STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

		Group		Company	
		2015	2014	2015	2014
	Note	R000	R000	R000	R000
ASSETS					
Non-current assets		13 367 048	12 745 424	12 988 803	8 369 853
Property, plant and equipment	2	7 065 352	6 287 062	2 419 013	2 295 671
Mining properties and mineral resources	3	5 636 478	5 653 328	109 362	113 091
Interest in associates and joint ventures	5	275 847	496 509	116 961	109 938
Investments in subsidiaries	6	–	–	10 236 000	5 747 619
Unlisted investment	7	6	6	6	6
Land and township development	8	10 000	10 204	–	–
Long term receivables	9	94 503	94 047	–	–
Investments held by Northam Platinum Restoration Trust Fund	10	49 092	46 468	38 868	36 791
Environmental Guarantee Investment	11	52 122	51 024	44 137	42 281
Buttonshope Conservancy Trust	12	11 037	10 702	–	–
Deferred tax asset	19	172 611	96 074	–	–
Long term subsidiary loans	13	–	–	24 456	24 456
Current assets		5 784 288	1 995 572	6 074 996	6 116 903
Short term subsidiary loans	13	–	–	4 201 563	4 588 974
Inventories	14	1 126 550	1 076 853	1 045 353	700 983
Trade and other receivables	15	498 854	244 672	281 497	192 186
Cash and cash equivalents	16	4 138 189	666 174	534 959	634 760
Tax receivable		20 695	7 873	11 624	–
Total assets		19 151 336	14 740 996	19 063 799	14 486 756

		Group		Company	
		2015	2014	2015	2014
	Note	R000	R000	R000	R000
EQUITY AND LIABILITIES					
Stated capital	17	13 778 114	9 178 688	13 778 114	9 178 688
Treasury shares	17	(6 556 123)	–	–	–
Retained earnings		1 139 808	2 223 135	(6 349 735)	2 302 455
Equity settled share based payment reserve	18	874 448	–	1 173 756	–
Share of other comprehensive income from associate		(19 822)	(15 340)	–	–
Equity attributable to owners of the parent		9 216 425	11 386 483	8 602 135	11 481 143
Non-controlling interests		–	5 389	–	–
Total equity		9 216 425	11 391 872	8 602 135	11 481 143
Non-current liabilities		7 310 753	2 157 462	8 235 923	2 063 084
Deferred tax liability	19	521 452	502 097	527 234	506 818
Long term provisions	20	187 217	142 709	114 509	96 834
Long term loans	21	39 963	43 763	–	–
Long term share based payment liability	24	69 466	98 893	58 236	89 432
Domestic medium term notes	25	–	1 370 000	–	1 370 000
Financial guarantee liability	23	–	–	7 535 944	–
Preference share liability	22	6 492 655	–	–	–
Current liabilities		2 624 158	1 191 662	2 225 741	942 529
Current portion of long term loans	21	3 801	3 801	–	–
Short term share based payment liability	24	61 019	69 942	49 974	63 449
Domestic medium term notes	25	1 370 000	–	1 370 000	–
Bank overdraft	16	–	118	–	118
Tax payable		102 072	121 481	–	15 390
Trade and other payables	26	959 996	877 365	685 303	751 577
Short term provisions	27	127 270	118 955	120 464	111 995
Total equity and liabilities		19 151 336	14 740 996	19 063 799	14 486 756

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2015

		Group		Company	
		2015	2014	2015	2014
	Note	R000	R000	R000	R000
Revenue	29	6 173 618	5 477 558	4 629 208	4 702 912
Sales revenue	29	6 035 535	5 339 397	4 230 121	4 268 436
Cost of Sales		5 439 722	5 277 915	3 980 584	4 152 938
Operating costs	30	4 342 571	3 536 002	3 114 831	2 690 872
Concentrates purchased		602 395	918 605	963 011	918 605
Refining and other costs		199 470	267 117	83 408	155 789
Depreciation and write-offs	31	339 949	445 875	165 091	209 430
Change in metal inventories		(44 663)	110 316	(345 757)	178 242
Operating profit		595 813	61 482	249 537	115 498
Share of earnings from associate and joint venture	32	28 769	3 464	–	69
Investment revenue	33	72 043	59 963	220 904	261 274
Finance charges		(245 937)	(176 124)	(140 342)	(170 690)
Sundry expenditure	34	(1 587 264)	(26 724)	(9 244 535)	(89 442)
Sundry income	34	268 250	123 735	377 490	216 334
(Loss)/profit before tax		(868 326)	45 796	(8 536 946)	333 043
Taxation	35	(165 619)	(26 199)	(115 244)	(93 870)
(Loss)/profit for the year		(1 033 945)	19 597	(8 652 190)	239 173
Other comprehensive income		(4 482)	(1 327)	–	–
Items that will not be reclassified subsequently to profit and loss		–	418	–	–
Share of associate's remeasurements of post-employment benefit obligations net of tax		–	418	–	–
Items that will be subsequently reclassified to profit and loss		(4 482)	(1 745)	–	–
Share of associate's exchange differences on translating foreign operations		(4 482)	(1 738)	–	–
Share of associate's fair value adjustment on available for sale financial assets		–	(7)	–	–
Total comprehensive income for the year		(1 038 427)	18 270	(8 652 190)	239 173
(Loss)/profit attributable to:					
Owners of the parent		(1 035 649)	9 486	(8 652 190)	239 173
Non-controlling interests		1 704	10 111	–	–
(Loss)/profit for the year		(1 033 945)	19 597	(8 652 190)	239 173
Total comprehensive income attributable to:					
Owners of the parent		(1 040 131)	8 159	(8 652 190)	239 173
Non-controlling interests		1 704	10 111	–	–
Total comprehensive income for the year		(1 038 427)	18 270	(8 652 190)	239 173

		Cents	Cents
(Loss)/earnings per share	36	(264.3)	2.4
Fully diluted (loss)/earnings per share	36	(264.3)	2.4
Headlines (loss)/earnings per share	36	(202.9)	2.2
Fully diluted headline (loss)/earnings per share	36	(202.9)	2.2

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

	Stated capital R000	Equity settled share-based payment reserve R000	Retained earnings R000	Other comprehensive income from associate R000	Non-controlling interests R000	Total equity R000
GROUP						
Balance at 1 July 2013	8 599 655	–	2 220 477	(14 013)	9 516	10 815 635
Acquisition of non-controlling interest	–	–	(6 828)	–	(3 172)	(10 000)
Total comprehensive income for the year	–	–	9 486	(1 327)	10 111	18 270
Profit for the year	–	–	9 486	–	10 111	19 597
Other comprehensive income for the year	–	–	–	(1 327)	–	(1 327)
Dividends declared #	–	–	–	–	(11 066)	(11 066)
Issue of new shares	579 033	–	–	–	–	579 033
Balance at 1 July 2014	9 178 688	–	2 223 135	(15 340)	5 389	11 391 872
Acquisition of non-controlling interest	–	–	(46 815)	–	(3 185)	(50 000)
Total comprehensive income for the year	–	–	(1 033 945)	(4 482)	1 704	(1 036 723)
Loss for the year	–	–	(1 033 945)		1 704	(1 032 241)
Other comprehensive income for the year	–	–	–	(4 482)	–	(4 482)
Dividends declared #	–	–	(2 567)	–	(3 908)	(6 475)
Issue of new shares	4 599 426					4 599 426
Treasury shares	(6 556 123)	–	–	–	–	(6 556 123)
Share based payment reserve	–	874 448	–	–	–	874 448
Balance at 30 June 2015	**7 221 991**	**874 448**	**1 139 808**	**(19 822)**	**–**	**9 216 425**
Note	17	18				

Non-controlling interest's portion of dividends declared by entities within the Northam group.

STATEMENT OF CHANGES IN EQUITY CONTINUED

for the year ended 30 June 2015

	Stated capital R000	Equity settled share-based payment reserve R000	Retained earnings R000	Total equity R000
COMPANY				
Balance at 1 July 2013	8 599 655	–	2 063 282	10 662 937
Total comprehensive income for the year	–	–	239 173	239 173
Issue of new shares	579 033	–	–	579 033
Balance at 1 July 2014	9 178 688	–	2 302 455	11 481 143
Loss for the year	–	–	(8 652 190)	(8 652 190)
Share-based payment reserve	–	1 173 756	–	1 173 756
Issue of new shares	4 599 426	–	–	4 599 426
Balance at 30 June 2015	**13 778 114**	**1 173 756**	**(6 349 735)**	**8 602 135**
Note	17	18		

STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

		Group		Company	
		2015	2014	2015	2014
	Note	R000	R000	R000	R000
Cash flows from operating activities		**340 950**	**885 379**	**(117 395)**	**670 485**
Cash generated from operations	37	745 187	693 774	283 498	507 329
Interest received		72 043	52 583	220 904	35 516
Change in working capital	38	(221 248)	270 414	(499 955)	238 050
Taxation paid	39	(255 032)	(131 392)	(121 842)	(110 410)
Cash flows utilised in investing activities		**(1 101 462)**	**(765 945)**	**(4 448 845)**	**(523 201)**
Property, plant, equipment and mining properties and mineral reserves					
Additions to maintain operations		(322 980)	(358 200)	(286 245)	(351 466)
Additions to expand operations		(779 068)	(539 645)	–	–
Proceeds from sale of development ounces		–	137 687	–	–
Disposal proceeds		1 551	3 508	1 402	1 297
Land and township development					
Additions		(1 088)	(2 825)	–	–
Disposals proceeds		885	8 174	–	–
Investment in associate – cash distributed		12 918	69	–	69
Additional investment made in associate		(9 623)	–	(9 623)	–
Decrease/(increase) in subsidiary loans		–	–	387 411	(248 911)
Increase in investments held by Northam Platinum Restoration Trust Fund		(2 624)	(5 520)	(2 077)	(2 878)
Increase in investments held by Environmental Guarantee Investment		(1 098)	(8 617)	(1 856)	(6 316)
Increase in investment held in Buttonshope Conservancy Trust		(335)	(576)	–	–
Additional investment in subsidiary		–	–	(4 650 000)	(10 000)
Dividends received		–	–	112 143	95 004
Cash flows generated from financing activities		**4 232 645**	**248 042**	**4 466 557**	**278 343**
Proceeds from issue of shares		4 600 000	600 000	4 600 000	600 000
Transaction costs		(574)	(20 967)	(574)	(20 967)
Liquidity fees paid		(163 903)	–	–	–
Acquisition of non-controlling interest		(50 000)	(10 000)	–	–
Finance charges		(145 170)	(176 124)	(132 869)	(170 690)
Dividends paid		(3 908)	(11 066)	–	–
Decrease in long term loans		(3 800)	(3 801)	–	–
Revolving credit facilities repaid		–	(250 000)	–	(250 000)
Domestic medium term notes issued		–	120 000	–	120 000
Increase in cash and cash equivalents		**3 472 133**	**367 476**	**(99 683)**	**425 627**
Cash and cash equivalents at beginning of year		**666 056**	**298 580**	**634 642**	**209 015**
Cash and cash equivalents at end of year	16	**4 138 189**	**666 056**	**534 959**	**634 642**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2015

1. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the company and group's financial statements requires management to make judgements, 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-of-disposal or 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 the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

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-of-disposal. 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 judgements were made by management, which are based on management interpretation of market forecast and the future.

	Group and company	
	2015	2014
The main assumptions include:		
long term real platinum price – US$ per ounce	1 663	1 495
long term real exchange rate – US$ = R	11.64	9.00
long term real discount rate – %	15.10	13.40

Management estimated the residual amount of mineral assets that the group is not currently developing. For those assets, the residual amount is calculated on a fair-value-less-cost-of-disposal basis taking into account earlier binding sales agreements between market participants.

1.2 Mine rehabilitation provision

The net present value of current decommissioning and restoration costs are based on the following assumptions:

	Group and company	
	2015	2014
Long term inflation rate for South Africa – %	6.00	6.00
Long term real discount rate – % (based on long bond yield rates)	8.00	8.00

Mine rehabilitation costs will be incurred by the group at the end of the operating life of some of the group's facilities and mine properties. The group assesses its mine rehabilitation provision at each reporting date. The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates 6% (2014: 6%), and changes in discount rates 8% (2014: 8%). These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

1.3 Useful lives and residual values of property, plant and equipment

In assessing the useful lives of its assets, technological innovation, product life cycles, physical condition of the assets and maintenance programmes are taken into consideration by the group.

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 Ore reserve and mineral resource estimates (life of mine)

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 resources 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. The group estimates and reports ore reserves in line with the principles contained in the South African Code for Reporting of Mineral Resources and Mineral Reserves of 2007, revised in 2009 (SAMREC 2009).

1.5 Production start date for mine developments

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
- Ability to produce metal in saleable form (within specification)
- 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 new mines. Only borrowing costs relating to qualifying assets is capitalised as borrowing costs.

1.7 TORO Employee Empowerment Trust

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

	Group and company	
	2015	2014
Discount rate – %	7.60	7.90
Interest rate – %	7.90	8.20

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

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. In the event of the company making a loss, no contributions are made to the trust. Eligible employees will receive payment at the end of each five year cycle, starting from September 2013. 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 substance of the transaction has been assessed and, based on the results of this assessment, management has concluded that the Trust is a structured entity under IFRS 10 and, that it controls it with no non-controlling interests. The Trust is accounted for as an "other long term employee benefit" in terms of IAS 19.

1.8 Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Judgement is required to determine which arrangements are considered to be a tax on income as opposed to an operating cost. Judgement is also required to determine whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, dividends and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the reporting date could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the group operates could limit the ability of the group to obtain tax deductions in future periods.

1.9 Contingencies

By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

1.10 Inventories

Net realisable value tests are performed at each reporting date and represent the estimated future sales price of the product the entity expects to realise when the product is processed and sold, less estimated costs to complete production and bring the product to sale. Where the time value of money is material, these future prices and costs to complete are discounted.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained PGM ounces is based on assay data, and the estimated recovery percentage is based on the expected processing method.

Stockpile tonnages are verified by periodic surveys.

1.11 Fair value measurement

The group measures financial instruments at fair value at each financial reporting date. Also, from time to time, the fair values of non-financial assets and liabilities are required to be determined, e.g., when the entity acquires a business, or where an entity measures the recoverable amount of an asset or cash-generating unit at fair-value-less-costs-of-disposal.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Changes in estimates and assumptions about these inputs could affect the reported fair value.

1.12 Exploration and evaluation expenditure

The application of the group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely,from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether economic benefits are likely to arise from the group's exploration assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the group has to apply a number of estimates and assumptions.

Exploration costs are currently being expensed.

Mineral resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e. measured, indicated or inferred).

If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off in the profit or loss in a period when the new information becomes available.

1.13 Guarantee to BEE SPV

A financial guarantee contract was issued by Northam to Zambezi Platinum to guarantee the preference shares that were issued by Zambezi as part of the BEE transaction.

The redemption of the BEE preference shares is planned to occur through cash accumulation from dividends received from Northam, and after the lock-in the possible sell-off of Northam Platinum Limited shares into the market to realise the capital value, to redeem the preference shares. In the event that this is not sufficient to settle the liability, it will be secured by the Company in terms of a financial guarantee ("Northam Guarantee"), in terms of which Northam Platinum Limited will be responsible for the payment of all amounts which Zambezi Platinum (RF) Limited has contracted but failed to pay in terms of the BEE preference share terms by means of a cash payment or the issue of a determinable number of Northam Platinum Limited shares to the BEE preference shareholders, or a cash and Northam Platinum Limited share combination.

In the Northam separate financial statements, the financial guarantee was recognised as a financial guarantee liability. Refer to note 23 for details of the financial guarantee contract. Measuring the guarantee contract liability required to use of estimates, these assumptions include:

	Company	
	2015	**2014**
Dividend yield rate	0.30%	–
Volatility	30.00%	–
Risk free rate	8.42%	–

The financial guarantee liability is amortised based on the total value of preference shares still outstanding, as this better reflects the pattern of how Northam Platinum Limited provides the guarantee.

1.14 BEE transaction cost

The group executed the BEE transaction during the year, various costs were incurred by the group to facilitate the transaction. The services provided by the advisors included finding appropriate shareholders, raising debt and ensuring that all legal requirements were complied with. These costs were expensed, as there was no reasonable basis on which these costs could be allocated directly to the issuance of the debt (preference shares) or equity (ordinary shares). Also, in undertaking the transaction, the group obtained BEE credentials, which does not qualify for capitalisation.

1.15 Liquidity fees

Subscription undertakings for the full value of the preference shares were secured at a 2.5% liquidity fee. The liquidity fee is classified as a transaction cost in terms of IAS 39 at a group level. In terms of IAS 39.43 transaction costs will be included in the initial measurement of the financial liability, except when it is classified as a financial liability held at fair value through profit or loss. The BEE preference share liability will be measured at amortised cost and therefore the transaction cost should be included on initial measurement.

The liquidity fee payable of R163.9 million is of a capital nature and therefore not tax resulting in a permanent difference.

Included in the Northam Platinum Limited company accounts these costs were expensed as transaction costs.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

1.16 Determining the recoverable of investment in associate

In applying IAS 36 to the group's investment in Trans Hex, the group determined the recoverable amount as the higher of the value in use and fair value less costs of disposal. The fair value was calculated with reference to the ruling market price at year end multiplied by the number of shares as required by IFRS 13. No liquidity adjustment was made. The impairment loss was based on value in use which incorporated net cash flows to be received upon disposal of the investment at a future date.

1.17 Zambezi Platinum (RF) Limited

Zambezi Platinum was created and designed for the sole purpose of providing Northam with BEE credentials and as a structure to hold the listed BEE preference shares. If Northam does not comply with the HDSA requirements in the Mining Charter they will not be able to retain their mining rights. Northam is able to direct the strategic direction of Zambezi and as per the subscription and relationship agreement between the two companies, Zambezi's memorandum of incorporation may not be amended or replaced without Northam's prior written consent. Northam assumes full responsibility for the administration of Zambezi as well as any costs incurred by Zambezi up to a certain limit. Furthermore, Northam provides a guarantee for Zambezi's obligation in respect of the preference shares. All these points indicate that Northam has been involved from the inception of the transaction, to ensure that the design and operation of Zambezi achieves the purpose for which it was created. In terms of the transaction, an "N" share was issued to Northam, which gave them the right to implement mitigating action should Zambezi not comply with certain undertakings as per the transaction's agreements and in other limited instances aimed at maintaining the integrity of the transaction at all times. Zambezi can also not dispose of the Northam ordinary shares without the prior consent of Northam. Northam has significant exposure to the variable returns of Zambezi, through the creation and maintenance of the BEE credentials during the 10 year lock-in period as well as through the guarantee provided by Northam. The decision making power of Zambezi's board of directors is restricted to maintaining Northam's BEE credentials and funding arrangements.

All of these factors have been considered in determining that even though Northam Platinum do not have majority of the voting rights in Zambezi, they still have control over the entity.

1.18 Pandora joint venture

The group's interest in the "joint venture" is classified as an investment in an associate due to the existence of significant influence as opposed to joint control. The entity is called the Pandora joint venture because there are four parties that have an interest in the entity, the two main parties hold 85% interest. Joint control only exists for the two majority parties and the minority interest holders only have significant influence due to board representation. Thus the investment has been accounted for as an investment in associate.

1.19 Operating segments

Two operating segments have been identified, being the Zondereinde mine and Booysendal mine. Both of these mines engage in business activities from where they earn revenue and incur expenses, the operating results of these two segments are also regularly reviewed by the chief decision makers at Northam and their performance assessed separately. Furthermore, discrete financial information is available for both segments.

The Zondereinde mine includes the results of Northam Chrome Producers. This segment does not meet the quantitative thresholds to be separately reported and the nature of the products and type of customers is similar to that of Zondereinde.

Zambezi Platinum has been included in Annexure 6 segmental analysis, in order to reconcile the amounts to the reported statement of financial position and statement of comprehensive income. Zambezi Platinum is not a separate operating segment as it does not engage in business activities from which it earns revenue and incurs expenses and in addition to this their operating results are not regularly reviewed by the chief operating decision maker in assessing the performance of the company.

1.20 Equity settled share based payment

Northam will effectively be paying for BEE credentials by distributing Northam ordinary shares to the various participant SPVs. This constitutes a share based payment as defined which will be classified as an equity-settled share-based payment to be delivered after the 10 year lock-in period. Current indications are that there are no vesting conditions attached to the BEE equity that will be held by the BEE participants. The valuation of the share-based expense would therefore take into account the restrictions on the participants' ability to dispose of the shares as well as the fact that they will only receive 10% of actual dividends declared during the 10 year lock-in period. The fair value at grant date will therefore not necessarily be the same as the listed share price. IFRS 2 requires equity-settled transactions to be accounted for at the fair value at grant date, defined as the date at which the entity and another party agree to a share-based payment arrangement, being the date when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement. This will result in the full share-based payment in respect of the BEE transaction being incurred on day one of the BEE transaction.

2. PROPERTY, PLANT AND EQUIPMENT

Group – 30 June 2015	Mining plant and equipment R000	Mine development costs R000	Decom-mission-ing asset R000	Motor vehicles R000	Total R000
Property, plant and equipment					
at cost	4 951 289	4 115 766	132 814	17 198	9 217 067
accumulated depreciation	(1 766 611)	(354 575)	(25 097)	(5 432)	(2 151 715)
Balance at end of year	**3 184 678**	**3 761 191**	**107 717**	**11 766**	**7 065 352**
Reconciliation of movement in property, plant and equipment					
balance at beginning of year	2 275 249	3 930 054	73 464	8 295	6 287 062
additions to maintain operations	281 805	–	–	4 207	286 012
additions to expand operations	776 140	–	–	2 928	779 068
present value of decommissioning asset capitalised (note 20)	–	–	36 968	–	36 968
disposals at cost	(31 479)	–	–	(7 997)	(39 476)
depreciation charged for the year	(148 516)	(168 863)	(2 715)	(3 005)	(323 099)
accumulated depreciation on disposals during the year	31 479	–	–	7 338	38 817
Balance at end of year	**3 184 678**	**3 761 191**	**107 717**	**11 766**	**7 065 352**

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for the year ended 30 June 2015

2. PROPERTY, PLANT AND EQUIPMENT continued

Group – 30 June 2014	Mining plant and equipment R000	Mine development costs R000	Decommissioning asset R000	Motor vehicles R000	Total R000
Property, plant and equipment					
at cost	3 920 378	4 115 766	95 544	18 318	8 150 006
accumulated depreciation	(1 645 129)	(185 712)	(22 080)	(10 023)	(1 862 944)
Balance at end of year	**2 275 249**	**3 930 054**	**73 464**	**8 295**	**6 287 062**
Reconciliation of movement in property, plant and equipment					
balance at beginning of year	2 117 502	4 016 435	77 477	10 812	6 222 226
additions to maintain operations	358 086	–	–	–	358 086
additions to expand operations	–	537 336	–	2 309	539 645
proceeds from sale of development ounces	–	(137 687)	–	–	(137 687)
reclassification of development tonnes to inventory (note 38)	–	(300 318)	–	–	(300 318)
present value of decommissioning asset capitalised (note 20)	–	–	114	–	114
disposals at cost	(94 464)	–	–	(3 221)	(97 685)
depreciation charged for the year	(197 356)	(185 712)	(4 127)	(3 183)	(390 378)
accumulated depreciation on disposals during the year	91 481	–	–	1 578	93 059
Balance at end of year	**2 275 249**	**3 930 054**	**73 464**	**8 295**	**6 287 062**

Company – 30 June 2015	Mining plant and equipment R000	Mine development costs R000	Decommissioning asset R000	Motor vehicles R000	Total R000
Property, plant and equipment					
at cost	4 154 469	–	67 485	7 937	4 229 891
accumulated depreciation	(1 786 243)	–	(21 502)	(3 133)	(1 810 878)
Balance at end of year	**2 368 226**	**–**	**45 983**	**4 804**	**2 419 013**
Reconciliation of movement in property, plant and equipment					
balance at beginning of year	2 260 580	–	32 308	2 783	2 295 671
additions to maintain operations	267 295	–	–	4 207	271 502
present value of decommissioning asset capitalised (note 20)	–	–	14 743	–	14 743
disposals at cost	(17 985)	–	–	(3 373)	(21 358)
depreciation charged for the year	(159 462)	–	(1 068)	(832)	(161 362)
accumulated depreciation on disposals during the year	17 798	–	–	2 019	19 817
Balance at end of year	**2 368 226**	**–**	**45 983**	**4 804**	**2 419 013**

Company – 30 June 2014	Mining plant and equipment and development cost R000	Decom-mission-ing asset R000	Motor vehicles R000	Total R000
Property, plant and equipment				
at cost	3 905 157	52 742	7 103	3 965 002
accumulated depreciation	(1 644 577)	(20 434)	(4 320)	(1 669 331)
Balance at end of year	**2 260 580**	**32 308**	**2 783**	**2 295 671**
Reconciliation of movement in property, plant and equipment				
balance at beginning of year	2 107 197	34 675	5 218	2 147 090
additions to maintain operations	351 352	–	–	351 352
present value of decommissioning asset capitalised (note 20)	–	114	–	114
disposals at cost	(91 013)	–	(2 640)	(93 653)
depreciation charged for the year	(197 242)	(2 481)	(1 036)	(200 759)
accumulated depreciation on disposals during the year	90 286	–	1 241	91 527
Balance at end of year	**2 260 580**	**32 308**	**2 783**	**2 295 671**

3. MINING PROPERTIES AND MINERAL RESOURCES

	Mining properties R000	Mineral resources R000	Total R000
Group – 30 June 2015			
at cost	282 374	5 571 003	5 853 377
accumulated amortisation	(156 952)	(59 947)	(216 899)
Balance at end of year	**125 422**	**5 511 056**	**5 636 478**
Reconciliation of movement in mining properties and mineral resources			
balance at beginning of year	129 151	5 524 177	5 653 328
amortisation charged for the year	(3 729)	(13 121)	(16 850)
Balance at end of year	**125 422**	**5 511 056**	**5 636 478**
Group – 30 June 2014			
at cost	282 374	5 571 003	5 853 377
accumulated amortisation	(153 223)	(46 826)	(200 049)
Balance at end of year	**129 151**	**5 524 177**	**5 653 328**
Reconciliation of movement in mining properties and mineral resources:			
balance at beginning of year	137 822	5 571 003	5 708 825
amortisation charged for the year	(8 671)	(46 826)	(55 497)
Balance at end of year	**129 151**	**5 524 177**	**5 653 328**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

3. MINING PROPERTIES AND MINERAL RESOURCES continued

	Mining properties R000	Mineral resources R000	Total R000
Company – 30 June 2015			
at cost	266 314	–	266 314
accumulated amortisation	(156 952)	–	(156 952)
Balance at end of year	**109 362**	**–**	**109 362**
Reconciliation of movement in mining properties and mineral resources:			
balance at beginning of year	113 091	–	113 091
amortisation charged for the year	(3 729)	–	(3 729)
Balance at end of year	**109 362**	**–**	**109 362**
Company – 30 June 2014			
at cost	266 314	–	266 314
accumulated amortisation	(153 223)	–	(153 223)
Balance at end of year	**113 091**	**–**	**113 091**
Reconciliation of movement in mining properties and mineral resources:			
balance at beginning of year	121 762	–	121 762
amortisation charged for the year	(8 671)	–	(8 671)
Balance at end of year	**113 091**	**–**	**113 091**

A register containing the information required by Regulation 25(3) of the Companies Regulations 2011 is available for inspection at the registered office of the company.

4. ACQUISITION OF NON-CONTROLLING INTERESTS

Acquisitions in 2015

Acquisition of non-controlling interest

On 1 August 2014, the company acquired the last remaining 20% of the voting shares in Northam Chrome Producers Proprietary Limited (NCP) which was not held by Northam for a consideration of R50 million. The company now wholly owns NCP.

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
Non-controlling interest				
Non-controlling interest acquired	3 185	–		
Adjustment to retained earnings	46 815	–		
Purchase consideration transferred	50 000	–		

Acquisitions in 2014

On 1 July 2013, the company acquired an additional 10% of the voting shares in Northam Chrome Producers Proprietary Limited (NCP) for a consideration of R10 million. This represented an acquisition of non-controlling interest, and increased the company's shareholding in NCP to 80%.

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
Non-controlling interest				
Non-controlling interest acquired	–	3 172		
Adjustment to retained earnings	–	6 828		
Purchase consideration transferred	–	10 000		

5. INTEREST IN ASSOCIATES AND JOINT VENTURES

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 (joint venture) 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.

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
Dwaalkop joint venture	136 230	300 679	–	–
Pandora joint venture/associate	70 720	114 927	49 356	42 333
Trans Hex Group Limited	68 897	80 903	67 605	67 605
	275 847	496 509	116 961	109 938

Details of the group's share of the comprehensive income and financial position are set out in Annexure 2 from page 186, which forms part of these notes.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

6. INVESTMENTS IN SUBSIDIARIES

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
Khumama Platinum Proprietary Limited [1]	–	–	10 166 000	5 566 000
Mining Technical Services Proprietary Limited [2]	–	–	*	*
Mvelaphanda Resources Proprietary Limited [3]	–	–	–	161 619
Norplats Properties Proprietary Limited [4]	–	–	*	*
Northam Chrome Producers Proprietary Limited [5]	–	–	70 000	20 000
Windfall 38 Properties Proprietary Limited [6]	–	–	*	*
Zambezi Platinum (RF) Limited [7]	–	–	*	–
Balance at end of year	**–**	**–**	**10 236 000**	**5 747 619**

** Represents investment of less than R1 000.*

[1] The company holds 505 (2014: 405) ordinary shares representing a 100% equity interest in Khumama Platinum Proprietary Limited.

[2] The company holds 120 ordinary shares representing a 100% equity interest in Mining Technical Services Proprietary Limited, formerly known as Dialstat Trading Proprietary Limited.

[3] The company holds 217 881 101 ordinary shares representing a 100% equity interest in Mvelaphanda Resources Proprietary Limited. The investment was fully impaired in the current year.

[4] The company holds 100 ordinary shares representing a 100% equity interest in Norplats Properties Proprietary Limited.

[5] The company holds 100 ordinary shares representing a 100% equity interest in Northam Chrome Producers Proprietary Limited (2014: the company held 80 ordinary shares representing a 80% equity interest).

[6] The company holds 100 ordinary shares representing a 100% equity interest in Windfall 38 Properties Proprietary Limited.

[7] The company holds a single N share in Zambezi Platinum (RF) Limited as a protective right.

All companies are incorporated in the Republic of South Africa, and wholly owned, from the current year.

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

7. UNLISTED INVESTMENTS

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
Investment in Rand Mutual Assurance Company	6	6	6	6

The unlisted investment represents an equity investment in a mining industry service organisation, Rand Mutual Assurance Company Limited. This investment was acquired a number of years ago to assist with the administration of occupational injuries and diseases. The shares are disclosed at cost as the fair value is not available as the shares are not traded in an active market. Management is not planning to dispose these shares.

8. LAND AND TOWNSHIP DEVELOPMENT

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
Balance at beginning of year	10 204	15 553	–	–
Construction in progress	–	23	–	–
Acquisitions	884	2 802	–	–
Disposals	(1 088)	(8 174)	–	–
Balance at end of year	**10 000**	**10 204**	**–**	**–**

Township development comprising 411 residential erven with houses erected thereon in Northam, District of Thabazimbi. 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.

14 houses (2014: 38 houses) were sold in Mojuteng Township of Northam town during the year, totalling the number of houses sold to date at 388 (2014: 373), which includes properties surrendered of 11 during the current year (2014: 3) which will be available for resell in future periods bringing the total number of surrendered properties to 28 (2014: 17).

9. LONG TERM RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	R000	R000	R000	R000
Long term receivables	99 692	102 484	–	–
Current portion of long term receivables (note 15)	(5 189)	(8 437)	–	–
Non-current portion of long term receivables	**94 503**	**94 047**	**–**	**–**

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 prime, and 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 2015 there were no receivables (2014: Rnil) which were impaired and fully provided for. The group has pledged the installment sales agreements as security for the loan secured from Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N V (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	
	2015	2014	2015	2014
	R000	R000	R000	R000
Balance at beginning of year	46 468	40 948	36 791	33 913
Contributions made during the year	–	2 774	–	603
Income earned during the year (note 33)	2 624	2 746	2 078	2 275
Balance at end of year	**49 092**	**46 468**	**38 869**	**36 791**

The assets, which mainly consist of cash, 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	
	2015	2014	2015	2014
	R000	R000	R000	R000
Balance at beginning of year	51 024	42 407	42 281	35 965
Contributions made during the year	–	6 000	–	3 000
Management fees	(2 304)	(1 441)	(978)	(479)
Income earned during the year (note 33)	3 402	4 058	2 834	3 795
Balance at end of year	**52 122**	**51 024**	**44 137**	**42 281**

The Environmental Guarantee Investment policy was issued in terms of the insurance guarantee for R157.9 million (2014: R114.9 million) relating to the group and R67.0 million (2014: R49.0 million) for the company.

The assets, which mainly consist of cash, of the Fund are separately administered and the group's right of access to these funds are restricted.

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for the year ended 30 June 2015

12. BUTTONSHOPE CONSERVANCY TRUST

The balance of the fund comprises:

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
Balance at beginning of year	10 702	10 126		
Contributions received during the year	–	141		
Interest earned during the year (note 33)	574	576		
Less expenditure incurred during the year	(239)	(141)		
Balance at end of year	**11 037**	**10 702**		

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, cleanup 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 Booysendal Platinum Proprietary Limited (previously Micawber 278 Proprietary Limited), an indirect subsidiary of Northam. An initial contribution of R10 million was required by Booysendal Platinum in terms of the trust agreement.

Funds of R3.0 million (2014: R2.5 million) are invested with Standard Bank Limited in a call account and R8.0 million (2014:R8.1 million) is held in a Extra Income Fund with Stanlib Collective Investments Limited.

The assets, which mainly consist of cash, of the trust are separately administered and the group's right of access to these funds are restricted.

13. SUBSIDIARY LOANS

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
Long term subsidiary loans receivable				
Norplats Properties Proprietary Limited			24 456	24 456
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), by no later than 30 September 2026.				
Short term subsidiary loans receivable				
Booysendal Platinum Proprietary Limited (previously Micawber 278 Proprietary Limited)			4 159 333	4 556 577
Buttonshope Conservancy Trust			403	–
Mvelaphanda Resources Proprietary Limited			957	945
Norplats Properties Proprietary Limited			26 007	16 284
Windfall 38 Properties Proprietary Limited			14 862	15 167
Mining Technical Services Proprietary Limited (previously Dialstat Trading Proprietary Limited)			1	1
			4 201 563	4 588 974
Total subsidiary loans receivable			4 226 019	4 613 430

The loan to Booysendal Platinum bears interest at JIBAR plus 3.75% from 1 January 2015 on the portion of the loan that relates to third party funding. Previously the loan bore interest at 2.0% below the South African prime interest rate. The loan is repayable on demand and therefore stated as current.

All other loans, except Windfall 38 Properties, are unsecured and interest free, repayable on demand and therefore stated as current.

The loan to Windfall 38 Properties bears 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 comprise:

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
Metals on hand and in transit – at net realisable value	1 052 774	1 007 945	993 247	647 491
Chrome finished product – at cost	222	176	–	–
Consumable stores – at cost	73 554	68 732	52 106	53 492
Total inventories at the lower of cost and net realisable value	1 126 550	1 076 853	1 045 353	700 983

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

Included in cost of sales is Rnil (2014: R1.1 million) for consumable stores written down to net realisable value and R273.0 million (2014: R325.3 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	
	2015 R000	2014 R000	2015 R000	2014 R000
Trade receivables	160 064	108 875	143 068	107 159
Prepayments and deposits	3 946	5 698	3 516	5 088
SARS – value added tax	244 497	61 702	70 343	20 377
Current portion of long term receivables (note 9)	5 189	8 437	–	–
Other	85 158	59 960	64 570	59 562
	498 854	244 672	281 497	192 186

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 2015 a single receivable balance of R22.4 million was impaired (2014: Rnil), relating to other receivables.

The age analysis of trade receivables as at 30 June 2015 is set out in Annexure 1 from page 182, which forms part of these notes.

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for the year ended 30 June 2015

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
Cash at bank and on hand	3 779	135 555	1 716	108 441
Restricted cash	104 936	27 300	23 000	23 000
Short term deposits	4 029 474	503 319	510 243	503 319
Cash and cash equivalents	4 138 189	666 174	534 959	634 760
Bank overdraft	–	(118)	–	(118)
Total cash and cash equivalents including bank overdrafts	4 138 189	666 056	534 959	634 642

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

At 30 June 2015 the group had R1.0 billion (2014: R1.4 billion) of undrawn committed borrowing facilities.

Included in restricted cash is R8.5 million (2014: R4.3 million) that has been pledged to FMO by Norplats Properties Proprietary Limited 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 Properties Proprietary Limited 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.

Restricted cash includes a guarantee of R23.0 million relating to an electricity supply agreement between the company and Eskom Holdings SOC Limited.

Also included in restricted cash is money ring fenced for the benefit of the ESOP Trust, the Zondereinde Community Trust and the Booysendal Community Trust, which may only be spent in terms of the various Trust deeds.

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

	2015		2014	
	R000	Number of shares	R000	Number of shares
	Group and company		Group and company	
Authorised share capital		2 000 000 000		545 000 000
Issued share capital				
At 1 July 2013	8 599 655	382 586 090	8 599 655	382 586 090
Shares issued during the year for cash on the exercise of share options	579 033	15 000 000	579 033	15 000 000
At 1 July 2014	9 178 688	397 586 090	9 178 688	397 586 090
Shares issued as part of the BEE empowerment transaction	4 599 426	112 195 122		
At 30 June 2015	13 778 114	509 781 212		
Treasury shares	(6 556 123)	(159 905 453)		
At 30 June 2015	7 221 991	349 875 759		

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

18. EQUITY SETTLED SHARE BASED PAYMENT RESERVE

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
Balance at beginning of year	–	–	–	–
Creation of an equity compensation reserve as a result of the BEE transaction	874 448	–	1 173 756	–
Balance at end of year	**874 448**	**–**	**1 173 756**	**–**

The issue of preference shares by Zambezi Platinum resulted in a need to account for a share based payment charge and related reserve in terms of IFRS 2. The actual share based payment charge and related reserve were calculated according to market information available as at 30 June 2015.

A Monte Carlo simulation was used to determine the share based payment expense.

These BEE shares vested immediately on grant date. The input relating to the calculation of the share based payment expense included a risk free rate of 8.17%, volatility of 30% and a dividend yield rate of 0.3% over a 10 year period.

19. DEFERRED TAX LIABILITY AND ASSET

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

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
Deferred tax liabilities				
Property, plant and equipment	(612 073)	(585 184)	(622 282)	(596 812)
Metal inventory	(4 755)	(12 662)	(4 755)	(12 662)
Restoration trust fund	(10 883)	(10 301)	(10 883)	(10 301)
Section 24C allowance in respect of long term receivables	(6 791)	(8 977)	–	–
	(634 502)	(617 124)	(637 920)	(619 775)
Deferred tax assets				
Employee benefits relating to leave pay and bonus provisions	49 128	43 441	48 324	43 036
Decommissioning and environmental restoration provisions	32 063	27 155	32 063	27 114
Share-based payment liability	30 299	42 807	30 299	42 807
Calculated loss	1 560	1 624	–	–
	113 050	115 027	110 686	112 957
Net deferred tax liability	(521 452)	(502 097)	(527 234)	(506 818)
The charge in the deferred tax balance is reconciled as follows:				
Deferred tax liability at beginning of year	(502 097)	(476 053)	(506 818)	(484 447)
Charge for the year (per note 35)	(19 355)	(26 044)	(20 416)	(22 371)
Temporary differences in respect of property, plant and equipment	(26 889)	(37 312)	(25 470)	(37 137)
Depreciation component included in metals on hand and in transit	7 907	4 309	7 907	4 309
Temporary differences in respect of restoration trust fund	(582)	(10 301)	(582)	(10 301)
Section 24C allowance in respect of long term receivables	2 186	(5 231)	–	–
Calculated loss	(64)	1 624	–	–
Temporary difference in respect of employee benefits	5 687	4 102	5 288	3 988
Temporary difference in respect of decommissioning and environmental restoration provisions	4 908	1 825	4 949	1 830
Temporary difference in respect of share-based payment liabilities	(12 508)	14 940	(12 508)	14 940
Net deferred tax liability at end of year	(521 452)	(502 097)	(527 234)	(506 818)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

	Group		Company	
	2015	2014	2015	2014
	R000	R000	R000	R000
19. DEFERRED TAX LIABILITY AND ASSET continued				
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.				
19.1 Booysendal Platinum Proprietary Limited – deferred tax asset				
A deferred tax asset has been raised for items included in Booysendal Platinum Proprietary Limited as taxable profits will be generated in the foreseeable future against which the deferred tax asset can be utilised.				
Deferred tax liability				
Metal inventory	(947)	(21 065)		
Restoration trust fund	(2 863)	(2 710)		
Employee benefits relating to bonus provisions	–	(3 206)		
	(3 810)	(26 981)		
Deferred tax assets				
Property, plant and equipment	144 666	56 533		
Employee benefits relating to leave provisions	5 160	692		
Decommissioning and environmental restoration provisions	20 358	12 803		
Share-based payment liability	6 237	2 204		
Calculated loss	–	50 823		
	176 421	123 055		
Net deferred tax asset	172 611	96 074		
The charge in the deferred tax balance is reconciled as follows:				
Deferred tax liability at beginning of year	96 074	–		
Charge for the year	76 537	96 074		
Temporary differences in respect of property, plant and equipment	88 133	56 533		
Depreciation component included in metals on hand and in transit	20 118	(21 065)		
Temporary differences in respect of restoration trust fund	(153)	(2 710)		
Calculated loss	(50 823)	50 823		
Temporary difference in respect of employee benefits	7 674	(2 514)		
Temporary difference in respect of decommissioning and environmental restoration provisions	7 555	12 803		
Temporary difference in respect of share-based payment liabilities	4 033	2 204		
Net deferred tax asset at end of year	172 611	96 074		

	Group		Company	
	2015	2014	2015	2014
	R000	R000	R000	R000
20. LONG TERM PROVISIONS				
Provision for decommissioning costs				
Balance at beginning of year	113 000	105 653	80 402	75 139
Change in estimate and capitalisation of decommissioning costs as part of the development of the Booysendal mine (note 2)	36 968	114	14 743	114
Unwinding of discount (note 30)	–	7 233	–	5 149
Balance at end of year	**149 968**	**113 000**	**95 145**	**80 402**
Provision for restoration costs				
Balance at beginning of year	29 709	27 614	16 432	15 160
Change in estimate (note 30)	5 163	(114)	1 618	59
Unwinding of discount (note 30)	2 377	2 209	1 314	1 213
Balance at end of year	**37 249**	**29 709**	**19 364**	**16 432**
Total long term provisions	**187 217**	**142 709**	**114 509**	**96 834**

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 the 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 15 years (2014: 16 years), and over the remaining life of the Booysendal mine which is currently estimated at over 26 years (2014: 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	
	2015	2014	2015	2014
	R000	R000	R000	R000
Provisions before funding	187 217	142 709	114 509	96 834
Less: Northam Platinum Restoration Trust Fund (note 10)	(49 092)	(46 468)	(38 868)	(36 791)
Less: Environmental Guarantee Investment (note 11)	(52 122)	(51 024)	(44 137)	(42 281)
Net present value of unfunded environmental rehabilitation obligations	86 003	45 217	31 504	17 762
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.				
The present value of the environmental restoration obligation is determined by applying a pre-tax discount rate of 8.0% (2014: 8.0%) and a long term inflation rate of 6.0% (2014: 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	215 070	160 450	125 938	108 432
Undiscounted restoration obligations	54 706	43 106	25 631	22 159
Total decommissioning and restoration obligation	269 776	203 556	151 569	130 591
Less: Obligation not requiring financial provision	(51 105)	(46 096)	(51 105)	(46 096)
	218 671	157 460	100 464	84 495
Less: Funds held by Northam Platinum Restoration Trust Fund (note 10)	(49 092)	(46 468)	(38 868)	(36 791)
Environmental Guarantee Investment (note 11)	(52 122)	(51 024)	(44 137)	(42 281)
Total unfunded current rehabilitation obligations	117 457	59 968	17 459	5 423

The group has procured the issue of an insurance guarantee for R157.9 million (2014: R114.9 million) in respect of the unfunded decommissioning and restoration costs, of which R67.0 million (2014: R49.0 million) relates to the company.

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for the year ended 30 June 2015

	Group		Company	
	2015	2014	2015	2014
	R000	R000	R000	R000
21. LONG TERM LOANS				
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N V (FMO)	43 764	47 564	–	–
Current portion of long term loans	(3 801)	(3 801)	–	–
Total long term loans	39 963	43 763	–	–

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

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

	Group 2015 R000	Group 2014 R000	Company 2015 R000	Company 2014 R000
22. PREFERENCE SHARE LIABILITY				
Zambezi Platinum preference shares	6 492 655	–	–	–

Zambezi Platinum issued 159 905 453 preference shares, at R41 per share, on 18 May 2015 as a result of the BEE transaction. These are repayable on 18 May 2025 at the end of the lock-in period. The preference's rights, limitations and other terms associated with the Zambezi preference shares are set out in the Zambezi MOI.

The preference shares will accrue a cumulative variable dividend of 3.5% over the prime overdraft rate in South Africa.

	Group 2015 R000	Group 2014 R000	Company 2015 R000	Company 2014 R000
23. FINANCIAL GUARANTEE LIABILITY				
Financial guarantee	–	–	7 535 944	–

The redemption of the Zambezi Preference Shares is secured by the company in terms of a financial guarantee ("Northam Guarantee"), in terms of which Northam will be responsible for the payment of all amounts which Zambezi Platinum has contracted but failed to pay in terms of the BEE Preference Share terms by means of a cash payment or the issue of a determinable number of Northam shares to the BEE preference shareholders, or a cash and Northam share combination.

24. SHARE BASED PAYMENT LIABILITY

	Group		Company	
	2015	2014	2015	2014
	R000	R000	R000	R000
Total share-based payment liability	130 485	168 835	108 210	152 881
Short term share based payment liability	(61 019)	(69 942)	(49 974)	(63 449)
Long term share-based payment liability	69 466	98 893	58 236	89 432

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

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 cash-settled rather than an equity-settled share based payment.

Refer to Annexure 5 from page 196, which forms part of these notes, for further details on the share based payments.

	Group		Company	
	2015	2014	2015	2014
	R000	R000	R000	R000
25. DOMESTIC MEDIUM TERM NOTES AND REVOLVING CREDIT FACILITIES				
Domestic medium term notes	1 370 000	1 370 000	1 370 000	1 370 000
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 matured on 4 September 2015.				
On 11 July 2013, the company raised an additional amount of R120 million in the domestic capital market through a tap issue which matured 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.				
The issues were guaranteed by Northam's wholly owned subsidiaries, Booysendal Platinum Proprietary Limited (previously Micawber 278 Proprietary Limited) and Khumama Platinum Proprietary Limited, who are the statutory entities in which the Booysendal mine is housed.				
Due to the maturity date being 4 September 2015, the Domestic Medium Term Note was classified as current (2014: non-current).				
Revolving credit facilities	–	–	–	–

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. The facility was not drawn at year-end (2014: Rnil).

26. TRADE AND OTHER PAYABLES

Trade and other payables comprise:

	Group		Company	
	2015	2014	2015	2014
	R000	R000	R000	R000
Trade payables	206 830	312 499	149 687	266 257
Accruals	563 785	403 540	385 772	356 069
SARS – value added tax	15 186	13 141	–	–
Other	174 195	148 185	149 844	129 251
	959 996	877 365	685 303	751 577

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

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27. SHORT TERM PROVISIONS

Provision for leave pay

	Group		Company	
	2015	2014	2015	2014
	R000	R000	R000	R000
Balance at beginning of year	118 955	104 670	111 995	104 670
Additional amounts raised	261 209	194 968	255 057	188 008
Utilised	(252 894)	(180 683)	(246 588)	(180 683)
Balance at end of year	**127 270**	**118 955**	**120 464**	**111 995**

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.

28. 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	
	2015	2014	2015	2014
	R000	R000	R000	R000
Assets at fair market value as at 1 July	94 234	127 170	–	–
Expected return on assets	7 420	4 641	–	–
Employer contributions	(28)	9 189	–	–
Benefits paid	(586)	(54 995)	–	–
Actuarial (loss)/gain	(3 405)	8 229	–	–
Assets at fair market value as at 30 June	97 635	94 234	–	–
Unrecognised due to asset ceiling limit	81 056	83 180	–	–
Other long term employee benefit as at 1 July	11 054	51 637	–	–
Service cost	14 252	13 675	–	–
Interest cost	1 976	1 052	–	–
Actuarial gain	(10 117)	(315)	–	–
Benefits paid	(586)	(54 995)	–	–
Other long term employee benefit as at 30 June	16 579	11 054	–	–
Asset/(liability) recognised on the statement of financial position	–	–	–	–

** The "asset ceiling limit" ensures the asset to be recognised on the company's statement of financial position is subject to 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 benefits available to the company is Rnil.

29. REVENUE

Total revenue comprises:

	Group		Company	
	2015	2014	2015	2014
	R000	R000	R000	R000
Sales revenue	6 035 535	5 339 397	4 230 121	4 268 436
Investment revenue (note 33)	72 043	59 963	220 904	261 274
Sundry revenue (note 34)	66 040	78 198	178 183	173 202
	6 173 618	5 477 558	4 629 208	4 702 912

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

30. OPERATING COSTS

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

	Group		Company	
	2015	2014	2015	2014
	R000	R000	R000	R000
Labour (note 41)	1 622 438	1 499 144	1 487 601	1 354 749
Stores	984 392	735 647	833 180	652 232
Utilities	544 217	443 016	447 313	372 396
Sundries	1 183 984	848 850	343 805	305 074
Provision for decommissioning and restoration costs (note 20)	7 540	9 345	2 932	6 421
	4 342 571	3 536 002	3 114 831	2 690 872
The analysis of operating costs by principal activity is as follows:				
Mining operations	3 518 241	2 814 611	2 469 040	2 112 238
Smelter operations	74 900	77 266	74 900	77 266
Base metal removal plant operations	59 716	38 769	59 716	38 769
Overheads	682 174	596 011	508 243	456 178
Provision for decommissioning and restoration costs (note 20)	7 540	9 345	2 932	6 421
	4 342 571	3 536 002	3 114 831	2 690 872
Sundry operating costs include the following:				
Directors' remuneration				
Non executive fees	3 503	3 701	3 503	3 701
Executive remuneration (agreed to annexure PA Dunne and AZ Khumalo)	18 128	58 652	18 128	58 652
Share-based payment expense	36 037	139 081	22 994	117 739
Operating lease payments				
Office equipment	2 131	2 475	1 126	1 063
Premises	4 723	1 456	1 201	1 454

Details of directors' remuneration are contained in the directors' report on page 124.

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31. DEPRECIATION

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

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
Mining property	16 850	55 497	3 729	8 671
Property, plant and equipment and mine development costs	317 379	383 068	159 462	197 242
Decommissioning asset	2 715	4 127	1 068	2 481
Vehicles	3 005	3 183	832	1 036
	339 949	445 875	165 091	209 430
32. SHARE OF EARNINGS FROM ASSOCIATES AND JOINT VENTURES				
Share of earnings from associates/dividends received (refer Annexure 2)	28 769	3 464	–	69
33. INVESTMENT REVENUE				
Investment revenue consists of the following:				
Interest received on cash and cash equivalents and other	55 595	43 802	26 892	35 516
Interest received from subsidiary	–	–	189 100	219 688
Interest received on installment sale agreement	9 848	8 781	–	–
Interest received in Northam Platinum Restoration Trust Fund (note 10)	2 624	2 746	2 078	2 275
Interest received in Environmental Guarantee Investment (note 11)	3 402	4 058	2 834	3 795
Interest received in Buttonshope Conservancy Trust (note 12)	574	576	–	–
	72 043	59 963	220 904	261 274
34. NET SUNDRY INCOME				
Net sundry income is arrived taking into account the following:				
Dividends received	–	–	112 143	95 004
Treatment charges in respect of concentrates purchased	66 040	78 198	66 040	78 198
Sundry revenue (note 29)	66 040	78 198	178 183	173 202
Rent received	5 847	5 926	5 803	5 870
Sale of scrap	2 028	2 675	1 935	2 620
Insurance claim	183 774	–	183 774	–
Other income	3 379	4 829	1 644	2 535
Currency translation gain	6 151	32 107	6 151	32 107
Profit on sale of property, plant and equipment	1 031	–	–	–
Total sundry income	268 250	123 735	377 490	216 334
Sundry expenditure				
Loss on sale of property, plant and equipment	(139)	(1 118)	(139)	(829)
Amortisation of participation interest of the Pandora joint venture	(2 600)	(2 600)	(2 600)	(2 600)
Net BEE Lock in fee	(242 429)	–	(174 198)	–
Write-down of investments and accounts receivable	(261 488)	–	(184 054)	(73 799)
IFRS 2 share based payment expense relating to BEE transaction	(874 448)	–	(1 173 756)	–
Guarantee charge	–	–	(7 535 944)	–
Corporate action costs	(172 640)	–	(162 491)	–
Other expenditure	(33 520)	(23 006)	(11 353)	(12 214)
Total sundry expenditure	(1 587 264)	(26 724)	(9 244 535)	(89 442)
Net sundry expenditure/income	(1 319 014)	97 011	(8 867 045)	126 892

35. TAXATION

	Group		Company	
	2015	2014	2015	2014
	R000	R000	R000	R000
Current income tax				
Current income tax charge	210 884	102 829	92 682	78 202
Adjustment in respect of current income tax of previous year	(530)	(6 600)	2 146	(6 703)
Dividend withholding tax	12 447	–	–	–
	222 801	96 229	94 828	71 499
Deferred tax				
Relating to origination and reversal of temporary differences (note 19)	(57 182)	(17 583)	20 416	22 371
Relating to calculated tax losses (note 19)	–	(52 447)	–	–
Income tax expense reported in profit or loss	165 619	26 199	115 244	93 870
Taxation comprises:				
Mining tax	51 350	32 437	51 350	32 437
Non mining tax	84 918	70 327	41 308	45 700
Tax on share of earnings from associate – current year	24	65	24	65
Adjustment in respect of prior years	(530)	(6 600)	2 146	(6 703)
Temporary differences	(57 182)	(17 583)	20 416	22 371
Calculated loss	–	(52 447)	–	–
Dividend withholding tax	12 447	–	–	–
Capital gains tax	74 592	–	–	–
	165 619	26 199	115 244	93 870
A reconciliation of the standard rate of South African tax compared with that charged in the statement of comprehensive income is set out below:	%	%	%	%
South African normal tax	28.0	28.0	28.0	28.0
Adjustments in respect of prior periods	–	(14.4)	–	(2.0)
Expenditure disallowed and other adjustments	(37.1)	43.6	(29.8)	2.2
Exempt income and other adjustments	–	–	0.4	–
Dividend withholding tax	(1.4)	–	–	–
Capital gains tax	(8.6)	–	–	–
Effective tax rate	(19.1)	57.2	(1.4)	28.2

35.1 Mining tax

The current rate of mining tax applicable to the company is 28% (2014: 28%).

35.2 Non-mining tax

Non-mining income is subject to a rate of 28% (2014: 28%).

35.3 Deferred tax

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

35.4 Dividends withholding tax

Dividends withholding tax is levied at 15% for local shareholders, who are not companies.

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for the year ended 30 June 2015

35. TAXATION continued

35.5 Capital gains tax

Capital gains tax at an effective rate of 18.7% is payable on any gains realised on the disposal of investments or mining properties.

35.6 Tax on share of earnings from associate

Mining and non-mining income is subject to a rate of 28% (2014: 28%).

36. EARNINGS AND DIVIDEND PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares of 391 834 708 (2014: 390 969 652) outstanding during the year. Headline earnings per share are based on headline earnings and are reconciled to profit attributable to shareholders as follows:

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
(Loss)/profit attributable to shareholders	(1 035 649)	9 486		
(Profit)/loss on sale of property, plant and equipment	(892)	1 118		
Impairment of associate's assets	17 493	–		
Negative goodwill on assets acquired by associate	(26 804)	–		
Profit on sale of associate's investment	(7 105)	(2 347)		
Foreign currency differences on repayment of long term receivables from associates foreign operations reclassified to profit or loss	(922)	–		
Impairment of property, plant and equipment	2 525	–		
Impairment of investments and receivable balances	261 488	–		
Tax effect on above	(5 097)	344		
Headline (loss)/earnings	(794 963)	8 601		
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)	–	–		
The number of potential diluted shares are calculated as follows:				
Average number of ordinary shares in issue during the year	391 834 708	390 969 652		
Average number of potential diluted ordinary shares in issue	391 834 708	390 969 652		

37. CASH GENERATED FROM OPERATIONS

	Group		Company	
	2015	2014	2015	2014
	R000	R000	R000	R000
(Loss)/profit before taxation	(868 326)	45 796	(8 536 946)	333 043
Adjusted for non-cash items				
Profit/(loss) on disposal of property,plant and equipment	(892)	1 118	139	829
Depreciation and write-offs	339 949	445 875	165 091	209 430
Increase in long term provisions	44 508	9 442	17 675	6 535
Movement in financial guarantee	–	–	7 535 944	–
Increase in long term receivables	(456)	(6 647)	–	–
Change in short term provisions	8 315	14 285	8 469	7 325
Equity settled share based payment expense	874 448	–	1 173 756	–
Share of profit from associate	(28 769)	(3 464)	–	(69)
Amortisation of participation interest in the Pandora joint venture	2 600	2 600	2 600	2 600
Finance charges on preference shares	100 767	–	–	–
Impairment of investment in associate subsidiary	239 054	–	161 619	73 799
Cash settled share based payment	(38 350)	61 228	(44 671)	53 355
Interest paid	145 170	176 124	132 869	170 690
Interest received	(72 831)	(52 583)	(220 904)	(255 204)
Dividend received	–	–	(112 143)	(95 004)
	745 187	693 774	283 498	507 329

38. CHANGE IN WORKING CAPITAL

	Group 2015	Group 2014	Company 2015	Company 2014
Inventories	(49 697)	(198 323)	(344 370)	171 350
Reclassification of Development tonnes to inventory (Note 2)	–	300 318	–	–
Trade and other receivables	(254 182)	303 248	(89 311)	141 773
Trade and other payables	82 631	(134 829)	(66 274)	(75 073)
	(221 248)	270 414	(499 955)	238 050

39. TAXATION PAID

	Group 2015	Group 2014	Company 2015	Company 2014
Balance owing at beginning of year	113 608	147 318	15 390	52 848
Profit or loss charge	222 801	96 229	94 828	71 499
Write-off of state share of profits	–	1 453	–	1 453
Balance owing at end of year	(81 377)	(113 608)	11 624	(15 390)
	255 032	131 392	121 842	110 410

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40. COMMITMENTS

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
Capital Expenditure – Booysendal mine				
Authorised but not contracted	367 584	338 204	–	–
Contracted	74 506	145 186	–	–
Capital Expenditure – Zondereinde mine				
Authorised but not contracted	795 628	172 316	795 628	172 316
Contracted	42 376	154 060	42 376	154 060
Information Technology Outsource Service Providers				
Due within one year	26 675	10 293	20 986	10 293
Due within two to five years	18 403	21 460	13 785	21 460
Operating lease rentals – office equipment				
Due within one year	2 136	1 947	1 442	1 126
Due within two to five years	1 684	1 004	1 483	1 004
Operating lease – premises				
Due within one year	5 599	4 585	2 797	1 201
Due within two to five years	27 324	13 588	12 545	2 233
More than five years	–	5 959	–	–
Housing development				
Authorised	4 800	4 800	4 800	4 800
Bank guarantees issued	73 266	78 736	73 266	78 736

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

41. EMPLOYEE BENEFITS

	Group		Company	
	2015 R000	2014 R000	2015 R000	2014 R000
The aggregate earnings and benefits of employees, including directors, were:				
Salaries, wages and other benefits	1 405 790	1 331 209	1 292 544	1 193 532
Contributions to retirement benefit funds	114 565	99 685	107 479	94 160
Contributions to health-care funds	66 074	59 061	64 612	57 868
Share based payment expense	36 037	–	22 994	–
Employee empowerment scheme (note 28)	(28)	9 189	(28)	9 189
	1 622 438	1 499 144	1 487 601	1 354 749
Fees paid to non-executive directors	3 503	3 701	3 503	3 701
	1 625 941	1 502 845	1 491 104	1 358 450

Please see Annexure 4 on page 194 for the directors' remuneration disclosed per director.

42. 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.

43. SEGMENTAL REPORTING

The group has two (2014: two) business segments, the Zondereinde mine and 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.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's principal financial liabilities, comprise loans and borrowings including preference shares, trade and other payables, and a financial guarantee contract. 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 the following 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 cash flows 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 exchange rates 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	
	2015 R000	2014 R000	2015 R000	2014 R000
Weakening by 10%	5 192	16 424	5 192	16 424
Strengthening by 10%	(5 192)	(16 424)	(5 192)	(16 424)
At year end the foreign currency value of items under their respective statement of financial position classifications were as follows:				
Accounts receivable – US$	5 415	5 327	5 415	5 327
Cash and cash equivalents – US$	–	10 150	–	10 150
Accounts payable – €	(1 023)	–	(1 023)	–
Exchange rates at year end:				
ZAR/US $	12.16	10.61	12.16	10.61
ZAR/€	13.62	14.50	13.62	14.50

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2015

44. 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.

The following is an indication of the effect that changes in the commodity prices would have on the profit before tax, based on the outstanding accounts receivable balance at year end:

	Group		Company	
	2015	2014	2015	2014
	R000	R000	R000	R000
Increase of 10%	16 006	10 716	16 006	10 716
Decrease of 10%	(16 006)	(10 716)	(16 006)	(10 716)

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 1.

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	
	2015	2014	2015	2014
	R000	R000	R000	R000
Cash and cash equivalents				
Increase of 1%	41 382	6 661	5 350	6 346
Decrease of 1%	(41 382)	(6 661)	(5 350)	(6 346)
Floating rate borrowings				
Increase of 1%	(79 064)	(14 176)	(13 700)	(13 700)
Decrease of 1%	79 064	14 176	13 700	13 700

(f) Fair value

The fair value of financial instruments is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Management is of the opinion that the book value of financial instruments approximates fair value. 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.

(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 N V (FMO) (note 21) by Norplats Properties Proprietary Limited, 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 matured on 4 September 2015. On 11 July 2013, the company raised an additional amount of R120 million in the domestic capital market through a tap issue which also matured 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 no amount of the Nedbank facility was utilised.

Zambezi Platinum Limited issued 159 905 453 preference shares at R41 per share on 18 May 2015 in terms of the BEE transaction. These preference shares are repayable in 10 years time, and accrue cumulative variable dividends at 3.5% over the prime overdraft rate in South Africa.

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

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 (which consists of equity) 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 shareholders or issue new shares.
No changes were made in the objectives, policies or processes during the years ended 30 June 2015 and 30 June 2014.

(i) Categories of financial instruments

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

45. EVENTS AFTER THE REPORTING DATE

Shareholders were advised on 30 July 2015 that the management of Zondereinde has signed a three-year wage agreement with the recognised union at the mine.

46. MAJOR SHAREHOLDERS AND SHAREHOLDER SPREAD

Please refer to major shareholders at 30 June 2015 on page 126 of the directors' report and shareholder spread at 30 June 2015 on page 126 of the directors' report.