price risk and credit risk. The board of directors reviews and agrees policies for managing each of these risks which are summarised below:

(a) Market risk

Market risk is the risk that fair value of future cashflows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest-rate risk, currency risk, commodity-price risk and other price risk, such as equity risk.

(b) Foreign currency risk

Foreign-currency risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in foreign exchange rate. The group has transactional currency exposures. Such exposure arises from sales in currencies other than the unit's functional currency. The majority of the group's sales are denominated in currencies other than functional currency of the operating unit making the sale, whilst 96% of costs are denominated in the unit's functional currency, the South African Rand.

The following table demonstrates the sensitivity to a possible change in the US dollar exchange rate with all other variables held constant, of the group's profit before tax due to changes in the fair value of monetary assets and liabilities.

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Weakening by 10%	**16 386**	2 974	**16 386**	2 974
Strengthening by 10%	**(16 386)**	(2 974)	**(16 386)**	(2 974)
At year end the foreign currency value of items under their respective statement of financial position classifications were as follows:				
Accounts receivable – US$	**12 763**	1 562	**12 763**	1 562
Cash and cash equivalents – US$	**4 122**	2 093	**4 122**	2 093
Accounts payable – €	**(389)**	(296)	**(389)**	(296)
Exchange rates at year end:				
– ZAR/US$	**10.01**	8.22	**10.01**	8.22
– ZAR/€	**13.05**	10.40	**13.05**	10.40

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

(c) Commodity price risk

The group is subject to commodity price risks as a result of the prices at which it sells its products being determined by reference to international commodity exchanges.

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
The following is an indication of the effect that changes in the commodity prices would have on the profit before tax:				
– Increase of 10%	**21 390**	1 284	**21 390**	1 284
– Decrease of 10%	**(21 390)**	(1 284)	**(21 390)**	(1 284)

The group did not enter into any hedging contracts during the year.

(d) Credit risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities with banks and financial institutions. The group trades only with recognised, creditworthy third parties. It is the group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant. The significant concentration of credit risk within the group is disclosed in Annexure 6.

With respect to credit risk arising from other financial assets of the group, which comprise cash and cash equivalents, available for sale investments and loans, the group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as per Annexure 1, which forms part of these notes.

(e) 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 the changes in market interest rate. The group's exposure to risk of changes in market interest rates relates primarily to the group's cash balances with floating interest rates and the long-term loan.

As part of the process of managing the group's interest rate risk, all borrowing and the refinancing of existing borrowings are positioned according to expected movements in interest rates.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the group's profit before tax (through the impact on floating rate borrowings and cash and cash equivalents). There is no impact on the group's equity.

	Group		Company	
	2013	2012	2013	2012
	R000	R000	R000	R000
Cash and cash equivalents				
Increase of 1%	**2 986**	1 050	**2 090**	384
Decrease of 1%	**(2 986)**	(1 050)	**(2 090)**	(384)
Floating rate borrowings				
Increase of 1%	**(15 514)**	(353)	**(15 000)**	–
Decrease of 1%	**15 514**	353	**15 000**	–

(f) Fair value

The fair value of financial instruments is defined as the amount at which the instrument could be exchanged in an arms-length transaction between willing parties, other than in a forced liquidation sale.

Management is of the opinion that the book value of financial instruments approximates fair value for group purposes. At a company level, the book value of financial instruments approximates fair value with the exception of inter-group loans, for which the fair value is R4.2 billion.

The fair value is based on the net present value of the expected resources attributable to the realisation of the asset or the extinguishing of the liability.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

(g) Liquidity risk

The group's treasury operations are managed by a reputable treasury management institution.

They assist the group in monitoring its risk to a shortage of funds by only depositing its surplus cash funds with major banks of high credit standing. They consider and monitor the maturity and returns of all financial investments. Management performs regular projected cash flow forecasts for the group.

In addition to the loan secured from Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden NV (FMO) (note 21) by Norplats Properties Proprietary Limited in the previous financial year, the group has the following unsecured loans at financial reporting date: Funding in the debt capital market through the issue of R1.25 billion 3 year senior unsecured floating rate notes (the notes) under its R2 billion Domestic Medium Term Note Programme dated 3 August 2012. The notes attract a coupon of 350 basis points above three month JIBAR and interest payments are due quarterly. The notes will mature on 4 September 2015. The group had entered into a facility agreement with Nedbank Limited in August 2011 regarding a R1.0 billion 5 year senior unsecured revolving credit facility (the facility). The facility is available to be utilised by way of periodic drawdown requests until the earlier of 1 month prior to final maturity and cancellation of the agreement. Interest is calculated at JIBAR plus 2.80% for each applicable interest period. At year end R250 million of the facility was unutilised.

Subsequent to year end, on 11 July 2013, the company raised an additional amount of R120 million in the domestic capital market through a tap issue which will also mature on 4 September 2015.

The interest rate for the tap issue notes was placed at a lower rate of JIBAR plus 330 basis points, which was accounted for in the issue price.

All trade accounts payable are due within 30 days. The maturity profile of the group's financial liabilities is set out in Annexure 1, which forms part of these notes.

(h) Capital management

Capital comprises the equity attributable to the shareholders of Northam.

The primary objective of the group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to share holders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2013 and 30 June 2012.

The group monitors capital by assessing interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents to assess whether additional capital is required. No formal objectives have been set for a specific ratio/headroom to be met in this regard.

(i) Categories of financial instruments

The various categories of financial instruments are set out in Annexure 1, which forms part of these notes.

(j) Fair value hierarchy

Details of the group's fair value hierarchy are set out below:

As at 30 June 2013 the group held the following financial instruments measured at fair value:

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 – techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Group at 30 June 2013			
	Level 1	Level 2	Level 3	Total
	R'000	R'000	R'000	R'000
Assets measured at fair value				
Available for sale investments	**6**	**–**	**–**	**6**
Investments held by Northam Platinum Restoration Trust Fund	**40 948**	**–**	**–**	**40 948**
Environmental Guarantee Investment	**42 407**	**–**	**–**	**42 407**
Buttonshope Conservancy Trust	**10 126**	**–**	**–**	**10 126**
	at 30 June 2012			
Assets measured at fair value				
Available for sale investments	6	–	–	6
Investments held by Northam Platinum Restoration Trust Fund	35 689	–	–	35 689
Environmental Guarantee Investment	35 720	–	–	35 720
Buttonshope Conservancy Trust	9 775	–	–	9 775

	Company at 30 June 2013			
	Level 1	Level 2	Level 3	Total
	R'000	R'000	R'000	R'000
Assets measured at fair value				
Available for sale investments	**6**	**–**	**–**	**6**
Investments held by Northam Platinum Restoration Trust Fund	**33 913**	**–**	**–**	**33 913**
Environmental Guarantee Investment	**35 965**	**–**	**–**	**35 965**
	at 30 June 2012			
Assets measured at fair value				
Available for sale investments	6	–	–	6
Investments held by Northam Platinum Restoration Trust Fund	31 231	–	–	31 231
Environmental Guarantee Investment	31 523	–	–	31 523

43. EVENTS AFTER THE REPORTING DATE

Please refer to events after the reporting date included on page 87 of the Directors' Report.

44. MAJOR SHAREHOLDERS AND SHAREHOLDER SPREAD

Please refer to major shareholders and shareholder spread at 30 June 2013 on page 85 of the Directors' Report.

ANNEXURE 1

ANALYSIS OF FINANCIAL INSTRUMENTS AT 30 JUNE 2013

a) Categories of financial instruments

	Available for sale		Loans and receivables	
	Year ended 30 June 2013	Year ended 30 June 2012	Year ended 30 June 2013	Year ended 30 June 2012
	R000	R000	R000	R000
GROUP				
Available for sale investments	**6**	6	**–**	–
Long-term receivables	**–**	–	**87 400**	64 937
Investments held by Northam Platinum Restoration Trust Fund	**–**	–	**–**	–
Environmental Guarantee Investment	**–**	–	**–**	–
Buttonshope Conservatory Trust	**–**	–	**–**	–
Trade and other receivables	**–**	–	**349 958**	111 894
Cash and cash equivalents	**–**	–	**298 580**	104 980
Trade and other payables	**–**	–	**–**	–
Loans and unsecured lending	**–**	–	**–**	–
	6	6	**735 938**	281 811
COMPANY				
Available for sale investments	**6**	6	**–**	–
Investments held by Northam Platinum Restoration Trust Fund	**–**	–	**–**	–
Environmental Guarantee Investment	**–**	–	**–**	–
Trade and other receivables	**–**	–	**255 814**	69 681
Cash and cash equivalents	**–**	–	**209 015**	38 358
Trade and other payables	**–**	–	**–**	–
Loans and unsecured lending	**–**	–	**–**	–
	6	6	**464 829**	108 039

Note: Non-financial instruments comprise pre-payments and VAT receivables.

Assets designated at fair value through profit and loss		Financial liabilities at amortised cost		Non-financial instruments		Total	
Year ended 30 June 2013	Year ended 30 June 2012	Year ended 30 June 2013	Year ended 30 June 2012	Year ended 30 June 2013	Year ended 30 June 2012	Year ended 30 June 2013	Year ended 30 June 2012
R000	R000	R000	R000	R000	R000	R000	R000
–	–	**–**	–	**–**	–	**6**	6
–	–	**–**	–	**–**	–	**87 400**	64 937
40 948	35 689	**–**	–	**–**	–	**40 948**	35 689
42 407	35 720	**–**	–	**–**	–	**42 407**	35 720
10 126	9 775	**–**	–	**–**	–	**10 126**	9 775
–	–	**–**	–	**197 962**	191 374	**547 920**	303 268
–	–	**–**	–	**–**	–	**298 580**	104 980
–	–	**(1 012 104)**	(981 209)	**–**	–	**(1 012 104)**	(981 209)
–	–	**(1 551 365)**	(35 284)	**–**	–	**(1 551 365)**	(35 284)
93 481	81 184	**(2 563 469)**	(1 016 493)	**197 962**	191 374	**(1 536 082)**	(462 118)
–	–	**–**	–	**–**	–	**6**	6
33 913	31 231	**–**	–	**–**	–	**33 913**	31 231
35 965	31 523	**–**	–	**–**	–	**35 965**	31 523
–	–	**–**	–	**78 145**	86 196	**333 959**	155 877
–	–	**–**	–	**–**	–	**209 015**	38 358
–	–	**(826 650)**	(895 468)	**–**	–	**(826 650)**	(895 468)
–	–	**(1 500 000)**	–	**–**	–	**(1 500 000)**	–
69 878	62 754	**(2 326 650)**	(895 468)	**78 145**	86 196	**(1 713 792)**	(638 473)

ANALYSIS OF FINANCIAL INSTRUMENTS AT 30 JUNE 2013 CONTINUED

b) Trade and other receivables

The table below summarises the maturity profile of the company and group's trade and other receivables.

	Neither past due nor impaired		< 30 days		30 – 60 days	
	Year ended 30 June 2013	Year ended 30 June 2012	Year ended 30 June 2013	Year ended 30 June 2012	Year ended 30 June 2013	Year ended 30 June 2012
	R000	R000	R000	R000	R000	R000
GROUP	**374 233**	202 528	**14 733**	21 796	**251**	4 176
COMPANY	**300 955**	145 834	**14 703**	5 712	**226**	4 176

c) Borrowings and trade and other payables

The table below summarises the maturity profile of the company and group's borrowings and trade and other payables.

	Payable on demand	
	Year ended 30 June 2013	Year ended 30 June 2012
	R000	R000
GROUP		
Trade payables	**319 397**	294 436
Accruals	**–**	–
Accrual for the acquisition of the interest in the Pandora joint venture	**–**	–
Other	**–**	–
Long-term loans	**–**	–
Unsecured lending	**–**	–
	319 397	294 436
COMPANY		
Trade payables	**280 700**	250 230
Accruals	**–**	–
Accrual for the acquisition of the interest in the Pandora joint venture	**–**	–
Other	**–**	–
Unsecured lending	**–**	–
	280 700	250 230

	60 – 90 days		> 90 days		Total	
	Year ended 30 June 2013	Year ended 30 June 2012	Year ended 30 June 2013	Year ended 30 June 2012	Year ended 30 June 2013	Year ended 30 June 2012
	R000	R000	R000	R000	R000	R000
	242	109	**158 461**	74 659	**547 920**	303 268
	88	7	**17 987**	149	**333 959**	155 877

	1 to 6 months		More than six months		Total	
	Year ended 30 June 2013	Year ended 30 June 2012	Year ended 30 June 2013	Year ended 30 June 2012	Year ended 30 June 2013	Year ended 30 June 2012
	R000	R000	R000	R000	R000	R000
	–	–	**–**	–	**319 397**	294 436
	364 577	427 397	**–**	–	**364 577**	427 397
	–	–	**65 000**	65 000	**65 000**	65 000
	250 326	186 265	**–**	–	**250 326**	186 265
	–	–	**153 720**	32 854	**153 720**	32 854
	–	–	**1 749 093**	–	**1 749 093**	–
	614 903	613 662	**1 967 813**	97 854	**2 902 113**	1 005 952
	–	–	**–**	–	**280 700**	250 230
	362 147	427 397	**–**	–	**362 147**	427 397
	–	–	**65 000**	65 000	**65 000**	65 000
	118 803	152 841	**–**	–	**118 803**	152 841
	–	–	**1 749 093**	–	**1 749 093**	–
	480 950	580 238	**1 814 093**	65 000	**2 575 743**	895 468

INTEREST IN ASSOCIATES AND JOINT VENTURES AT 30 JUNE 2013

RECONCILIATION OF NORTHAM'S INTEREST IN ASSOCIATES AND JOINT VENTURES

	2013						
	Interest in Pandora joint venture	Interest in Dwaalkop joint venture	Interest in Trans Hex Group Limited	Total	Interest in Pandora joint venture	Interest in Trans Hex Group Limited	Total
	7.50%	50.00%	20.30%		7.50%	20.30%	
	Group	Group	Group	Group	Company	Company	Company
	R000	R000	R000	R000	R000	R000	R000
Cost of investment	**65 000**	**300 679**	**67 821**	**433 500**	**65 000**	**77 509**	**142 509**
Share of earnings previously accounted for	**100 981**	**–**	**–**	**100 981**	**–**	**–**	**–**
Profit for the year	**3 555**	**–**	**10 228**	**13 783**	**–**	**–**	**–**
Other comprehensive income	**–**	**–**	**(4 145)**	**(4 145)**	**–**	**–**	**–**
Amortisation previously accounted for	**(9 967)**	**–**	**–**	**(9 967)**	**(9 967)**	**–**	**(9 967)**
Current year amortisation	**(2 600)**	**–**	**–**	**(2 600)**	**(2 600)**	**–**	**(2 600)**
Cash distributions received in previous years	**(19 314)**	**–**	**–**	**(19 314)**	**(7 500)**	**–**	**(7 500)**
Cash distributions received in the current year	**(16 740)**	**–**	**–**	**(16 740)**	**–**	**–**	**–**
Carrying value of investment in associate	**120 915**	**300 679**	**73 904**	**495 498**	**44 933**	**77 509**	**122 442**
Dividends received (note 30)					**16 740**	**–**	**16 740**

2012						
Interest in Pandora joint venture	Interest in Dwaalkop joint venture	Interest in Trans Hex Group Limited	Total	Interest in Pandora joint venture	Interest in Trans Hex Group Limited	Total
7.50%	50.00%	20.30%		7.50%	20.30%	
Group	Group	Group	Group	Company	Company	Company
R000	R000	R000	R000	R000	R000	R000
65 000	300 679	67 821	433 500	65 000	–	65 000
94 462	–	–	94 462	(7 500)	–	–
6 734	–	9 868	16 602	–	–	–
–	–	(9 868)	(9 868)	–	–	
(7 367)	–	–	(7 367)	(7 367)	–	(7 367)
(2 600)	–	–	(2 600)	(2 600)	–	(2 600)
(18 498)	–	–	(18 498)	(7 500)	–	(7 500)
(816)	–	–	(816)	(7 500)	–	–
136 915	300 679	67 821	505 415	44 933	–	47 533
				816	–	816

STATEMENT OF COMPREHENSIVE INCOME

	2013			
	Interest in Pandora joint venture	Interest in Dwaalkop joint venture	Interest in Trans Hex Group Limited	Total
	7.50%	50.00%	20.30%	
	Group	Group	Group	Group
	R000	R000	R000	R000
Sales	**32 775**	**–**	**150 119**	**182 894**
Cost of sales and operating expenditure	**(25 316)**	**–**	**(130 926)**	**(156 242)**
Operating profit	**7 459**	**–**	**19 193**	**26 652**
Investment income	**555**	**–**	**3 667**	**4 222**
Sundry income	**375**	**–**	**–**	**375**
Other operating costs	**(4 776)**	**–**	**(13 308)**	**(18 084)**
Finance charges	**(58)**	**–**	**(1 572)**	**(1 630)**
Income tax	**–**	**–**	**(1 886)**	**(1 886)**
Impairment adjustment	**–**	**–**	**–**	**–**
Profit from discontinued operation	**–**	**–**	**4 134**	**4 134**
Profit for the year	**3 555**	**–**	**10 228**	**13 783**
Other comprehensive income	**–**	**–**	**(4 145)**	**(4 145)**
Total comprehensive income for the year	**3 555**	**–**	**6 083**	**9 638**

The interest in Pandora joint venture and Trans Hex Group Limited are accounted for as associates.
The interest in Dwaalkop joint venture is accounted for as a joint venture.

2012			
Interest in Pandora joint venture	Interest in Dwaalkop joint venture	Interest in Trans Hex Group Limited	Total
7.50%	50.00%	20.30%	
Group	Group	Group	Group
R000	R000	R000	R000
29 635	–	153 160	182 795
(24 530)	–	(131 512)	(156 042)
5 105	–	21 648	26 753
1 683	–	2 873	4 556
–	–	–	–
–	–	–	–
(54)	–	(2 336)	(2 390)
–	–	(5 771)	(5 771)
–	–	(32 416)	(32 416)
–	–	25 870	25 870
6 734	–	9 868	16 602
–	–	(9 868)	(9 868)
6 734	–	–	6 734

STATEMENT OF FINANCIAL POSITION

	2013			
	Interest in Pandora joint venture	Interest in Dwaalkop joint venture	Interest in Trans Hex Group Limited	Total
	7.50%	50.00%	20.30%	
	Group	Group	Group	Group
	R000	R000	R000	R000
Non-current assets				
Property, plant and equipment	59 197	–	67 869	127 066
Financial assets	–	–	24 372	24 372
Current assets	17 384	–	97 113	114 497
Inventory	–	–	36 054	36 054
Trade and other receivables	9 772	–	6 912	16 684
Prepayments	51	–	–	51
Cash and cash equivalents	7 561	–	54 147	61 708
Total assets	76 581	–	189 354	265 935
Participants' interest	69 240	–	5 847	75 087
Total shareholders' interest	–	–	97 948	97 948
Non-current liabilities	796	–	32 476	33 272
Capital loans from participants	–	–	–	–
Provision for environmental and rehabilitation obligations	796	–	–	796
Deferred tax	–	–	11 839	11 839
Borrowings	–	–	176	176
Other provisions	–	–	20 461	20 461
Current liabilities	6 545	–	53 083	59 628
Royalties payable	288	–	–	288
Trade and other payables	6 257	–	40 112	46 369
Borrowings	–	–	12 971	12 971
Income tax liability	–	–	–	–
Total equity and liabilities	76 581	–	189 354	265 935

2012			
Interest in Pandora joint venture	Interest in Dwaalkop joint venture	Interest in Trans Hex Group Limited	Total
7.50%	50.00%	20.30%	
Group	Group	Group	Group
R000	R000	R000	R000
55 537	–	78 126	133 663
–	–	20 100	20 100
43 554	–	94 744	138 298
–	–	19 849	19 849
16 915	–	4 383	21 298
42	–	–	42
26 597	–	70 512	97 109
99 091	–	192 970	292 061
81 882	–	32 416	114 298
–	–	62 807	62 807
684	–	38 785	39 469
–	–	–	–
684	–	–	684
–	–	14 359	14 359
–	–	4 953	4 953
–	–	19 473	19 473
16 525	–	58 962	75 487
760	–	–	760
15 765	–	43 914	59 679
–	–	14 076	14 076
–	–	972	972
99 091	–	192 970	292 061

ANNEXURE 3

SUBSIDIARIES AT 30 JUNE 2013

Name of company	Effective holding 2013 %	Effective holding 2012 %	Share capital and premium R000
Broad Brush 2 Proprietary Limited	**100.0**	100.0	***
Dialstat Trading 133 Proprietary Limited	**100.0**	100.0	***
Khumama Platinum Proprietary Limited	**100.0**	100.0	2 506 125
Micawber 278 Proprietary Limited	**100.0**	100.0	***
Micawber 325 Proprietary Limited	**100.0**	100.0	1
Mvelaphanda Equity Proprietary Limited	**100.0**	100.0	***
Mvelaphanda Gold Proprietary Limited	**100.0**	100.0	***
Mvelaphanda Investment and Mining Proprietary Limited	**100.0**	100.0	***
Mvelaphanda Platinum Proprietary Limited	**100.0**	100.0	***
Mvelaphanda Resources Proprietary Limited	**100.0**	100.0	4 358
NCP Materials Handling Proprietary Limited #	**17.5**	n/a	2 089
NCP Staff Transportation Proprietary Limited #	**34.3**	n/a	***
Norplats Properties Proprietary Limited	**100.0**	100.0	***
Northam Chrome Producers Proprietary Limited	**70.0**	n/a	1
Windfall 38 Properties Proprietary Limited	**100.0**	100.0	***
Interest in subsidiaries			

** Investment less than R1 000* *** Indirectly held subsidiary* **** Issued capital less than R1 000*

All companies are incorporated in the Republic of South Africa.
With the exception of Northam Chrome Producers, NCP Materials Handling and NCP Staff Transportation, all companies are wholly-owned.

Interest of holding company				
Shares		Indebtedness		Nature of business
2013	2012	2013	2012	
R000	R000	R000	R000	
**	**	**(717)**	13 066	Broad Brush owns certain property in the town of Northam, and will develop a residential township as a further part of the initiative to assist Northam employees in acquiring their own affordable houses.
*	*	**1**	–	Dormant.
5 566 000	5 566 000	**–**	–	Khumama owns 100% of the issued capital of Micawber 278 Proprietary Limited.
**	**	**4 091 830**	2 583 789	Micawber owns the mining titles and certain freehold in respect of the Booysendal mine.
**	**	**–**	–	Dormant, in voluntary liquidation.
**	**	**–**	–	Dormant, in voluntary liquidation.
**	**	**–**	–	Dormant, in voluntary liquidation.
**	**	**–**	–	Dormant, in voluntary liquidation.
**	**	**–**	–	Dormant, in voluntary liquidation.
225 514	297 688	**–**	–	Mvelaphanda Resources holds the group's interest in the Dwaalkop exploration joint venture and the Kokerboom exploration joint venture.
**	n/a	**–**	n/a	NCP Materials Handling provides logistical services to Northam Chrome Producers.
**	n/a	**–**	n/a	NCP Staff Transportation provides transport services to Northam Chrome Producers.
*	*	**36 840**	43 913	Norplats Properties owns residential erven in the town of Northam, and has erected houses thereon as part of an initiative to assist Northam employees in acquiring their own affordable houses. In addition, Norplats Properties owns 100% of the issued capital of Broad Brush 2 Proprietary Limited.
10 000	n/a	**–**	n/a	Northam Chrome Producers operates a chrome recovery plant at Northam's Zondereinde mine. Northam Chrome Producers owns 25% of the issued capital of NCP Materials Handling Proprietary Limited and 49% of the issued capital of NCP Staff Transportation Proprietary Limited.
*	*	**15 424**	15 695	Windfall owns certain freehold in respect of Booysendal.
5 801 514	5 863 688	**4 143 378**	2 656 463	

NCP Materials Handling and NCP Staff Transportation are controlled by the Northam group as the group obtains the majority of the benefits generated by these two entities.

The loan to Norplats Properties Proprietary Limited includes a fixed-term loan, further details of which are disclosed in note 13. The loans to Micawber 278 and Windfall 38 Properties bear interest at 2.0% below the South African prime interest rate. The loans to Broad Brush Investments 2 and Dialstat Trading 133 are unsecured and interest-free. All the loans are repayable on demand and are therefore stated as current.

ANNEXURE 4

RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 30 JUNE 2013

Name of entity	Basis of identification as a related party	Related director	Nature of services provided	Where charged/ (credited) in statement of financial position
First Rand Limited	NJ Dlamini married to Chief Executive Officer of First Rand	NJ Dlamini	Treasury operations - investment of surplus funds	Cash and cash equivalents
				n/a
			Treasury operations – sale of export proceeds	n/a
Telkom Limited	Common directorship	PL Zim	Supply of tele-communication services	Trade and other payables

KEY MANAGEMENT PERSONNEL

Where charged/(credited) in statement of comprehensive income	Non-executive directors' fees Operating costs – sundries		Remuneration Operating costs – labour		Contribution to retirement funds Operating costs – labour		Performance bonus Operating costs – labour	
	2013	2012	2013	2012	2013	2012	2013	2012
	R000	R000	R000	R000	R000	R000	R000	R000
Non-executive directors' remuneration (see Directors' Report page 83)	**3 969**	2 981	**–**	–	**–**	–	**–**	–
Executive directors								
AZ Khumalo	**–**	–	**2 392**	1 752	**299**	219	**955**	699
GT Lewis	**–**	–	**5 841**	3 091	**730**	386	**2 291**	7 617
BR van Rooyen (Note 1)	**–**	–	**–**	1 950	**–**	–	**–**	185
	–	–	**8 233**	6 793	**1 029**	605	**3 246**	8 501
Total directors' remuneration	**3 969**	2 981	**8 233**	6 793	**1 029**	605	**3 246**	8 501
Senior management			**22 443**	20 612	**2 812**	2 577	**12 937**	9 230

Note 1. Mr BR van Rooyen was appointed an executive director with effect from 1 June 2011 and resigned with effect from 12 March 2012.

Refer to page 84 of the Directors' Report for directors' interests.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity and comprise members of the board of directors.

Where charged/(credited) in statement of comprehensive income	Charged/(credited) to statement of financial position		Charged/(credit) to statement of comprehensive income		Year end balance		Year end balance included in:
	2013	2012	2013	2012	2013	2012	
	R000	R000	R000	R000	R000	R000	
	8 000	–	**–**	–	**8 000**	–	Cash and cash equivalents
Investment revenue	**–**	–	**629**	2 017	**33**	9	Trade and other receivables
Sales revenue	**–**	–	**552 228**	512 886	**–**	–	n/a
Operating costs	**–**	–	**767**	890	**–**	43	Trade and other payables

Other benefits		Equity settled share based payments		Cash settled share based payments		Sub total		Gain on exercise of share options		Total	
Operating costs – labour		Operating costs – labour		Operating costs – labour							
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000	R000
–	–	**–**	–	**–**	–	**3 969**	2 981	**–**	–	**3 969**	2 981
92	9	**3 410**	2 839	**(9)**	–	**7 139**	5 518	**–**	–	**7 139**	5 518
79	12	**3 206**	3 438	**(405)**	–	**11 742**	14 544	**–**	–	**11 742**	14 544
–	62	**–**	–	**–**	–	**–**	2 197	**–**	–	**–**	2 197
171	83	**6 616**	6 277	**(414)**	–	**18 881**	22 259	**–**	–	**18 881**	22 259
171	83	**6 616**	6 277	**(414)**	–	**22 850**	25 240	**–**	–	**22 850**	25 240
2 842	3 054	**16 038**	16 646	**(1 771)**	–	**55 301**	52 119	**n/a**	n/a	**55 301**	52 119

It has been determined that the executive directors are the only prescribed officers of the company and as a result no additional disclosure of executive salaries is required. Prescribed officers is defined in terms of Section 66(10) of the Companies Act 71 of 2008, and as further described in Section 38 of the Regulations thereto.

ANNEXURE 5(A)

ANALYSIS OF SHARE OPTIONS HELD AT 30 JUNE 2013

Grant date	24 October 2005	23 October 2006	22 October 2007
Earliest exercise date	24 October 2007	23 October 2008	22 October 2009
Expiry date	23 October 2012	22 October 2013	21 October 2014
Exercise price – rands	17.00	38.45	48.00
Balance at 30 June 2011	125 000	1 116 000	1 512 500
Options forfeited during the year	–	(45 000)	(45 000)
Options exercised during the year	(68 300)	–	–
Month			
July	–	–	–
August	–	–	–
September	–	–	–
October	–	–	–
November	–	–	–
December	–	–	–
January	–	–	–
February	(22 500)	–	–
March	–	–	–
April	–	–	–
May	(300)	–	–
June	(45 500)	–	–
Balance at 30 June 2012	56 700	1 071 000	1 467 500
Options forfeited during the year	–	(13 000)	(70 000)
Options exercised during the year	(56 700)	–	–
Month			
July	–	–	–
August	–	–	–
September	(12 500)	–	–
October	(44 200)	–	–
November	–	–	–
December	–	–	–
January	–	–	–
February	–	–	–
March	–	–	–
April	–	–	–
May	–	–	–
June	–	–	–
Balance at 30 June 2013	–	1 058 000	1 397 500
Total consideration received on equity-settled options (R000)	964	–	–
Total gain on cash-settled options (R000)	–	–	–

In March 2013, the JSE approved a change to the rules of the Scheme in terms of which option holders may elect to receive either the shares over which an option has been granted or a cash payment equivalent to the difference between the volume weighted average price at which Northam shares traded on the day preceding

27 November 2008	05 November 2009	01 July 2010	12 October 2010	Total
27 November 2010	05 November 2011	01 July 2012	12 October 2012	
26 November 2015	04 November 2016	30 June 2017	11 October 2017	
32.38	36.95	45.59	46.59	
2 075 500	3 182 500	125 000	3 837 500	11 974 000
(107 500)	(430 000)	–	(595 000)	(1 222 500)
(12 500)	–	–	–	(80 800)
–	–	–	–	–
–	–	–	–	–
–	–	–	–	–
–	–	–	–	–
–	–	–	–	–
–	–	–	–	–
–	–	–	–	–
–	–	–	–	(22 500)
–	–	–	–	–
(12 500)	–	–	–	(12 500)
–	–	–	–	(300)
–	–	–	–	(45 500)
1 955 500	2 752 500	125 000	3 242 500	10 670 700
(38 000)	(100 000)	–	(335 000)	(556 000)
(680 500)	(602 500)	–	–	(1 339 700)
–	–	–	–	–
–	–	–	–	–
–	–	–	–	(12 500)
–	–	–	–	(44 200)
–	–	–	–	–
–	–	–	–	–
–	–	–	–	–
–	–	–	–	–
(680 500)	(577 500)	–	–	(1 258 000)
–	(25 000)	–	–	(25 000)
–	–	–	–	–
–	–	–	–	–
1 237 000	2 050 000	125 000	2 907 500	8 775 000
–	–	–	–	964
4 561	1 373	–	–	5 934

the exercise date and the exercise price. Options which are cash-settled are regarded as having been exercised. All options exercised during the year in respect of the 27 November 2008 and 5 November 2009 grant date were cash-settled, the options exercised in respect of the 24 October 2005 grant date were equity-settled.

ANNEXURE 5(A)

ANALYSIS OF SHARE OPTIONS HELD AT 30 JUNE 2013 CONTINUED

DETAILS OF OPTIONS GRANTED TO DIRECTORS

Grant date	24 October 2005	23 October 2006	22 October 2007
Earliest exercise date	24 October 2007	23 October 2008	22 October 2009
Expiry date	23 October 2012	22 October 2013	21 October 2014
Exercise price – rands	17.00	38.45	48.00
GT Lewis			
Balance at 30 June 2011	–	187 500	187 500
New options granted during the year	–	–	–
Balance at 30 June 2012	–	187 500	187 500
New options granted during the year	–	–	–
Balance at 30 June 2013	–	187 500	187 500
AZ Khumalo			
Balance at 30 June 2011	–	–	–
New options granted during the year	–	–	–
Balance at 30 June 2012	–	–	–
New options granted during the year	–	–	–
Balance at 30 June 2013	–	–	–

No options were exercised by directors during the current or prior year.

27 November 2008	05 November 2009	01 July 2010	12 October 2010	Total
27 November 2010	05 November 2011	01 July 2012	12 October 2012	
26 November 2015	04 November 2016	30 June 2017	11 October 2017	
32.38	36.95	45.59	46.59	
187 500	187 500	–	187 500	937 500
–	–	–	–	–
187 500	187 500	–	187 500	937 500
–	–	–	–	–
187 500	187 500	–	187 500	937 500
–	–	125 000	125 000	250 000
–	–	–	–	–
–	–	125 000	125 000	250 000
–	–	–	–	–
–	–	125 000	125 000	250 000

ANNEXURE 5(B)

ANALYSIS OF SHARE INCENTIVE PLAN AS AT 30 JUNE 2013

Retention shares	06 November 2012 share award	22 November 2011 share award
Balance at 30 June 2012	–	684 000
Retention shares awarded	930 000	–
Shares forfeited during the year	–	(48 000)
Shares cash-settled during the year	(26 000)	(28 000)
Balance at 30 June 2013	904 000	608 000

Performance shares		
Balance at 30 June 2012	–	1 257 000
Performance shares awarded	1 619 000	–
Shares forfeited during the year	–	(92 000)
Shares cash-settled during the year	(46 000)	(52 000)
Balance at 30 June 2013	1 573 000	1 113 000

DETAILS OF SHARE INCENTIVES GRANTED TO DIRECTORS

	06 November 2012 share award	22 November 2011 share award
GT Lewis		
Balance at 30 June 2012	–	93 000
Retention shares awarded during the year	56 000	–
Performance shares awarded during the year	98 000	–
Shares forfeited during the year	–	–
Balance at 30 June 2013	154 000	93 000
AZ Khumalo		
Balance at 30 June 2012	–	93 000
Retention shares awarded during the year	56 000	–
Performance shares awarded during the year	98 000	–
Shares forfeited during the year	–	–
Balance at 30 June 2013	154 000	93 000

The shares awarded in terms of the rules of the Share Incentive Plan comprise retention shares, which vest after two years from grant date with no performance criteria, and performance shares, which vest after three years from grant date. The final number of performance shares that an employee will receive will be subject to certain performance criteria being met.

ANNEXURE 5(C)

SHARE-BASED PAYMENT LIABILITY AT 30 JUNE 2013

In March 2013, the JSE approved a change to the rules of the Plan in terms of which, upon the vesting of any awards, participants may elect to receive either the shares that have vested or an amount equal to the volume weighted average price at which Northam shares traded on the day preceding the settlement date.

All awards that were cash-settled during the year relate to employees who retired.

The carrying amount of the liability relating to the share options scheme and share incentive plan:

	Group	Company
	R000	R000
Long-term share-based payment liability	90 942	85 008
Short-term share-based payment liability	16 665	14 518
Total share-based payment liability as at 30 June 2013	107 607	99 526

The following table lists the inputs to the model used for the share option scheme for the year ended 30 June 2013:

	23 October 2006	22 October 2007	27 November 2008	5 November 2009	1 July 2010	12 October 2010
Dividend yield (%)	–	–	–	–	–	–
Expected volatility (%)	34.04	34.04	34.04	34,04	34.04	34.04
Risk-free interest rate (%)	5.1035	5.5363	6.1107	6.5612	6.8493	6.9497
Expected life-of-share options (years)	0.3	1.3	2.4	3.4	4.0	4.3
Spot price (R)	32.00	32.00	32.00	32.00	32.00	32.00
Model used	Binomial	Binomial	Binomial	Binomial	Binomial	Binomial

The following table lists the inputs to the model used for the share incentive plan for the year ended 30 June 2013:

	22 November 2011		6 November 2012	
	Retention shares	Performance shares	Retention shares	Performance shares
Dividend yield (%)	–	–	–	–
Expected life-of-share awards (years)	0.4	1.4	1.4	2.4
Spot price (R)	32.00	32.00	32.00	32.00
Model used	Binomial	Binomial	Binomial	Binomial

The expected life is based on historical data and current expectations, and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options/incentive shares is indicative of future trends, which may not necessarily be the actual outcome.

ANNEXURE 6

SEGMENTAL ANALYSIS AT 30 JUNE 2013

SEGMENTAL STATEMENT OF FINANCIAL POSITION

	2013			2012		
	Booysendal operations	Zondereinde operations	Total	Booysendal operations	Zondereinde operations	Total
	R000	R000	R000	R000	R000	R000
Non-current assets	**9 705 791**	**2 917 198**	**12 622 989**	6 980 800	2 850 413	9 831 213
Property, plant and equipment	**4 120 946**	**2 101 280**	**6 222 226**	2 581 075	2 017 614	4 598 689
Mining properties and mineral resources	**5 571 368**	**137 457**	**5 708 825**	4 391 069	146 064	4 537 133
Investment in associate and joint ventures	**–**	**495 498**	**495 498**	–	505 415	505 415
Unlisted investments	**–**	**6**	**6**	–	6	6
Land and township development	**–**	**15 553**	**15 553**	–	43 849	43 849
Long-term receivables	**–**	**87 400**	**87 400**	–	64 937	64 937
Investments held by Northam Platinum Restoration Trust Fund	**7 035**	**33 913**	**40 948**	4 459	31 230	35 689
Environmental Guarantee Investment	**6 442**	**35 965**	**42 407**	4 197	31 523	35 720
Buttonshope Conservancy Trust	**–**	**10 126**	**10 126**	–	9 775	9 775
Current assets	**212 761**	**1 521 914**	**1 734 675**	143 825	1 088 514	1 232 339
Inventories	**5 266**	**873 264**	**878 530**	–	811 183	811 183
Trade and other receivables	**205 631**	**342 289**	**547 920**	143 458	159 810	303 268
Cash and cash equivalents	**79**	**298 501**	**298 580**	56	104 924	104 980
South African Revenue Service	**1 785**	**7 860**	**9 645**	311	12 597	12 908
Mineral resources classified as held for sale	**–**	**–**	**–**	1 180 300	–	1 180 300
Total assets	**9 918 552**	**4 439 112**	**14 357 664**	8 304 925	3 938 927	12 243 852

	2013			2012		
	Booysendal operations	Zondereinde operations	Total	Booysendal operations	Zondereinde operations	Total
	R000	R000	R000	R000	R000	R000
Non-current liabilities	**48 736**	**1 949 090**	**1 997 826**	35 627	612 973	648 600
Deferred tax liability	**–**	**476 053**	**476 053**	–	504 628	504 628
Long-term provisions	**42 802**	**90 465**	**133 267**	35 627	75 491	111 118
Share-based payment liability	**5 934**	**85 008**	**90 942**	–	–	–
Long-term loans	**–**	**47 564**	**47 564**	–	32 854	32 854
Domestic medium-term notes	**–**	**1 250 000**	**1 250 000**	–	–	–
Current liabilities	**124 226**	**1 419 977**	**1 544 203**	33 424	1 148 581	1 182 005
Trade and other payables	**122 079**	**890 025**	**1 012 104**	33 424	947 785	981 209
South African Revenue Service	**–**	**156 963**	**156 963**	–	101 900	101 900
Short-term provision	**–**	**104 670**	**104 670**	–	96 466	96 466
Share-based payment liability	**2 147**	**14 518**	**16 665**	–	–	–
Current portion of long-term loans	**–**	**3 801**	**3 801**	–	2 430	2 430
Revolving credit facilities	**–**	**250 000**	**250 000**	–	–	–
Net assets	**9 745 590**	**1 070 045**	**10 815 635**	8 235 874	2 177 373	10 413 247

SEGMENTAL STATEMENT OF COMPREHENSIVE INCOME

	2013			2012		
	Booysendal operations	Zondereinde operations	Total	Booysendal operations	Zondereinde operations	Total
	R000	R000	R000	R000	R000	R000
Sales revenue	**–**	**4 420 977**	**4 420 977**	–	3 684 000	3 684 000
Cost of sales	**–**	**3 813 301**	**3 813 301**	–	3 345 311	3 345 311
Operating costs	**–**	**2 826 094**	**2 826 094**	–	2 632 926	2 632 926
Concentrates purchased	**–**	**657 540**	**657 540**	–	624 774	624 774
Refining and other costs	**–**	**161 591**	**161 591**	–	100 612	100 612
Depreciation and write-offs	**–**	**234 690**	**234 690**	–	190 287	190 287
Change in metal inventories	**–**	**(66 614)**	**(66 614)**	–	(203 288)	(203 288)
Operating profit	**–**	**607 676**	**607 676**	–	338 689	338 689
Share of earnings from associate	**–**	**13 783**	**13 783**	–	16 602	16 602
Investment revenue	**723**	**32 711**	**33 434**	286	53 665	53 951
Finance charges	**–**	**(17 946)**	**(17 946)**	–	–	–
Net sundry income	**2**	**60 106**	**60 108**	–	43 343	43 343
Profit before tax	**725**	**696 330**	**697 055**	286	452 299	452 585
Taxation	**(952)**	**170 006**	**169 054**	41	142 032	142 073
Profit for the year	**1 677**	**526 324**	**528 001**	245	310 267	310 512
Other comprehensive income						
– Share of other comprehensive income from associate	**–**	**(4 145)**	**(4 145)**	–	(9 868)	(9 868)
Total comprehensive income for the year	**1 677**	**522 179**	**523 856**	245	300 399	300 644

	2013			2012		
	Booysendal operations	Zondereinde operations	Total	Booysendal operations	Zondereinde operations	Total
	R000	R000	R000	R000	R000	R000
Analysis of sales revenue by geographic location of customer						
Europe	**–**	**702 279**	**659 379**	–	801 778	801 778
Japan	**–**	**1 145 127**	**1 145 127**	–	962 595	962 595
North America	**–**	**1 333 179**	**1 333 179**	–	1 022 824	1 022 824
South Africa	**–**	**1 240 392**	**1 283 292**	–	896 803	896 803
	–	**4 420 977**	**4 420 977**	–	3 684 000	3 684 000
Analysis of trade and other receivables by geographic location of customer						
Europe	**–**	**6 510**	**6 510**	–	1 750	1 750
Japan	**–**	**76 656**	**76 656**	–	–	–
North America	**–**	**44 531**	**44 531**	–	9 985	9 985
South Africa	**205 631**	**214 592**	**420 223**	143 458	148 075	291 533
	205 631	**342 289**	**547 920**	143 458	159 810	303 268
Other disclosable items						
Additions to non-current assets (excluding financial instruments)	**1 383 200**	**381 597**	**1 753 440**	1 684 331	344 012	2 028 343
	1 383 200	**381 597**	**1 753 440**	1 684 331	344 012	2 028 343

All non-current assets fall under South Africa in a geographical analysis.

ANNEXURE 6

SEGMENTAL ANALYSIS AT 30 JUNE 2013 CONTINUED

Analysis of sales revenue

The following customers each account for more than 10% of the total sales revenue of the group.

	Group and Company	
	2013	2012
Customer 1	849 039	741 313
Customer 2	848 641	683 595
Customer 3	610 553	513 358
Customer 4	515 094	491 896
Customer 5	484 378	486 257
	3 307 705	2 916 419