IMPLATS
Distinctly Platinum


Annual financial statements 2014

Supplement to the integrated annual report 30 June 2014

Feedback

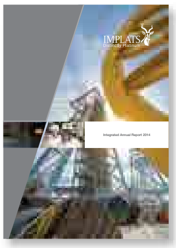
We welcome your feedback to make sure we are covering the things that matter to you. Go to **www.implats.co.za** or email **investor@implats.co.za** for the feedback form, or scan the code above with your smartphone.

Implats is one of the world's primary producers of PGMs and associated base metals

Impala Platinum Holdings Limited (Implats), one of the world's foremost producers of platinum and associated platinum group metals (PGMs), has its listing on the JSE Limited (JSE) in South Africa, and a level 1 American Depositary Receipt programme in the United States of America.

Implats is structured around five main operations with a total of 24 underground shafts. Our operations are located on the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, the two most significant PGM-bearing ore bodies in the world. Our headquarters are in Johannesburg and the five main operations are Impala, Zimplats, Marula, Mimosa and Two Rivers. The structure of our operating framework allows for each of our operations to establish and maintain close relationships with their stakeholders while operating within a Group-wide approach to managing the economic, social and environmental aspects of sustainability.

Additional information is provided in the following reports, all of which are available online at **www.implats.co.za**



INTEGRATED

Integrated annual report

This document was prepared in line with the recommendations of the South African Code of Corporate Practice and Conduct (King III), and draws on the guidance provided in the Discussion Paper, *Towards Integrated Reporting*, issued by the International Integrated Reporting Council (IIRC).

SUSTAINABLE

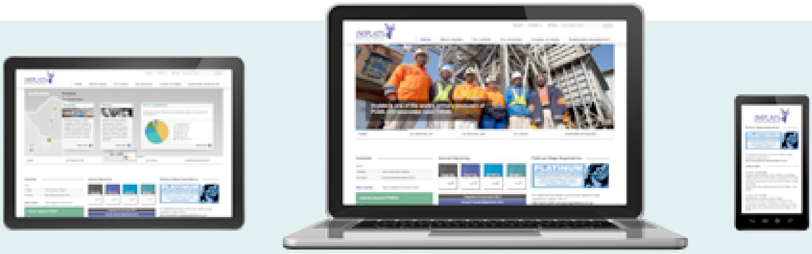
Sustainable development report

This document has been developed in accordance with G4 Core Compliance and the Global Reporting Initiative (GRI), Implats internal reporting guidelines, with consideration of the UN Global Compact.

RESOURCES

Mineral resource and mineral reserve statement

This conforms to the South African Code for Reporting of Mineral Resources and Mineral Reserves (SAMREC) and the Australasian Code for the Reporting of Mineral Resources and Ore Reserves (JORC), and has been signed off by the Competent Persons, as defined by these codes.



www.implats.co.za

Scope of this report

This report contains the consolidated financial statements for Impala Platinum Holdings Limited and the separate annual financial statements of Impala Platinum Holdings Limited for the year ended 30 June 2014.

These annual financial statements were prepared according to International Financial Reporting Standards (IFRS), the requirements of the South African Companies Act 2008 (the Act), the Listings Requirements of the JSE Limited and the recommendations of King III.

RESPONSIBILITY REPORTING

GROUP FINANCIAL STATEMENTS

COMPANY FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

Background

The committee is pleased to present its report for the financial year ended 30 June 2014. The committee's operation is guided by a formal detailed charter approved by the board.

The committee has discharged all its responsibilities as contained in the charter. The committee reviews accounting policies and financial information issued to stakeholders and the chairman of the audit committee reports to the board on the committee's deliberations and decisions. The internal and external auditors have unrestricted access to the committee. Further, the committee regularly reviews its corporate governance practices in relation to the Company's compliance with the requirements of the Companies Act (the Act) and the King III recommendations.

Objective and scope

The overall high-level objectives of the committee are:

- To assist the board in discharging its duties relating to safeguarding of the Company's assets
- To ensure the existence and operation of adequate systems and control processes
- To control reporting processes and the preparation of fairly presented financial statements in compliance with the applicable legal and regulatory requirements and accounting standards
- To oversee the activities of internal and external audit
- To perform duties that are attributed to it by the Act, the JSE Limited (JSE) and King III.

The committee performed the following activities during the year under review:

- Received and reviewed reports from both internal and external auditors concerning the effectiveness of the internal control environment, systems and processes
- Reviewed the reports of both internal and external auditors detailing their concerns arising out of their audits and requested appropriate responses from management
- Made appropriate recommendations to the board of directors regarding the corrective actions to be taken as a consequence of audit findings, as appropriate
- Considered the independence and objectivity of the external auditors and ensured that the scope of their additional services provided did not impair their independence
- Reviewed and recommended for adoption by the board the financial information that is publicly disclosed, which for the year included:
  - The interim results for the six months ended 31 December 2013
  - The annual results for the year ended 30 June 2014
- Considered the effectiveness of internal audit, approved the three-year operational strategic internal audit plan and monitored adherence of internal audit to its annual plan.

The objectives of the committee were adequately met during the year under review.

Membership

During the course of the year, the membership of the committee comprised solely of independent non-executive directors, as detailed below:

Mr HC Cameron – chairman
Ms AA Maule
Ms B Ngonyama
Mr TV Mokgatlha (appointed on 15 August 2013)

In addition, the chief executive officer, the chief financial officer, head of group internal audit, the group executive: risk and the external auditors are permanent invitees to the committee's meetings.

External audit

The committee has satisfied itself, through enquiry, that the auditor of the Company is independent, as defined by the Act. The committee, in consultation with executive management, agreed to an audit fee for the 2014 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at that time. Audit fees are disclosed in note 26 to the annual financial statements.

The independence of the external auditor is regularly reviewed. Further, the approval of all non-audit-related services are governed by an appropriate approval framework.

Meetings were held with the external auditor where management was not present and, where concerns were raised, these concerns were adequately dealt with by the audit committee.

The committee has reviewed and is satisfied with the performance of the external auditors and will nominate, for approval at the annual general meeting, PricewaterhouseCoopers Inc. as the external auditor for the 2015 financial year, with Mr A Rossouw as the designated auditor. Mr J-P van Staden, the designated auditor for 2014, rotates off the audit in line with the rotational recommendations of King III. The committee confirms that the auditor and designated auditor are accredited by the JSE.

Chief financial officer review – Ms Brenda Berlin

The committee has reviewed the performance, qualifications and expertise of Ms Brenda Berlin through a formal evaluation process and confirms her suitability for appointment as chief financial officer in terms of the JSE Listings Requirements.

Annual financial statements

The annual financial statements have been prepared using appropriate accounting policies, which conform to International Financial Reporting Standards (IFRS). The committee has therefore recommended the approval of the annual financial statements to the board. The board has subsequently approved the annual financial statements.

Internal financial control (Statement on effectiveness of internal controls)

Based on the results of the formal documented review of the Company's system of internal financial controls, which was performed by the internal audit function and external auditors, nothing has come to the attention of the audit committee to indicate that the internal financial controls were not operating effectively.

Mr HC Cameron
Chairman of the audit committee

28 August 2014

DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company are responsible for the maintenance of adequate accounting records and preparation of the annual financial statements and related information in a manner that fairly presents the state of affairs of the Company. These annual financial statements are prepared in accordance with International Financial Reporting Standards and incorporate full and responsible disclosure in line with the accounting policies of the Group which are supported by prudent judgements and estimates.

The annual financial statements have been prepared under the supervision of the chief financial officer, Ms B Berlin, CA(SA).

The directors are also responsible for the maintenance of effective systems of internal control which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the annual financial statements, and to prevent and detect material misstatement and loss.

Based on the results of a formal documented review of the Company's system of internal controls and risk management, covering both the adequacy in design and effectiveness in implementation performed by the internal audit function during the year 2014, the board of directors has considered:

- the information and explanations provided by line management
- discussions held with the external auditors on the results of the year-end audit and
- the assessment by the audit committee and the risk committee.

Nothing has come to the attention of the board that caused it to believe that the Company's system of internal controls and risk management are not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The board's opinion is underpinned by the audit committee's statement.

The annual financial statements have been prepared on a going-concern basis and the directors believe that the Company and the Group will continue to be in operation in the foreseeable future.

The annual financial statements as set out on pages 16 to 108, have been approved by the board of directors and are signed on its behalf by:

KDK Mokhele
Chairman

TP Goodlace
Chief executive officer

28 August 2014

CERTIFICATE BY COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, I certify that the Company has lodged with the Commissioner all such returns and notices as required by the Act and that all such returns and notices are true, correct and up to date.

T Llale
Company secretary

28 August 2014

To the shareholders of Impala Platinum Holdings Limited

We have audited the consolidated and separate financial statements of Impala Platinum Holdings Limited set out on pages 16 to 108, which comprise the statements of financial position as at 30 June 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Impala Platinum Holdings Limited as at 30 June 2014, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 30 June 2014, we have read the directors' report, the audit committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: Jean-Pierre van Staden
Registered Auditor

2 Eglin Road, Sunninghill, 2157
Johannesburg

28 August 2014

Profile

Nature and business of the Company

Impala Platinum Holdings Limited (Implats/Company/Group) is one of the foremost producers and suppliers of platinum group metals (PGMs) to industrial economies. The Company's holdings in various mining and exploration activities as at 30 June 2014 (unchanged from 30 June 2013) are described below:

Company	Effective interest %	Activity
Impala Platinum Limited (Impala)	100	PGM mining processing and refining
Impala Refining Services Limited	100	Purchase of concentrate and/or smelter matte. Processing of concentrate and matte by the smelting, refining and sale of resultant PGMs and base metals, and toll refining
Afplats Proprietary Limited	74	PGM mining (project phase)
Marula Platinum Proprietary Limited	73	PGM mining
Zimplats Holdings Limited	86.9	PGM mining
Mimosa Investments Limited	50	PGM mining
Two Rivers Platinum Proprietary Limited	45	PGM mining
Makgomo Chrome Proprietary Limited	50	Purchase of chrome in tailings. Processing and sale of the product
Impala Chrome Proprietary Limited	70	Purchase of chrome in tailings. Processing and sale of the product

Share capital

	R
Authorised share capital	
844 008 000 ordinary shares of 2.5 cents each	21 100 200
Issued share capital	
632 214 276 ordinary shares of 2.5 cents each	15 805 357
Unissued share capital	
211 793 724 ordinary shares of 2.5 cents each	5 294 843

There were no changes to the authorised or issued share capital during the year.

American depositary receipts

At 30 June 2014, Implats had 6 812 256 (2013: 7 264 014) sponsored American depositary shares in issue through Deutsche Bank AG London and trading on the over-the-counter markets in the US. Each American depositary share is equal to one Implats ordinary share.

Treasury shares

The Group holds 16 233 994 ordinary shares of 2.5 cents each which were bought in terms of an approved share buy-back scheme in prior years. No additional shares were bought by the Company during the year under review. The shares are held as "treasury shares" by a wholly owned subsidiary of the Company.

Share-based compensation

Details of participation in the share option scheme are set out in note 39 of the consolidated financial statements.

The trustee of the Share Incentive Trust is Ms NDB Orleyn; however, the Group no longer offers employees any further options under the Implats Share Incentive Scheme. All eligible employees are now offered shares under a new long-term incentive plan (LTIP) which was approved by shareholders in 2012. The LTIP has effectively replaced the Implats Share Appreciation Bonus Plan (ISABP) and no further notional shares have been issued under the ISABP.

Shareholding in the Company

The issued capital of the Company held by public and non-public entities as at 30 June 2014 was as follows:

	Number of shareholders	Number of shares (000)	%
Public	36 849	434 234	68.7
Non-public	6	197 980	31.3
Directors	1	1	–
Trustees of share scheme	2	8 967	1.4
Share Incentive Trust	1	102	–
Morokotso Trust	1	8 865	1.4
Royal Bafokeng Holdings Proprietary Limited*	1	83 115	13.2
Public Investment Corporation Limited	1	89 663	14.1
Treasury shares	1	16 234	2.6
Total	36 855	632 214	100.0

** Has the right to appoint two directors*

The following shareholders beneficially hold 5% or more of the issued share capital:

Shareholders	Number of shares (000)	%
Royal Bafokeng Holdings Proprietary Limited	83 115	13.2
Public Investment Corporation Limited	89 663	14.1

Black economic empowerment (BEE) ownership

The Group believes that it has fully met the equity ownership objectives of the Mineral and Petroleum Resources Development Act as it recognises that the transformation of the equity ownership of the Company is a key strategic goal. Our BEE partners are drawn from a wide range of groups from the significant stake held by the Royal Bafokeng Nation to smaller BEE companies and community groups. The Morokotso Trust, an Employee Share Ownership Plan established in 2006, has delivered value to some 24 000 employees in South Africa with 40% of the shares having vested in July 2011. The remaining 60% will continue to be held by the Trust on behalf of our employees until the termination date in 2016.

Investments

Indigenisation of Zimbabwean investments

Discussions continue with the Government of Zimbabwe on the subject of indigenisation and how it can be implemented. The Company has been advised by the government to factor in certain corporate social responsibility projects with a view to accruing credits towards the 51% indigenous shareholding target. Both Zimplats and Mimosa are engaged in discussions with the Minister of Youth Development, Indigenisation and Economic Empowerment with regard to the indigenisation implementation plan.

Zimplats Holdings Limited (Zimplats)

During the period under review, the Company owned 86.9% (2013: 86.9%) of Zimplats, which in turn holds 100% of Zimbabwe Platinum Mines (Pvt) Limited (Zimplats Pvt) – an operating company in Zimbabwe. Pending the finalisation of the indigenisation plans, Implats continued to consolidate its shareholding in Zimplats in 2014.

Mimosa Investments Limited (Mimosa)

The Company holds a 50% (2013: 50%) shareholding in Mimosa with the balance being held by Aquarius Platinum Limited (Aquarius). Mimosa Mining Company (Pvt) Limited (Mimosa Pvt), the operating company, is a wholly owned subsidiary of Mimosa. In 2014, Implats equity accounted its 50% interest in the joint venture in line with the new accounting standard requiring equity accounting of joint ventures.

Two Rivers Platinum Proprietary Limited (Two Rivers)

The Company owns a 45% (2013: 45%) interest in Two Rivers with the balance held by African Rainbow Minerals Limited. Upon receipt of all regulatory approvals, Implats will acquire a further 4% interest in Two Rivers in exchange for vending into Two Rivers portions 4, 5 and 6 of the farm Kalkfontein, as well as the area covered by the Tweefontein prospecting rights.

Marula Platinum Proprietary Limited (Marula)
The Company owns a 73% (2013: 73%) interest in Marula.

The 27% non-controlling interest comprises a 9% equity stake in Marula held by each of the following BEE entities:
- Tubatse Platinum Proprietary Limited
- Mmakau Mining Proprietary Limited
- Marula Community Trust

Implats has consolidated the BEE interest as the vendor finance is guaranteed by Implats.

Afplats Proprietary Limited (Afplats)
The Company owns a 74% (2013: 74%) interest in Afplats, which is continuing the main shaft-sinking activities towards establishing a platinum mine in the Brits district – being phase 1 of the Leeuwkop project.

Makgomo Chrome Proprietary Limited (Makgomo Chrome)
The Company owns a 50% (2013: 50%) stake in Makgomo Chrome, a company established pursuant to Implats' Local Economic Development strategy for the Marula community. The balance of the issued shares is held by the communities in the Marula area of operations. Twenty percent of the Company's shareholding is held through Marula and all dividends received by Marula are used to fund community development projects.

Impala Chrome Proprietary Limited (Impala Chrome)
The Company holds 70% (2013: 70%) of the shares in issue and Chrome Traders Processing Proprietary Limited (Chrome Traders) holds the remaining 30% of the shares. The Implats board has approved that the Company's shareholding in Impala Chrome be reduced to 40% by earmarking 30% for sale in future to local BEE entities or communities.

Financial affairs

Results for the year

The results for the year were significantly impacted by the five-month industrial action at Impala Rustenburg's operations. The operations outside the Rustenburg area, specifically Zimplats, Mimosa and Two Rivers, all performed admirably and delivered good results.

Group production deteriorated from 1.582Moz of platinum to 1.178Moz due to industrial action at Impala. At Impala itself, refined production decreased by 42% to 411 000 platinum ounces on the back of the industrial action, which resulted in a loss of some 312 000 platinum ounces (compared to the plan for the second six months).

Revenues reduced by only R816 million to R29.03 billion mainly assisted by destocking and higher rand metal prices.

Cash costs which include on-mine, processing, refining and selling and administration expenses decreased by R3.4 billion. Stringent cash preservation initiatives were implemented as a result of the strike action at Impala Rustenburg. There was a strict application of the 'no-work-no-pay' principle and operating costs during this period only included security, essential services and maintenance costs. As a result, cash costs were curtailed by R3.80 billion.
- Furthermore, an amount of R1.26 billion was transferred from cash costs to other operating expenses for non-production costs incurred during the strike
- Group inflation increased cash costs by 10.8%. South African inflation amounted to 8.7% (10.7% on labour, 5.5% for consumables and 9.0% on utilities), while Zimbabwean dollar inflation amounted to 6.4% but was affected by the 17.9% weakening in the rand/dollar exchange rate.

The net results of Implats' operating, investing and financing activities, combined with the opening cash and debt positions, was to end the year with cash of R4.31 billion and net debt (excluding finance leases) of R2.10 billion. In addition to the cash on hand, the Group had committed undrawn facilities of R3.0 billion at year end.

Dividends

No dividends were declared in respect of the 2014 financial year (2013: interim dividend – 35 cents per share and final dividend – 60 cents per share).

Convertible bonds interest payments

The Company paid interest in August 2013 and February 2014 to bond holders in line with the terms and conditions of the bonds.

Capital expenditure

Capital expenditure for the year amounted to R4.4 (2013: R6.3) billion.

Capital expenditure of approximately R5.3 billion is planned for the 2015 financial year, of which R1.5 billion relates to 20, 16 and 17 shafts at Impala (the triple build-up). Approximately R800 million was planned for off-reef development and R1.8 billion on Zimplats. Impala's capital expenditure will principally be funded from the proceeds of the convertible bonds issued in 2013 and operating cash flows. Expenditure in Zimbabwe will be funded from operating cash flows and borrowings if necessary.

Post-balance sheet events

Post-year end, in July 2014, a collapse within a section of the underground working area of the Bimha mine was triggered by the accelerated deterioration of ground conditions associated with a major fault, the Mutambara Shear, which transgresses through the mining area. As a result of the proactive response from the Zimplats management team and the timely evacuation of all personnel, no injuries or damage of mobile equipment were reported.

By 20 August 2014, ground conditions had continued to deteriorate and as a consequence, it was decided to withdraw all employees across the rest of the mine. A team of Company and independent advisers have been appointed to conduct detailed investigations to re-engineer and/or arrest the current mine stability concerns. Consequently, there is a possible production impact of up to 70 000 platinum ounces in 2015.

No other material events have occurred since the date of these consolidated financial statements and the date of approval thereof, the knowledge of which would affect the ability of the users of these statements to make proper evaluations and decisions.

Going concern

The consolidated financial statements have been prepared on a going-concern basis using the appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The directors believe that the Company and the Group will continue to be in operation in the foreseeable future.

Associated and subsidiary companies

Information regarding the Company's associated and subsidiary companies is given in note 17 of the separate annual financial statements of the Company.

Property

Details of the freehold and leasehold land and buildings of the various companies are contained in registers, which are available for inspection at the registered offices of those companies.

Directorate

Name	Position as director	Date appointed
KDK Mokhele	Independent non-executive chairman	1 June 2004
B Berlin	Chief financial officer	24 February 2011
HC Cameron	Independent non-executive director	1 November 2010
PW Davey	Independent non-executive director	1 July 2013
MSV Gantsho	Independent non-executive director	1 November 2010
TP Goodlace	Chief executive officer	1 June 2012 (5 August 2010 as independent non-executive)
A Kekana	Non-executive director	8 August 2013
AA Maule	Independent non-executive director	1 November 2011
AS Macfarlane	Independent non-executive director	1 December 2012
TV Mokgatlha	Independent non-executive director	20 June 2003 (8 July 2013 as independent non-executive)
BT Nagle	Non-executive director	8 August 2013
B Ngonyama	Independent non-executive director	1 November 2010
NDB Orleyn	Independent non-executive director	1 April 2004
PA Dunne*	Executive director	16 February 2010
OM Pooe**	Alternate director	8 August 2013

** Resigned as director – 18 October 2013*
*** Resigned as non-executive director – 8 August 2013 and as alternate director – 19 September 2013.*

Composition of the board

The board comprises nine independent non-executive directors, two non-executive directors and two executive directors. In compliance with the Company's memorandum of incorporation and Schedule 10 of the JSE Listings Requirements, the directors who will retire at the next annual general meeting (AGM) are Ms AA Maule, Ms B Ngonyama, Ms NDB Orleyn, Dr KDK Mokhele and Mr TV Mokgatlha. The average length of service of the 11 non-executive directors is 4.6 years, while that of the executive directors is 3.5 years.

In line with King III and international best practice, directors who have served on the board for longer than nine years are subject to an annual independence test and annual re-election by shareholders at the AGM. Currently, Ms NDB Orleyn, Dr KDK Mokhele and Mr TV Mokgatlha are retiring to satisfy this requirement.

Interests of directors

The interests of directors in the shares of the Company at 30 June 2014 were as follows and did not individually exceed 1% of the issued share capital or voting control of the Company:

	Direct		Indirect	
	2014	2013	**2014**	2013
Beneficial				
Directors	**1 800**	60 300	**–**	780
TP Goodlace	**1 800**	–	**–**	–
DH Brown (resigned 30 June 2012)	**–**	60 000	**–**	–
JM McMahon (retired 24 October 2012)	**–**	300	**–**	780
Senior management	**218 190**	246 559	**–**	–

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

Directors' remuneration and key management compensation

Executive remuneration for the past financial year

Fixed remuneration

The following table summarises the fixed remuneration of the executive directors, prescribed officers and other senior executives of the Company for the year ended 30 June 2014:

Individual	Package (R'000)	Retirement funds (R'000)	Other benefits (R'000)	Total 2014 (R'000)	Total 2013 (R'000)
Executive directors					
TP Goodlace	6 420	1 037	27	**7 484**	7 549
PA Dunne (to 31 December 2013)	1 956	142	91	**2 189**	4 366
B Berlin	3 811	400	100	**4 311**	4 255
Prescribed officers					
PD Finney	2 717	422	151	**3 290**	3 162
GS Potgieter	3 859	486	92	**4 437**	4 406
A Mhembere*	658*	–	46*	**704***	633*
MN Ndlala	2 637	340	50	**3 027**	–
Company secretary					
A Parboosing	1 350	142	91	**1 583**	1 531
Senior executives	13 486	1 422	605	**15 513**	15 843

Notes

** (US$'000).*

MN Ndlala was appointed on 1 November 2013.

Variable remuneration

Individual	Bonus (R'000)	Retention (R'000)	Gains on LTIs# (R'000)	Total 2014 (R'000)	Total 2013 (R'000)
Executive directors					
TP Goodlace	–	–	–	**–**	–
PA Dunne (to 31 December 2013)**	9 810**	442	–	**10 252**	1 516
B Berlin	630	1 108	–	**1 738**	1 428
Prescribed officers					
PD Finney	1 223	901	–	**2 124**	2 546
GS Potgieter	671	1 346	–	**2 017**	1 695
A Mhembere*	235*	223*	–	**458***	188*
MN Ndlala	–	317	–	**317**	–
Company secretary					
A Parboosing	234	264	–	**498**	427
Senior executives	1 705	3 512	–	**5 217**	4 502

Notes

– *The senior executives account for six (2013: seven) employees.*
– *Retention includes employee retention scheme and hard currency payments.*
– *The bonus shown is not the bonus for the financial year in review, but the payment made during the financial year.*
* *(US$'000).*
** *Includes severance payment.*
\# *Long-term incentives.*
MN Ndlala was appointed on 1 November 2013.

No bonus payments were made to executive directors in 2013.

The CEO, TP Goodlace, has again chosen to forego this incentive payment and it has to be noted that since joining the Company in 2012, he has not taken an increase nor participated in any long or short-term incentive schemes of the Company. He remains resolute in his decisions based on low PGM basket prices and the financial crisis facing the platinum industry. The CEO's net pay after tax for 2014 was R3.6 (2013: R3.6) million. The after tax wage gap at Implats is defined as the ratio of the CEO's guaranteed after tax pay versus that of the lowest level underground worker. In 2014, the after tax wage gap is 1:41.

Directors' fees in aggregate for serving on the board and board committees for the year under review were as follows:

(R'000)	Board	Audit committee	Remuneration committee	HSE* committee	Nominations and governance committee	Social, ethics and transformation committee	Risk committee	Total
KDK Mokhele	1 820	–	–	–	–	–	–	**1 820**
HC Cameron	334	334	–	–	–	109	109	**886**
PW Davey	334	–	–	109	–	–	109	**552**
MSV Gantsho	334	–	243	–	109	–	–	**686**
A Kekana	299	–	98	–	–	–	–	**397**
AA Maule	334	158	–	–	–	–	243	**735**
AS Macfarlane	334	–	–	243	–	–	–	**577**
TV Mokgatlha	334	138	13	–	–	109	–	**594**
BT Nagle	299	–	–	–	–	–	98	**397**
B Ngonyama	334	158	–	–	–	–	–	**492**
NDB Orleyn	334	–	109	–	109	243	–	**795**
OM Pooe	34	–	–	11	–	–	–	**45**

* *Health, safety and environment.*

The following table reflects the status of unexercised options held by executive directors and the gains made by them as a result of past awards during the year ended 30 June 2014:

Name	Balance at 30 June 2013	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	**Balance at 30 June 2014**	Allocation price (R)	First vesting date
Directors									
PA Dunne									
Share appreciation scheme	149 910	–		–	–		**149 910**		
							1 446	167.19	27-Nov-08
							9 316	233.74	24-May-09
							232	242.19	20-Nov-09
							5 353	116.76	18-Nov-10
							12 365	162.88	1-May-11
							20 490	171.39	4-Nov-09
							26 453	209.09	13-May-12
							36 549	193.83	1-Nov-12
							3 914	193.79	12-May-13
							20 839	171.76	10-Nov-13
							12 953	145.48	24-May-14
LTIP SAR	44 309	40 449	11-Nov-13	**84 758**	**–**		**–**	–	–
LTIP CSP	12 373	12 597	11-Nov-13	**24 970**	**–**		**–**	–	–
B Berlin									
Share appreciation scheme	167 985	–		–	–		**167 985**		
							2 648	56.87	13-May-07
							5 672	149.42	11-May-08
							20 180	167.19	27-Nov-08
							7 277	242.19	20-Nov-09
							3 031	333.90	30-May-10
							18 870	162.88	1-May-11
							15 251	171.39	4-Nov-11
							631	209.09	13-May-12
							11 749	193.83	1-Nov-12
							53 954	193.79	12-May-13
							21 502	171.76	10-Nov-13
							7 220	145.48	24-May-14
LTIP SAR	43 001	39 339	11-Nov-13	**–**	**–**		**82 340**		
							43 001	146.89	14-Nov-15
							39 339	134.91	11-Nov-16
LTIP CSP	12 008	12 252	11-Nov-13	**–**	**–**		**24 260**		
							12 008	–	14-Nov-15
							12 252	–	11-Nov-16
Secretary									
A Parboosing									
Share appreciation scheme	25 248	**–**		**–**	**–**		**25 248**		
							7 432	242.19	1-Nov-09
							711	333.90	30-May-10
							1 017	116.76	18-Nov-10
							4 537	162.88	1-May-11
							2 623	171.39	4-Nov-11
							2 775	209.09	13-May-12
							4 573	193.83	1-Nov-12
							1 580	193.79	12-May-13
LTIP SAR	4 168	3 943	11-Nov-13	–	–		**8 111**		
							4 168	146.89	14-Nov-15
							3 943	134.91	11-Nov-16
LTIP CSP	3 492	3 684	11-Nov-13	–	–		**7 176**		
							3 492	–	14-Nov-15
							3 684	–	11-Nov-16

Name	Balance at 30 June 2013	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	**Balance at 30 June 2014**	Allocation price (R)	First vesting date
Prescribed officers									
PD Finney									
Share appreciation scheme	97 228	–		–	10 000		**87 228**		
					10 000	8-Nov-13	**1 761**	167.19	27-Nov-08
							7 540	233.74	24-May-09
							2 977	333.9	30-May-10
							2 774	116.76	18-Nov-10
							2 898	162.88	1-May-11
							12 266	171.39	4-Nov-11
							7 696	209.09	13-May-12
							18 528	193.83	1-Nov-12
							5 376	193.79	12-May-13
							12 282	171.76	10-Nov-13
							13 130	145.48	24-May-14
LTIP SAR	18 889	17 302	11-Nov-13	–	–		**36 191**		
							18 889	146.89	14-Nov-15
							17 302	134.91	11-Nov-16
LTIP CSP	7 912	8 083	11-Nov-13	–	–		**15 995**		
							7 912	–	14-Nov-15
							8 083	–	11-Nov-16
A Mhembere									
Share options	16 620	–	–	–	–		**16 620**	53.79	25-Jun-06
LTIP SAR	34 633	35 398	11-Nov-13	–	–		**70 031**		
							34 633	146.89	14-Nov-15
							35 398	134.91	11-Nov-16
LTIP CSP	14 507	16 537	11-Nov-13	–	–		**31 044**		
							14 507	–	14-Nov-15
							16 537	–	11-Nov-16
GS Potgieter									
Share appreciation scheme	98 878	–		–	–		**98 878**		
							93 783	186.60	1-Jul-12
							5 095	171.76	10-Nov-13
LTIP SAR	26 194	23 912	11-Nov-13	–	–		**50 106**		
							26 194	146.89	14-Nov-15
							23 912	134.91	11-Nov-16
LTIP CSP	10 972	11 171	11-Nov-13	–	–		**22 143**		
							10 972	–	14-Nov-15
							11 171	–	11-Nov-16

Name	Balance at 30 June 2013	Allocated during the year	Date of allocation	Forfeited during the year	Exercised during the year	Date exercised	Balance at 30 June 2014	Allocation price (R)	First vesting date
MN Ndlala									
Share appreciation scheme	56 799	–		–	–		**56 799**		
							888	149.42	11-May-08
							1 110	167.19	27-Nov-08
							3 603	233.74	24-May-09
							7 139	116.76	18-Nov-10
							12 313	171.39	4-Nov-09
							13 750	193.83	1-Nov-12
							7 831	193.79	12-May-13
							10 165	171.76	10-Nov-13
LTIP SAR	14 674	24 536	11-Nov-13	–	–		**39 210**		
							14 674	146.89	14-Nov-15
							24 536	134.91	11-Nov-16
LTIP CSP	6 146	11 462	11-Nov-13	–	–		**17 608**		
							6 146	–	14-Nov-15
							11 462	–	11-Nov-16
Total – Senior executives:									
Share options	10 744	–		–	10 744	Various	**–**		
Share appreciation scheme	432 211	–		–	–		**432 211**		
							21 560	56.87	13-May-07
							1 568	103.24	1-Dec-07
							23 152	149.42	11-May-08
							24 002	167.19	27-Nov-08
							15 675	233.74	24-May-09
							3 579	242.19	20-Nov-09
							10 355	333.90	30-May-10
							48 549	116.76	18-Nov-10
							31 583	162.88	1-May-11
							34 927	171.39	4-Nov-11
							4 944	209.09	13-May-12
							39 252	195.66	1-Mar-12
							80 819	193.83	1-Nov-12
							24 981	193.79	12-May-13
							45 155	171.76	10-Nov-13
							22 110	145.48	24-May-14
LTIP SAR	78 629	81 252	11-Nov-13	–	–		**159 881**		
							78 629	146.89	14-Nov-15
							81 252	134.91	11-Nov-16
LTIP CSP	32 935	38 288	11-Nov-13	–	–		**71 223**		
							32 935	–	14-Nov-15
							38 288	–	11-Nov-16
	554 519	**119 540**		**–**	**10 744**		**663 315**		

Directors' interests

No contracts of significance were entered into in which the directors of the Company were materially interested, during the financial year. No material change in the aforegoing interests has taken place between 30 June 2014 and the date of this report.

Special resolutions passed

During the year, the following special resolutions were passed by the shareholders:

Acquisition of the Company's shares by the Company or subsidiaries

A renewal of the general authority to acquire up to 5% of the Company's shares subject to the provisions of the JSE Listings Requirements and the Companies Act, provided that the authority does not extend beyond 15 months from the date of the granting of that authority.

Financial assistance

Shareholders approved the granting of financial assistance, subject to the provisions of sections 44 and 45 of the Companies Act, directly or indirectly, to present and future subsidiaries, present and future directors and prescribed officers, or any related or inter-related persons for a period of two years commencing from the date of the resolution.

Administration

Financial, administrative and technical advisers

In terms of a service agreement, Impala acted as financial, administrative and technical advisers to the Group during the year on a fee basis. Mr PA Dunne had an interest in this contract to the extent that he was a director of Impala and of the Company, but he did not beneficially own any shares in Impala. During the year under review, Mr Dunne resigned as a director of Impala.

Company secretary

Ms A Parboosing acted as secretary to Implats and Impala until she resigned on 21 July 2014. Mr T Llale was appointed as secretary to Implats and Impala on 25 August 2014. Impala acted as secretaries to other subsidiaries in the Group. The business and postal addresses of the company secretary are set out on the inside back cover.

United Kingdom secretaries

The business and postal addresses of the United Kingdom secretaries are set out on the inside back cover.

Public officer

Mr SF Naude acted as public officer to companies in the Group for the year under review.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – as at 30 June 2014

	Notes	**30 June 2014 Rm**	30 June 2013 Restated* Rm	1 July 2012 Restated* Rm
Assets				
Non-current assets				
Property, plant and equipment	5	**46 916**	44 410	38 877
Exploration and evaluation assets	6	**3 360**	4 294	4 294
Intangible assets	7	**–**	–	1 018
Investment in equity accounted entities	8	**2 959**	2 922	2 524
Deferred tax	9	**238**	118	–
Available-for-sale financial assets	10	**54**	110	101
Held-to-maturity financial assets	11	**35**	32	49
Loans	12	**133**	174	1 087
Derivative financial instruments	13	**332**	90	–
Prepayments	14	**10 665**	10 840	11 102
		64 692	62 990	59 052
Current assets				
Inventories	15	**7 212**	8 456	6 834
Trade and other receivables	16	**3 078**	3 468	4 365
Loans	12	**12**	21	538
Prepayments	14	**568**	443	522
Cash and cash equivalents	17	**4 305**	4 924	935
		15 175	17 312	13 194
Total assets		**79 867**	80 302	72 246
Equity and liabilities				
Equity attributable to owners of the Company				
Share capital	18	**15 624**	15 493	15 187
Retained earnings		**34 936**	35 300	34 869
Other components of equity		**1 807**	1 244	112
		52 367	52 037	50 168
Non-controlling interest		**2 550**	2 579	2 307
Total equity		**54 917**	54 616	52 475
Liabilities				
Non-current liabilities				
Deferred tax	9	**10 179**	10 442	9 223
Borrowings	19	**7 169**	7 259	2 882
Derivative financial instruments	13	**18**	30	–
Liabilities	20	**676**	672	812
Provisions	21	**676**	768	732
		18 718	19 171	13 649
Current liabilities				
Trade and other payables	22	**4 713**	4 658	4 971
Current tax payable	23	**562**	508	172
Borrowings	19	**618**	220	58
Liabilities	20	**339**	318	315
Bank overdraft	17	**–**	811	606
		6 232	6 515	6 122
Total liabilities		**24 950**	25 686	19 771
Total equity and liabilities		**79 867**	80 302	72 246

** The audited June 2013 and June 2012 results were restated as a result of IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements, which have become effective. These standards require that the investment in Guardrisk (previously consolidated) be deconsolidated and Mimosa (previously proportionately consolidated), be equity accounted.*

The notes on pages 21 to 97 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – for the year ended 30 June 2014

	Notes	30 June 2014 Rm	30 June 2013 Restated* Rm
Revenue	4	**29 028**	29 844
Cost of sales	25	**(25 786)**	(25 132)
Gross profit		**3 242**	4 712
Other operating income	26	**239**	470
Other operating expenses	26	**(2 809)**	(2 294)
Royalty expense	27	**(693)**	(674)
Profit/(loss) from operations		**(21)**	2 214
Finance income	28	**318**	222
Finance cost	29	**(496)**	(446)
Net foreign exchange transaction gains		**(101)**	208
Other income	30	**203**	250
Other expense	30	**(253)**	(221)
Share of profit of equity accounted entities		**365**	233
Profit before tax		**15**	2 460
Income tax expense	31	**(144)**	(1 392)
Profit/(loss) for the year		**(129)**	1 068
Other comprehensive income, comprising items that may subsequently be reclassified to profit or loss:			
Available-for-sale financial assets	10	**(56)**	9
Deferred tax thereon	9	**–**	–
Share of other comprehensive income of equity accounted entities	8	**120**	324
Deferred tax thereon	9	**(12)**	(88)
Exchange differences on translating foreign operations		**711**	1 504
Deferred tax thereon	9	**(93)**	(421)
Other comprehensive income, comprising items that will not be subsequently reclassified to profit or loss:			
Actuarial loss on post-employment medical benefit	20	**(1)**	(6)
Deferred tax thereon	9	**–**	2
Total comprehensive income		**540**	2 392
Profit/(loss) attributable to:			
Owners of the Company		**8**	1 015
Non-controlling interest		**(137)**	53
		(129)	1 068
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**569**	2 143
Non-controlling interest		**(29)**	249
		540	2 392
Earnings per share (cents per share)			
Basic	32	**1**	167
Diluted	32	**1**	167

** The audited June 2013 results were restated as a result of IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements, which have become effective. These standards require that the investment in Guardrisk (previously consolidated) be deconsolidated and Mimosa (previously proportionately consolidated), be equity accounted.*

The notes on pages 21 to 97 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – for the year ended 30 June 2014

	Number of shares issued (million)*	Ordinary shares Rm	Share premium Rm	Share-based payments Rm
Balance at 30 June 2013	**606.91**	**16**	**13 363**	**2 114**
Shares issued				
– Implats Share Incentive Scheme (note 18)	**0.14**	**–**	**8**	**–**
– Employee Share Ownership Programme (note 39)	**–**	**–**	**–**	**–**
Share-based compensation				
– Long-term Incentive Plan	**–**	**–**	**–**	**123**
Profit/(loss) for the year	**–**	**–**	**–**	**–**
Other comprehensive income/(loss)	**–**	**–**	**–**	**–**
Dividends (note 33)	**–**	**–**	**–**	**–**
Balance at 30 June 2014	**607.05**	**16**	**13 371**	**2 237**
Balance at 30 June 2012	606.57	16	13 099	2 072
Shares issued				
– Implats Share Incentive Scheme (note 18)	0.18	–	12	–
– Employee Share Ownership Programme (note 39)	0.16	–	24	–
Convertible bonds	–	–	228	–
Share-based compensation				
– Long-term Incentive Plan	–	–	–	42
Profit for the year	–	–	–	–
Other comprehensive income	–	–	–	–
Transaction with non-controlling shareholders	–	–	–	–
Dividends (note 33)	–	–	–	–
Balance at 30 June 2013	606.91	16	13 363	2 114

** The table above excludes the treasury shares, Morokotso Trust (ESOP) and the Implats Share Incentive Scheme as these special structured entities are consolidated. Refer notes 18 and 32.*

The notes on pages 21 to 97 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – for the year ended 30 June 2014

Total share capital Rm	Retained earnings Rm	Total other components of equity Rm	Attributable to: Owners of the Company Rm	Non-controlling interest Rm	Total equity Rm
15 493	**35 300**	**1 244**	**52 037**	**2 579**	**54 616**
8	**–**	**–**	**8**	**–**	**8**
–	**–**	**–**	**–**	**–**	**–**
123	**–**	**–**	**123**	**–**	**123**
–	**8**	**–**	**8**	**(137)**	**(129)**
–	**(1)**	**563**	**562**	**108**	**670**
–	**(371)**	**–**	**(371)**	**–**	**(371)**
15 624	**34 936**	**1 807**	**52 367**	**2 550**	**54 917**
15 187	34 869	112	50 168	2 307	52 475
12	–	–	12	–	12
24	–	–	24	–	24
228	–	–	228	–	228
42	–	–	42	–	42
–	1 008	–	1 008	53	1 061
–	3	1 132	1 135	196	1 331
–	–	–	–	23	23
–	(580)	–	(580)	–	(580)
15 493	35 300	1 244	52 037	2 579	54 616

CONSOLIDATED STATEMENT OF CASH FLOWS – for the year ended 30 June 2014

	Notes	30 June 2014 Rm	30 June 2013 Restated* Rm
Cash flows from operating activities			
Cash generated from operations	34	**5 234**	6 794
Exploration costs	30	**(20)**	(47)
Finance cost		**(404)**	(149)
Income tax paid	23	**(714)**	(1 016)
Net cash from operating activities		**4 096**	5 582
Cash flows from investing activities			
Purchase of property, plant and equipment		**(4 500)**	(6 219)
Proceeds from sale of property, plant and equipment		**64**	97
Proceeds from insurance claim	26	**112**	–
Purchase of investment in subsidiary	40	**–**	(57)
Payment received from associate on shareholders' loan		**–**	49
Proceeds from sale of held-to-maturity investment	11	**–**	21
Loans granted		**(10)**	(7)
Loan repayments received		**11**	30
Finance income		**319**	217
Dividends received	8	**467**	97
Net cash used in investing activities		**(3 537)**	(5 772)
Cash flows from financing activities			
Issue of ordinary shares		**8**	36
Repayments of borrowings		**(16)**	(132)
Proceeds from borrowings		**–**	4 638
Dividends paid to Company's shareholders	33	**(371)**	(580)
Net cash used in financing activities		**(379)**	3 962
Net increase in cash and cash equivalents		**180**	3 772
Cash and cash equivalents at the beginning of the year	17	**4 113**	329
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		**12**	12
Cash and cash equivalents at the end of the year**	17	**4 305**	4 113

** The audited June 2013 results were restated as a result of IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements, which have become effective. These standards require that the investment in Guardrisk (previously consolidated) be deconsolidated and Mimosa (previously proportionately consolidated), be equity accounted.*

*** Net of bank overdraft.*

The notes on pages 21 to 97 are an integral part of these consolidated financial statements.

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Group and Company financial statements are set out below. Accounting policies that refer to "consolidated or Group", apply equally to the Company financial statements where relevant.

1.1 Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, requirements of the South African Companies Act, Act No 71 of 2008, and the Listings Requirements of the JSE Limited.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except for the following:

- Certain financial assets and financial liabilities are measured at fair value
- Derivative financial instruments are measured at fair value
- Liabilities for cash-settled share-based payment arrangements are measured with a binomial option model.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management and the board to exercise their judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

The principal accounting policies used by the Group are consistent with those of the previous year, unless otherwise stated.

Functional and presentation currency

These consolidated financial statements are presented in South African rand, which is the Company's functional currency. All financial information is presented in rand million, unless otherwise stated.

1.2 Changes in accounting policies

The following standards, amendments to standards and interpretations have been early adopted in prior years:

Standards Amendments Interpretations	Nature of change	Effective for year ends beginning on or after	Salient features of the change and impact	Impact (✓)/ No impact (×)
IAS 19 *Employee Benefits*	Amendment	1 January 2013	The amendment eliminates the option to defer the recognition of actuarial gains and losses, streamlines the presentation of changes in assets and liabilities arising from defined benefit plans including the requirement that remeasurements be presented in other comprehensive income, and enhances the disclosure requirements for defined benefit plans to provide better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans (note 20).	✓
IAS 32 *Financial Instruments: Presentation*	Amendment	1 January 2014	The amendment addresses inconsistencies identified in applying some of the offsetting criteria for offsetting financial assets and financial liabilities by clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	×
IAS 34 *Interim Financial Reporting (effective 1 January 2013)*	Amendment	1 January 2013	Consequential amendment from IFRS 13 requiring additional disclosure for Financial Instruments in the Interim Financial Report.	✓

1. Summary of significant accounting policies continued

1.2 Changes in accounting policies continued

Standards Amendments Interpretations	Nature of change	Effective for year ends beginning on or after	Salient features of the change and impact	Impact (✓)/ No impact (×)
IFRS 7 *Financial Instruments: Disclosures*	Amendment	1 January 2013	The amendment requires disclosure to include information regarding the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities.	×
IFRS 13 *Fair Value Measurement*	New standard	1 January 2013	The new standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. Implats' fair value measurement was unaffected.	×
Improvements to IFRS: *2009 – 2011 cycle*		1 January 2013	Annual improvements project is a collection of amendments issued under the annual improvements process, which is designed to make necessary, but non-urgent, amendments to IFRS.	×
IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*	New interpretation	1 January 2013	The interpretation applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine.	×

The following standards, amendments to standards and interpretations have become effective or have been early adopted:

Standards Amendments Interpretations	Nature of change	Effective for year ends beginning on or after	Salient features of the change and impact	Impact (✓)/ No impact (×)
IAS 27 *Separate Financial Statements*	Revised standard (including amendments)	1 January 2013	This amendment contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity elects or is required by local regulations to present separate financial statements. The standard requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 *Financial Instruments*. A subsequent amendment allows an "investment entity" not to consolidate a subsidiary in accordance with the consolidation provisions but instead to measure its investment in the investee at fair value through profit or loss.	×

1. Summary of significant accounting policies continued

1.2 Changes in accounting policies continued

Standards Amendments Interpretations	Nature of change	Effective for year ends beginning on or after	Salient features of the change and impact	Impact (✓)/ No impact (×)
IAS 28 *Investments in Associates and Joint Ventures*	Amendment	1 January 2013	The amended standard prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard, in conjunction with IFRS 11, results in the 50% investment in Mimosa Investments Limited to be equity accounted, instead of being proportionate consolidated (notes 8 and 41).	✓
IAS 36 *Impairment of Assets*	Amendment	1 January 2014	The amendment aligns the disclosure requirements in IAS 36 with that of IFRS 13 *Fair Value Measurement*. The amended standard requires disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal (note 3).	✓
IAS 39 *Financial Instruments: Recognition and Measurement*	Amendment	1 January 2014	The amendment clarifies whether an entity is required to discontinue hedge accounting for hedging relationships in which a derivative has been designated as a hedging instrument in accordance with IAS 39 in a circumstance in which that derivative is novated to a central counterparty following the introduction of a new law or regulation.	×
IFRS 10 *Consolidated Financial Statements*	New standard (including amendments)	1 January 2013	IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities and supersedes IAS 27 Consolidated and Separate Financial Statements. IFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control. The revised definition of control focuses on the need to have both power and variable returns before control is present. The standard provides additional guidance to assist in determination of control where this is difficult to assess. The new standard result in the investment in the insurance cell captive, Guardrisk, not being consolidated anymore. Refer note 41. A subsequent amendment, which has no impact for Implats, allows an "investment entity" not to consolidate a subsidiary in accordance with the consolidation provisions but instead to measure its investment in the investee at fair value through profit or loss.	✓

1. Summary of significant accounting policies continued

1.2 Changes in accounting policies continued

Standards Amendments Interpretations	Nature of change	Effective for year ends beginning on or after	Salient features of the change and impact	Impact (✓)/ No impact (×)
IFRS 11 *Joint Arrangements*	New standard	1 January 2013	IFRS 11 establishes principles for financial reporting by parties to a joint arrangement and supersedes IAS 31 *Interests in Joint Venture*. IFRS 11 classifies joint arrangements into joint operations and joint ventures. A joint operation is a type of joint arrangement where the parties that have joint control over the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a type of joint arrangement where the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The standard requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved, by assessing its rights and obligations arising from the arrangement. The focus is no longer on the legal structure. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated. Equity accounting is mandatory for participants in joint ventures. The standard will result in the 50% investment in Mimosa Investments Limited being equity accounted rather than being proportionately consolidated (notes 8 and 41).	✓
IFRS 12 *Disclosure of Interest in Other Entities*	New standard (including amendments)	1 January 2013	IFRS 12 is a comprehensive standard on disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special-purpose vehicles and other off-balance sheet vehicles. The new standard requires entities to disclose information that helps financial statement readers to evaluate the nature, risk and financial effects associated with the entity's interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities. The impact will be additional disclosure. A subsequent amendment requires additional disclosure relating to "investment entities" (notes 8 and 37).	✓
IFRIC 21 *Levies*	New interpretation	1 January 2014	The interpretation addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. It also addresses the accounting for a liability to pay a levy whose timing and amount are certain.	×

1. Summary of significant accounting policies continued

1.2 Changes in accounting policies continued

The following standards and amendments to standards are not effective yet and have not been early adopted:

Standards Amendments Interpretations	Nature of change	Effective for year ends beginning on or after	Salient features of the change and impact	Impact (✓)/ No impact (×)
IAS 16 *Property, Plant and Equipment and* IAS 38 *Intangible Assets*	Amendments	1 January 2016	Amendments regarding the clarification of acceptable methods of depreciation and amortisation.	×
IAS 16 *Property, Plant and Equipment and* IAS 41 *Agriculture*	Amendments	1 January 2016	Amendments define bearer plants and include bearer plants within the scope of IAS 16.	×
IFRS 9 *Financial Instruments*	New standard	1 January 2018	This new standard replaces IAS 39 *Financial Instruments: Recognition and Measurement*. The standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. It uses a single approach, based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets to determine whether a financial asset is measured at amortised cost or at fair value. It requires a single impairment method to be used, replacing the numerous impairment methods in IAS 39 that arose from the different classification categories. It also removes the requirement to separate embedded derivatives from financial asset hosts. The standard introduces new requirements for an entity choosing to measure a liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income section of the statement of comprehensive income, rather than within profit or loss. This new standard will impact the classification and measurement of financial assets.	✓
IFRS 11 *Joint Arrangements*	Amendment	1 January 2016	Amendments requiring entities to apply the IFRS 3 business combination accounting principles and disclosure for acquisitions of an interest in a joint operation.	×
IFRS 14 *Regulatory Deferral Accounts*	New standard	1 January 2016	The new standard permits an entity which is a first-time adopter of IFRS to continue to account, with some limited changes, for regulatory deferral account balances in accordance with its previous GAAP.	×
IFRS 15 *Revenue from Contracts with Customers*	New standard	1 January 2017	The new standard provides a comprehensive new model for revenue recognition. Implats would be required to disclose information about its contracts with customers, disaggregating information about recognised revenue and information about its performance obligations at the end of the reporting period. The impact of the new standard will be further assessed in more detail.	✓

1. Summary of significant accounting policies continued

1.3 Consolidation

The consolidated financial statements include those of Impala Platinum Holdings Limited, its subsidiaries, associates, joint ventures and structured entities, using uniform accounting policies.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are accounted for as an expense.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the acquisition date.

The excess of the aggregate of the cost of the acquisition, the non-controlling interest and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed is recorded as goodwill (refer note 1.8). Any shortfall is recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured either at the non-controlling interest's proportionate share of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. Any difference between the fair value of the consideration paid or received and the carrying amount of the non-controlling interest, is recognised directly in equity and attributed to the owners of the Company.

During the current year the prior year's audited results were restated as a result of IFRS 10 *Consolidated Financial Statements* which has become effective. This standard requires that the investment in Guardrisk (previously consolidated), be deconsolidated. The effects of the change in accounting policies are included in note 41 of the Group financial statements and note 19 of the Company financial statements.

Associates

Associates are undertakings in which the Group has a long-term interest and over which it exercises significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associated undertakings are accounted for by the equity method of accounting in the Group.

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each of the investors. A joint operation is a joint arrangement whereby the parties (joint operators) that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties (joint venturers) that have joint control of the arrangement have rights to the net assets (through for example an equity holding) of the arrangement.

The Group recognises, in relation to its interest in a joint operation, its share of the assets, liabilities, revenue and expenses. Joint ventures are accounted for by the equity method of accounting in the Group which is a change in accounting policy pursuant to IFRS 11 and only applies to the accounting for the Group's 50% interest in Mimosa.

1. Summary of significant accounting policies continued

1.3 Consolidation continued

During the current year the prior year's audited results were restated as a result of IFRS 11 *Joint Arrangements*, which has become effective. This standard requires that the investment in Mimosa (previously proportionately consolidated), be equity accounted. The effects of the change in accounting policies are shown in notes 8 and included in note 41.

Equity method of accounting

The equity method of accounting is used to account for the acquisition of associates or joint ventures by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate or joint venture recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment.

Equity accounting involves recognising in profit or loss and in other comprehensive income respectively the Group's share of the associate's or joint venture's post-acquisition profit or loss for the year and its share of post-acquisition movements in other comprehensive income. Under the equity method, the investment in the associate or joint venture is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of profit or loss and movement in other comprehensive income of the investee, after the date of acquisition. Dividends and other equity receipts received reduce the carrying amount of the investment.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealised gains and losses on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures.

1.4 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates. For South African operations the functional currency is South African rand and for Zimbabwean operations it is US dollar. The consolidated financial statements are presented in South African rand, which is the functional and presentation currency of Impala Platinum Holdings Limited.

Group companies

Total comprehensive income of foreign subsidiaries, associates and joint ventures are translated into South African rand at the actual exchange rate on transaction date. The average exchange rate is, where appropriate, used as an approximation of the actual rate at transaction date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity. Assets and liabilities are translated at rates ruling at the reporting date. The exchange differences arising on translation of assets and liabilities of foreign subsidiaries and joint ventures are recognised in other comprehensive income and accumulated in equity. On disposal of the foreign entity such translation differences are recognised as a gain or loss on sale.

Transactions and balances

Foreign currency transactions are accounted for at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated at year-end exchange rates. Gains or losses arising on settlement of such transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges or qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in foreign currency translation reserves as other comprehensive income.

1. Summary of significant accounting policies continued

1.5 Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and less any accumulated impairment losses. Preproduction expenditure, including evaluation costs and professional fees, incurred to establish or expand productive capacity, to support and maintain that productive capacity incurred on mines are capitalised to property, plant and equipment. The recognition of costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management. Any net income earned while the item is not yet capable of operating as intended reduces the capitalised amount. Interest on general or specific borrowings to finance the establishment or expansion of mining assets is capitalised during the construction phase.

The present value of decommissioning cost, which is the dismantling and removal of the asset included in the environmental rehabilitation obligation, is included in the cost of the related assets and changes in the liability resulting from changes in the estimates are accounted for as follows:

- Any decrease in the liability reduces the cost of the related asset. The decrease in the asset is limited to its carrying amount and any excess is accounted for in profit or loss
- Any increase in the liability increases the carrying amount of the related asset. An increase to the cost of an asset is tested for impairment when there is an indication of impairment
- These assets are depreciated over their useful lives.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All repairs and maintenance are expensed to profit or loss during the financial period in which they are incurred.

Assets are not depreciated while the residual value equals or exceeds the carrying value of the asset. Depreciation is calculated on the carrying amount less residual value of the assets or components of the assets where applicable.

Depreciation methods and depreciation rates are applied consistently within each asset class except where significant individual assets have been identified which have different depreciation patterns. Residual values and useful lives are reviewed annually. The depreciation calculation is adjusted prospectively for changes in the residual value and useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement/scrapping of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Other assets consist mainly of information technology equipment and mobile equipment.

Shafts, mining development and infrastructure

Individual mining assets are depreciated using the units-of-production method based on their respective estimated economically recoverable proved and probable mineral reserves.

Metallurgical and refining assets

Metallurgical and refining assets are depreciated using the units-of-production method based on the expected estimated economically recoverable proved and probable mineral reserves to be concentrated or refined by that asset.

Land, buildings and general infrastructure (including housing and mineral rights)

Assets in this category, excluding land which is not depreciated, are depreciated over straight-line or life-of-mine using the units-of-production (UOP) method and the economically recoverable proved and probable mineral reserves of that mine. It is expected that these houses would lose their value when the mine closes. Resultantly houses would have the same expected life as the mine and be measured on a UOP method. Depreciation ceases when the residual value is in excess of the carrying value thereof. These assets are depreciated as follows:

Asset type	Estimated useful life
Core houses – Zimplats	10 years
General infrastructure	Life-of-mine (UOP)
Houses – RSA	Life-of-mine (UOP)
Houses – Sale and lease-back	15 years lease term

1. Summary of significant accounting policies continued

1.5 Property, plant and equipment continued

Other assets

These assets are depreciated using the straight-line method over the useful life of the asset limited to life-of-mine as follows:

Asset type	Estimated useful life
Information technology	3 years
Mobile equipment	5 and 10 years
Other assets	1 to 5 years

1.6 Exploration for and evaluation of mineral resources

The Group expenses all exploration and evaluation expenditures until the directors conclude that a future economic benefit is more likely than not of being realised, ie probable. In evaluating if expenditures meet this criterion to be capitalised, the directors utilise several different sources of information depending on the level of exploration. While the criteria for concluding that expenditure should be capitalised is always the "probability" of future benefits, the information that the directors use to make that determination depends on the level of exploration.

Exploration and evaluation expenditure on greenfields sites, being those where the Group does not have any mineral deposits which are already being mined or developed, is expensed as incurred until a final feasibility study has been completed, after which the expenditure is capitalised within development costs, if the final feasibility study demonstrates that future economic benefits are probable.

Exploration and evaluation expenditure on brownfields sites, being those adjacent to mineral deposits which are already being mined or developed, is expensed as incurred until the directors are able to demonstrate that future economic benefits are probable through the completion of a prefeasibility study, after which the expenditure is capitalised as a mine development cost. A "prefeasibility study" consists of a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating economic factors and the evaluation of other relevant factors.

The prefeasibility study, when combined with existing knowledge of the mineral property that is adjacent to mineral deposits that are already being mined or developed, allows the directors to conclude that it is more likely than not that the Group will obtain future economic benefit from the expenditures.

Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised as a mine development cost following the completion of an economic evaluation equivalent to a prefeasibility study. This economic evaluation is distinguished from a prefeasibility study in that some of the information that would normally be determined in a prefeasibility study is instead obtained from the existing mine or development. This information, when combined with existing knowledge of the mineral property already being mined or developed, allows the directors to conclude that more likely than not the Group will obtain future economic benefit from the expenditures.

Exploration and evaluation assets acquired in a business combination are initially recognised at fair value. Subsequently it is stated at cost less impairment provision. Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to assets under construction. No amortisation is charged during the exploration and evaluation phase.

For the purposes of assessing impairment, the exploration and evaluation assets subject to testing are grouped with existing cash-generating units of operating mines that are located in the same geographical region. Where the assets are not associated with a specific cash-generating unit, the recoverable amount is assessed using fair value less cost to sell for the specific exploration area.

1.7 Prepaid royalty

Prepaid royalty is recorded initially at cost and subsequently at cost less accumulated expenses. The royalty is expensed using the units-of-production method based on the estimated economically recoverable proved and probable mineral reserves of the area to which the royalty relates.

1. Summary of significant accounting policies continued

1.8 Goodwill

Goodwill arises on the date of acquisition of a business and represents the excess of the aggregate of the cost of the acquisition, the non-controlling interest and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed exceed the aggregate of the cost of the acquisition, the non-controlling interest and the fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination. Goodwill is carried at cost less accumulated impairment losses, if any. Gains or losses on the disposal of a cash-generating unit includes the carrying amount of goodwill allocated to the cash-generating unit sold.

1.9 Impairment of assets

Non-financial assets

Assets that have an indefinite useful life which are not subject to depreciation are tested for impairment, at least annually, on the same date and at the end of each reporting period when an indicator of impairment exists. Assets that are subject to depreciation are reviewed for impairment at the end of each reporting period when events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows or cash-generating units (CGUs).

Assets are considered to be impaired when the higher of the asset's fair value less cost to sell and its value-in-use is less than the carrying amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds the recoverable amount. The revised carrying amounts are depreciated over the remaining lives of such affected assets.

An impairment previously recognised will be reversed when changes in circumstances, that have an impact on estimates, occur after the impairment was recognised. The reversal of an impairment will be limited to the lower of the newly calculated recoverable amount or the book value that would have existed if the impairment was not recognised. The reversal of an impairment is recognised in profit or loss.

Goodwill

Goodwill is tested for impairment annually, at least, and at the end of each reporting period when an indicator of impairment exists. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The recoverable amount of the cash-generating unit to which goodwill has been allocated is based on the highest of value-in-use or fair value less cost to sell derived from reserve and resource ounce valuation. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorate based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss and may not be reversed.

1. Summary of significant accounting policies continued

1.9 Impairment of assets continued

Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired:

- In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost less previously recognised impairment loss and the current fair value is recognised as an impairment loss. Any fair value loss previously recognised in other comprehensive income is reclassified from fair value reserve in equity to profit or loss.
- A provision for impairment of loans, receivables and advances is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the asset. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default on or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the trade receivable and advances is reduced through the use of a provision account, and the amount of the loss is recognised as an operating expense. When a trade receivable is uncollectable, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other income and expenses.

1.10 Leases

Determining whether an arrangement is or contains a lease, is based on the substance of the arrangement, and requires an assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys the right to control the asset.

Leases where the lessee assumes substantially all of the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the lower of the estimated present value of the underlying lease payments and the fair value of the asset. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term and short-term payables respectively. The interest element is expensed to profit or loss, as a finance charge, over the lease period.

The property, plant and equipment acquired under finance leasing contracts is depreciated in terms of the Group accounting policy limited to the lease contract term if there is no reasonable certainty that ownership will be obtained by the end of the lease term (refer note 1.5).

Leases of assets under which substantially all the benefits and risks of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are expensed to profit or loss on the straight-line basis over the life of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Operating metal lease payments or receipts are accounted for in profit or loss and the metal is carried as inventory by the lessor.

1.11 Inventories

Mining metal inventories

Platinum, palladium and rhodium are treated as main products and other platinum group and base metals produced as by-products. Metals mined by the Group, including in-process metal contained in ore, concentrate and matte produced by the smelter and precious metal concentrate in the base and precious metal refineries, are valued at the lower of average cost of normal production and net realisable value.

Quantities of in-process metals are based on latest available assays. Although the quantities of recoverable metal are reconciled by comparing the grades of ore to the quantities of metal actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time.

The average cost of normal production is taken as total costs incurred on mining and refining, including depreciation, less net revenue from the sale of by-products, allocated to main products based on normal units produced. Any abnormal production costs are expensed immediately and not deferred in the cost of closing metal inventories. Refined by-products are valued at net realisable value.

1. Summary of significant accounting policies continued

1.11 Inventories continued

Non-mining metal inventories

All metals purchased or recycled by the Group are valued at the lower of cost or net realisable value. The cost of non-mining metal inventories comprises the cost of purchase as well as refining costs required to convert the metal to its refined state.

Stores and materials

Stores and materials are valued at the lower of cost or net realisable value, on a weighted average basis. Obsolete, redundant and slow-moving stores are identified and written down to net realisable values. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

1.12 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.12.1 Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. No financial instruments were designated at fair value through profit or loss on initial recognition. The classification is dependent on the purpose for which the asset was acquired.

Management determines the classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. Purchases and sales of investments are recognised on the trade date – the date on which the Group commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price and derivatives are classified as financial assets at fair value through profit or loss and are included in current assets. These investments are measured at fair value. Movements in fair value are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables include loans, trade and other receivables, advances and cash and cash equivalents in the statement of financial position. Loans and receivables are measured at amortised cost using the effective interest method less any accumulated impairment loss.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at hand, bank overdrafts, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included within cash and cash equivalents for the cash flow statement and in current liabilities in the statement of financial position.

1. Summary of significant accounting policies continued

1.12 Financial instruments continued

1.12.1 Financial assets continued

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, and are included in non-current assets, except for those with maturities within 12 months from the reporting date which are classified as current assets.

Held-to-maturity investments are subsequently carried at amortised cost using the effective interest method less any accumulated impairment loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Available-for-sale financial assets are subsequently carried at fair value which is determined using period-end bid rates.

Unrealised gains or losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold, the cumulative fair value adjustments are included in profit or loss as gains or losses from investment securities.

If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's-length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

1.12.2 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Derivatives at fair value through profit or loss

The Group's risk management policy on hedging is not prescriptive regarding the available financial instruments to be used, but financial limits and exposures are set by the board. Hedge accounting is generally not applied. Changes in the fair value of any derivative instruments, including those that are not used as hedging instruments and those that do not qualify for hedge accounting, are recognised in profit or loss immediately, within other income and expenses. The fair value of the conversion option of the US dollar bond is determined using the binomial option model and the assumptions used to determine the fair value are detailed in note 3.

Forward sales, forward purchases and metal options are entered into from time to time to preserve and enhance future cash flow streams. Forward exchange contracts are from time to time entered into to hedge anticipated future transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

1. Summary of significant accounting policies continued

1.12 Financial instruments continued

1.12.3 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound instruments

The component parts of compound instruments (such as the convertible ZAR bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rates for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. When the liability is extinguished by means of converting to equity instruments, the carrying amount of the liability is reclassified to equity as share premium. The equity component is recognised initially at the difference between the fair value of the compound instrument as a whole and the fair value of the liability component.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and the equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

1.12.4 Financial liabilities

The Group classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss and other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities held for trading and derivatives are classified as at fair value through profit or loss. These financial liabilities are included in current liabilities and are measured at fair value. Movements in fair value are recognised in profit or loss.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

When general and/or specific borrowings are utilised to fund qualifying capital expenditure, such borrowing costs that are attributable to the capital expenditure are capitalised from the point at which the capital expenditure and related borrowing cost are incurred until completion of construction.

1. Summary of significant accounting policies continued

1.12 Financial instruments continued

1.12.5 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument or financial liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income or expense is recognised on an effective interest basis for debt instruments or financial liabilities other than those financial assets or financial liabilities classified as at fair value through profit or loss.

1.12.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.13 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The fair value of forward metal purchases and sales is determined using forward metal market prices at the reporting date. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the reporting date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The carrying amounts of current financial assets and current liabilities approximate their fair values.

1.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

Provisions are recognised as the best estimate of the expenditure required to settle the present obligation at reporting date taking into account the time value of money where relevant.

1.15 Environmental rehabilitation obligations

These long-term obligations result from environmental disturbances associated with the Group's mining operations. Estimates are determined by independent environmental specialists in accordance with environmental regulations.

Decommissioning costs

This cost will arise from rectifying damage caused before production commences. The net present value of future decommissioning cost estimates as at year end is recognised and provided for in full in the financial statements. The estimates are reviewed annually to take into account the effects of changes in the estimates. Estimated cash flows have been adjusted to reflect risks and timing specific to the rehabilitation liability. Discount rates that reflect the time value of money are utilised in calculating the present value.

Changes in the measurement of the liability, apart from unwinding the discount, which is recognised in profit or loss as a finance cost, are capitalised to the environmental rehabilitation asset (refer note 1.5).

1. Summary of significant accounting policies continued

1.15 Environmental rehabilitation obligations continued

Restoration costs

This cost will arise from rectifying damage caused after production commences. The net present value of future restoration cost estimates as at year end is recognised and provided for in full in the financial statements. The estimates are reviewed annually to take into account the effects of changes in the estimates. Estimated cash flows have been adjusted to reflect risks and timing specific to the rehabilitation liability. Discount rates that reflect the time value of money are utilised in calculating the present value.

Changes in the measurement of the liability, apart from unwinding the discount, which is recognised in profit or loss as a finance cost, are expensed to profit or loss.

Ongoing rehabilitation cost

The cost of the ongoing current programmes to prevent and control pollution is charged against income as incurred.

Pollution Control, Rehabilitation and Closure Trust Fund

When contributions are made to a trust fund, created in accordance with statutory requirements, to provide for the estimated cost of rehabilitation during and at the end of the life of the Group's mines, income earned on monies paid to the trust is accounted for as investment income, the trust investments are included under held-to-maturity assets, available-for-sale assets, and cash equivalents.

The Group has control over the trust and the special-purpose entity is consolidated in the Group.

1.16 Employee benefits

Short-term employee benefits

Remuneration to employees is charged to profit or loss on an ongoing basis. Provision is made for accumulated leave, incentive bonuses and other short-term employee benefits.

Defined contribution retirement plans

Employee retirement schemes are funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations.

A defined contribution plan is a pension scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group operates or participates in a number of defined contribution retirement plans for its employees. The pension plans are funded by payments from the employees and by the relevant Group companies to insurance companies or trustee-administered funds, determined by periodic actuarial calculations, and contributions to these funds are expensed as incurred. The assets of the different plans are held by independently managed trust funds. These funds are governed by either the South African Pension Fund Act of 1956 or Zimbabwean law.

Post-employment medical benefit plan

The Group provides post-employment healthcare benefits to qualifying employees and retirees. The expected costs of these benefits are accrued over the period of employment. A valuation of this obligation is carried out annually by independent qualified actuaries. Actuarial gains or losses as a result of these valuations are recognised in other comprehensive income as incurred. Interest on the defined benefit liability is recognised in profit or loss as finance cost.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

1. Summary of significant accounting policies continued

1.16 Employee benefits continued

Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration production and safety performance. The Group recognises a provision when contractually obliged or where there is a past practice that has created a constructive obligation.

Share-based payments

Cash-settled share-based payments

Share Appreciation Rights Scheme (SAR scheme)

The Group allocates to D and E Patterson band employees notional shares in the holding company. These notional shares confer the conditional right on a participant to be paid a cash bonus equal to the appreciation in the share price from the date of allocation to the date of vesting of the notional share. Notional shares vest after two years of allocation to a maximum of 25% of the allocation. In subsequent years an additional 25% becomes exercisable per year. All unexercised shares lapse after 10 years from date of allocation. Allocations under this scheme ceased in November 2012.

Employee Share Ownership Programme (ESOP)

The ESOP for the South African operations provides for participation in the Morokotso Trust and is for employees in the A, B and C Patterson bands in the employment of the Company before 4 July 2008.

The trust holds the shares on behalf of these employees for a period of 10 years. After the end of five years (July 2011), 40% of the shares became exercisable and could be sold by the trust. The profit made from the sale, less costs, was distributed equally among employees who opted to sell their shares. After another five years, the remaining 60% of the shares will vest, and will be sold in terms of the rules of the fund.

The fair value of employee services received in exchange for cash-settled share-based payments is recognised as an expense. A liability equal to the portion of the services received is determined and recognised at each reporting date. The binomial option model is used to determine the fair value (excluding non-market vesting conditions) and the assumptions are detailed in note 3.

Equity-settled share option incentive scheme

Implats Share Incentive Scheme (ISIS)

This Group share option plan provided for the granting of options to key employees. These employees are able to purchase shares in the holding company at a price equal to the average market price of the five trading days preceding the date upon which the remuneration committee approved the granting of the options. There are 207 449 vested share options outstanding in terms of the plan which lapses in September 2014. All costs of the plan have already been expensed over the vesting periods of the options. The shares, currently held as treasury shares by the Group, will be accounted for within equity when the option is exercised by the employee. Grants under this scheme ceased in September 2004.

Long-term Incentive Plan – Conditional Share Plan (LTIP – CSP)

Fully paid shares are awarded free of charge to the participants at the end of a three-year vesting period. On the date of award, participants are only granted conditional rights to acquire these shares at a future date, and only become shareholders with dividend and voting rights from vesting onwards. There are two CSPs in effect. For the shares to vest in both instances participants must remain employed by a company in the Implats Group but, for certain of these shares, vesting of the shares are subject to the achievement of defined performance vesting conditions over the performance period.

The performance vesting conditions applicable to these awards are based on total shareholder return percentage relative to a peer group of South African platinum producing companies (the peer group). The total shareholder return percentage will be measured as growth in share price plus dividends received (TSR) over the three-year performance period relative to the share price on award date.

The ranking determines the vesting percentage. The proposed vesting scale relative to the peer group is as follows:

- If the ranking of Implats is in the lowest three – no shares will vest
- If the ranking is fourth – 50% will vest
- If the ranking is third – 75% will vest
- If the ranking is second – 90% will vest
- If the ranking is first – 100% will vest.

1. Summary of significant accounting policies continued

1.16 Employee benefits continued

Share-based payments continued

Cash-settled share-based payments continued

Long-term Incentive Plan – Conditional Share Plan (LTIP – CSP) continued

The fair value, on grant date, of the employee services received in exchange for the grant of the CSP is recognised as an expense on a straight-line basis over the vesting period, with a corresponding increase in equity. The fair value is determined by the share price on valuation date, adjusted for the present value of expected dividends during the vesting period and performance conditions. Assumptions used to determine the fair value are detailed in note 3. At each reporting date, the total amount to be expensed is determined by the number of options that are expected to become exercisable, taking into account non-market vesting conditions.

Long-term Incentive Plan – Share Appreciation Rights (LTIP – SARs)

Conditional rights are awarded to participants to receive shares in Implats. The number of shares awarded are calculated with reference to the increase in the share price from the award date until the date on which the SARs are exercised by the participants. A three-year vesting period applies, during which time the participants have no rights in respect of the underlying shares. Vesting is conditional on continued employment and a prescribed level of corporate performance. The participants are only entitled to exercise the SARs subsequent to and to the extent that vesting has taken place. Participants become shareholders following the exercise of the SARs. All unexercised SARs lapse after six years from date of allocation.

These rights are weighted as follows and subject to the following performance conditions:

- The total shareholder return must exceed growth in the award date share price of CPI plus 2% compounded annually over a three-year period, with a 33.33% weighting
- A relative earnings before interest, tax, depreciation and amortisation (EBITDA) margin, being EBITDA divided by revenue, with a 33.33% weighting. Implats will be ranked against the peer group companies (on the same scale as for the CSP) based on the EBITDA margin over the three-year period
- A relative measure on safety with a 33.33% weighting. Implats will be ranked against the peer group companies (on the same scale as for the CSP) based on the fatality injury frequency rate over the three-year period.

The fair value, on grant date, of the employee services received in exchange for the grant of the SARs are recognised as an expense on a straight-line basis over the vesting period, with a corresponding increase in equity. The fair value is determined by using the binomial option model and assumptions used to determine the fair value are detailed in note 3. At each reporting date, the total amount to be expensed is determined by the number of options that are expected to become exercisable, taking into account non-market vesting conditions.

1.17 Deferred income tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and deferred income tax liabilities of the same taxable entity are off-set when they relate to taxes levied by the same taxation authority and the entity has a legally enforceable right to set off current tax assets against current tax liabilities.

The principal temporary differences arise from depreciation on property, plant and equipment, translation differences on foreign subsidiaries, royalty prepayment and fair value adjustments on assets acquired from business combinations.

1. Summary of significant accounting policies continued

1.18 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable, in respect of the sale of metals produced and metals purchased and toll income received by the Group. Revenue, net of indirect taxes and trade discounts, is recognised when the risks and rewards of ownership are transferred.

Sales of metals mined and metals purchased

The Group recognises revenue when the amount of revenue and costs associated with the transaction can be reliably measured and it is probable that future economic benefits will flow to the entity.

Revenue is recognised when the risk and reward of ownership is transferred and when the entity has no longer any managerial involvement or control over goods that would constitute control.

Consequently sales are recognised when a Group entity has delivered products to the customer or if the Group only retains insignificant risks of ownership and the Group has objective evidence that all criteria for acceptance have been satisfied.

Toll income

Toll refining income is recognised at date of declaration or dispatch of metal from the refinery in accordance with the relevant agreements with customers.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income

Dividend income is recognised at the accrual date when the shareholders' right to receive payment is established.

1.19 Segment reporting

An operating segment is a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)
- Whose operating results are regularly reviewed by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance
- For which discrete financial information is available.

The Group is an integrated PGM and associated base metal producer. The reporting segments are:

- Mining segment consisting of primary PGM producers, including the marketing of metals produced by the Group
- Toll refiner for third-party material (Impala Refining Services)
- Chrome processing
- Other.

1.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the board of directors.

1.21 BEE transactions

This accounting policy relates to transactions where the Group grants or sells equity instruments to people in context of empowerment in terms of the Broad-Based Black Empowerment Act, No 53 of 2003. The difference between the fair value and the selling price of the equity instruments granted or sold is accounted for as a share-based compensation expense. Refer note 1.16 for discussion of share-based payments.

The fair value of the equity instruments for non-listed entities is determined using the main assumptions as described in note 3 "Critical accounting estimates and judgements" for impairment of assets.

1. Summary of significant accounting policies continued

1.22 Share-based payment transactions

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instrument granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payment transactions, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2. Financial risk management

2.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group, from time to time, uses derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department. Policies are approved by the board of directors, which sets guidelines to identify, evaluate and hedge financial risks in close cooperation with the Group's operating units. The risk and audit committees approve written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity.

2.1.1 Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities.

To manage foreign exchange risk arising from future commercial transactions and recognised financial assets and liabilities, the Group, from time to time, uses forward exchange contracts within board-approved limits.

The Group entered into a Cross Currency Interest Rate Swap (CCIRS) amounting to US$200 million to hedge certain aspects of the foreign exchange risk on the US dollar convertible bonds. The exchange rate risk on the dollar interest payments is hedged and the risk relating to future capital cash settlement of the bonds at a rand/dollar exchange rate weaker than R9.24/US dollar is hedged. No hedge accounting has been applied. Excluding the foreign exchange effect of dollar interest rate change, a 10% movement in the exchange rate will result in a R213 (June 2013: R198) million profit/loss on the capital portion of the hedge, which offsets the borrowing (US$ Bond) exposure in the sensitivity analysis below.

Sensitivity analysis

Foreign exchange risk sensitivity analysis presents the effect of a 10% change in the year-end exchange rate on financial instruments denominated in foreign currency in profit or loss.

	Year-end US dollar exposure		Profit/loss effect	
	2014 US$m	2013 US$m	**2014 Rm**	2013 Rm
Financial assets				
Trade and other receivables	**70**	119	**±74**	±118
Cash and cash equivalents	**11**	73	**±12**	±72
Financial liabilities				
Borrowings	**(186)**	(183)	**±198**	±181
Trade and other payables	**(193)**	(162)	**±205**	±160
	(298)	(153)	**±317**	±151

± *Refers to an inflow or outflow of economic resources. Figures are calculated before tax and non-controlling interest thereon.*

2. Financial risk management continued

2.1 Financial risk factors continued

2.1.1 Market risk continued

Securities price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified as available-for-sale financial assets.

These investments were acquired as strategic investments and were not actively managed with reference only to securities price risk.

Sensitivity analysis

The calculation of a 20% change in the share price of available-for-sale investments would have resulted in a R11 million movement in other comprehensive income in 2014 (2013: R22 million).

Commodity price risk

Commodity price risk refers to the risk of changes in fair value or cash flow of financial instruments as a result of commodity prices where the Group holds forward sales contracts, metal purchase commitments, included in trade and other payables which are determined with reference to commodity prices. This exposes the Group to commodity price risk.

From time to time, the Group enters into metal forward sales contracts, options or lease contracts to manage the fluctuations in metal prices, thereby preserving and enhancing its cash flow streams.

Sensitivity analysis

Commodity price risk sensitivity analysis presents the effect of a 10% change in the commodity prices on commodity-based financial instruments in profit or loss.

	Year-end commodity exposure		Profit/loss effect	
	2014 Rm	2013 Rm	**2014 Rm**	2013 Rm
Financial assets	**–**	–	**–**	–
Financial liabilities				
Trade and other payables	**(2 057)**	(1 625)	**±206**	±163
	(2 057)	(1 625)	**±206**	±163

± Refers to an inflow or outflow of economic resources. Figures are calculated before tax and non-controlling interest thereon.

Fair value interest rate risk

The Group is exposed to insignificant fair value interest rate risk in respect of fixed rate financial assets and liabilities.

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk in respect of its floating rate financial assets and liabilities.

The Group monitors its exposure to fluctuating interest rates. Cash and cash equivalents and rehabilitation trust investments are primarily invested with short-term maturity dates, which expose the Group to cash flow interest rate risk.

Exposure of the Group's borrowings to interest rate changes is analysed further in note 19.

2. Financial risk management continued

2.1 Financial risk factors continued

2.1.1 Market risk continued

Sensitivity analysis

Interest rate risk sensitivity analysis presents the effect of a 100 basis points up and down in the interest rate in profit or loss.

	Floating interest rate exposure		Profit/loss effect	
	2014 Rm	2013 Rm	**2014 Rm**	2013 Rm
Financial assets				
Held-to-maturity financial assets (note 11)	**35**	32	**±0**	±0
Loans (note 12)	**12**	–	**±0**	±0
Trade and other receivables (note 16)	**643**	523	**±6**	±5
Cash and cash equivalents (note 17)	**4 148**	4 771	**±41**	±48
Financial liabilities				
Borrowings (note 19)	**(1 995)**	(1 913)	**±20**	±19
Bank overdraft (note 17)	**–**	(811)	**–**	±8
	2 843	2 602	**±27**	±26

± *Refers to an inflow or outflow of economic resources. Figures are calculated before tax and non-controlling interest thereon.*

2.1.2 Credit risk

Credit risk arises from the risk that the financial asset counterparty may default or not meet its obligations timeously. The Group minimises credit risk by ensuring that the exposure is spread over a number of counterparties.

The maximum exposure to the credit risk is represented by the carrying value of all the financial assets and the maximum amount the Group could have to pay if the guarantees are called on (note 35).

The potential concentration of credit risk could arise in cash and cash equivalents, trade receivables, loans, advances and other financial assets.

The Group has policies that limit the amount of credit exposure related to cash and cash equivalents to any single financial institution by only dealing with well-established financial institutions of high credit quality standing. The credit exposure to any one of the counterparties is managed by setting exposure limits which are approved by the board.

	Exposure	
Credit rating	**2014 Rm**	2013 Rm
South African operations		
AAA (zaf)	**–**	1 000
AA (zaf)	**2 826**	3 000
AA- (zaf)	**–**	–
A+ (zaf)	**1 062**	1 000
Overseas operations		
AA (zaf)	**417**	308
	4 305	5 308

Credit risk on cash and cash equivalents is further analysed in note 17.

2. Financial risk management continued

2.1 Financial risk factors continued

2.1.2 Credit risk continued

Trade receivables and advances

The Group has policies in place to ensure that the sales of products are made to customers with an appropriate credit history. Trade debtors comprise a number of customers, dispersed across different geographical areas. Credit evaluations are performed on the financial condition of these and other receivables from time to time. Trade receivables are presented in the statement of financial position net of any provision for impairment. No trade receivables are past due.

Advances are made to customers based on toll refining "in-process metal". Credit risk on advances where sufficient in-process metal serves as collateral is low (note 16).

The table below provides an analysis of the Group's customer mix:

	New customers	2 years and less	From 2 to 5 years	Longer than 5 years	Total
Financial year 2014					
Number of customers	**1**	**2**	**2**	**65**	**70**
Number of defaults	**–**	**–**	**–**	**–**	**–**
Value at year end (R million)	**–**	**44**	**–**	**770**	**814**
Financial year 2013					
Number of customers	2	2	1	64	69
Number of defaults	–	–	–	–	–
Value at year end (R million)	18	–	–	1 190	1 208

Credit risk exposure in respect of trade receivables and advances is analysed further in note 16.

Other financial assets

Credit risk relating to other financial assets consists of:

- Loan to the Reserve Bank of Zimbabwe is unsecured with no fixed terms of repayment
- Employee housing loans are secured by a second bond over residential properties.

No other financial assets are past due.

Employee receivables

Employee receivables consist mainly of vehicle loans for which the vehicles serve as collateral. The collateral held is sufficient to cover these employee receivables which is limited by taking the employee's annual earnings into account.

Only an insignificant amount of these receivables are past due, as a result of employees having left the employment of the Group.

2.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group has undrawn general banking facilities with various financial institutions as indicated below. Of these facilities, R3.0 (2013: R3.6) billion were committed facilities at year end.

Credit limit facilities – South African banks

Credit rating	Credit limit facilities 2014 Rm	2013 Rm
AA (zaf)	**2 250**	2 350
AAA (zaf)	**750**	500
A+ (zaf)	**500**	500
	3 500	3 350

R nil (2013: R788) million of these facilities had been drawn down at year end. These facilities are renewed annually.

2. Financial risk management continued

2.1 Financial risk factors continued

2.1.3 Liquidity risk continued

Credit limit facilities – Foreign banks

Credit rating	Credit limit facilities 2014 Rm	2013 Rm
AA (zaf)	**255**	237

R nil (2013: R23) million of these facilities had been drawn down at year end. These facilities are renewed annually.

Management regularly monitors rolling forecasts of the Group's liquidity reserve comprising undrawn borrowing facilities and cash and cash equivalents (note 17) on the basis of expected cash flows.

The table below analyses the Group's financial liabilities and derivative financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

Financial assets relevant to the understanding of future cash flow related to financial liabilities have been disclosed below.

	Total carrying amount Rm	Contract-ual interest Rm	Total undis-counted contract-ual cash flow Rm	Less than 1 year Rm	Between 1 and 2 years Rm	Between 2 and 5 years Rm	Over 5 years Rm
At June 2014							
Financial assets							
Loans (note 12)	**145**	**68**	**213**	**14**	**9**	**26**	**164**
Derivative financial instruments (note 13)	**332**	**(462)***	**(130)**	**(89)**	**(89)**	**48**	**–**
Trade and other receivables (note 16)	**1 695**	**–**	**1 695**	**1 695**	**–**	**–**	**–**
Cash and cash equivalents (note 17)	**4 148**	**–**	**4 148**	**4 148**	**–**	**–**	**–**
Financial liabilities							
Borrowings (note 19)	**7 787**	**2 916**	**10 703**	**724**	**713**	**6 447**	**2 819**
Liabilities (note 20)	**84**	**24**	**108**	**28**	**26**	**54**	**–**
Trade and other payables (note 22)	**3 755**	**–**	**3 755**	**3 755**	**–**	**–**	**–**
Financial guarantee contracts (note 35)	**–**	**–**	**152**	**152**	**–**	**–**	**–**
At June 2013							
Financial assets							
Loans (note 12)	195	51	246	22	5	16	203
Derivative financial instruments (note 13)	90	(407)*	(317)	(89)	(89)	(139)	–
Trade and other receivables (note 16)	2 286	–	2 286	2 286	–	–	–
Cash and cash equivalents (note 17)	4 771	–	4 771	4 771	–	–	–
Financial liabilities							
Borrowings (note 19)	7 478	3 375	10 853	411	713	6 673	3 056
Bank overdraft (note 17)	811	–	811	811	–	–	–
Liabilities (note 20)	169	61	230	100	61	69	–
Trade and other payables (note 22)	3 544	–	3 544	3 544	–	–	
Financial guarantee contracts (note 35)	–	–	152	152	–	–	

* *Represent the net cash flow of interest payment and receipts as well as the net swap in respect of future capital.*

2.1.4 Sovereign risk

Sovereign risk arises from foreign government credit risk, the risk that a foreign central bank or government will impose exchange regulations and the risk associated with negative events relating to taxation policy or other changes in the business climate of a country. These risks are monitored by management by actively engaging with both local and foreign government officials and by operating within the set frameworks.

2. Financial risk management continued

2.2 Capital risk management

The Group defines total capital as "equity" in the consolidated statement of financial position plus debt. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or improve the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue or repurchase shares.

The Group monitors its debt against several ratios, including debt to equity and debt to earnings before interest, tax and depreciation (EBITDA) ratios. The Group strives to keep its net debt-to-equity ratio below 17.5% and net debt to EBITDA below 1:2.5%.

3. Critical accounting estimates and judgements

Use of estimates

The preparation of the financial statements requires the Group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions, and in some cases actuarial techniques. Actual results may differ from these estimates.

The significant areas requiring the use of management estimates and assumptions which have a significant risk resulting in a material adjustment to the carrying amount of assets and liabilities within the financial statements are discussed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Carrying value of property, plant and equipment (note 5)

Various units-of-production (UOP) depreciation methodologies are available to management, eg centares mined, tonnes mined, tonnes milled or ounces produced. Management elected to depreciate all mining and processing assets using the centares mined methodology.

For mobile and other equipment and certain houses included in PPE, the straight-line method is applied over the estimated useful life of the asset which does not exceed the estimated mine life based on proved and probable mineral reserves as the useful lives of these assets are considered to be limited to the life of the relevant mine.

The calculation of the UOP rate of depreciation will be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable mineral reserves. This would generally result from changes in any of the factors or assumptions used in estimating mineral reserves. Changes in mineral reserves will similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the mine.

Mineral reserves

The estimation of reserves impact the depreciation of property, plant and equipment, the recoverable amount of property, plant and equipment, the timing of rehabilitation expenditure and purchase price allocation.

Factors impacting the determination of proved and probable reserves are:

- The grade of mineral reserves may vary significantly from time to time (ie differences between actual grades mined and resource model grades)
- Differences between actual commodity prices and commodity price assumptions
- Unforeseen operational issues at mine sites
- Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Impairment

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows or cash-generating units (CGUs). The assets within a CGU can include a combination of board-approved projects and mineral resources outside the approved mine plans.

3. Critical accounting estimates and judgements continued

3.1 Carrying value of property, plant and equipment (note 5) continued

Impairment continued

Long-term mining assets that form part of board-approved projects are valued based on estimates of future discounted cash flows (DCFs). DCFs are based on the latest board-approved business forecasts regarding production volumes, costs of production, capital expenditure requirements and metal prices and market forecasts for foreign exchange rates, metal prices and are discounted at a risk-adjusted discount rate, taking into account specific risks relating to the CGU where cash flows have not been adjusted for the risk.

Mineral resources outside the approved mine plans are valued based on the *in situ* 4E ounce value. Comparable market transactions are used as a source of evidence adjusting specifically for the nature of each underlying ore body and the prevailing platinum price when the transaction was concluded.

All the above estimates are subject to risks and uncertainties including future metal prices and exchange rates. It is therefore possible that changes can occur which may affect the recoverability of the mining assets. The recoverable amounts of non-mining assets are generally determined by reference to market values.

The key financial assumptions used in the impairment calculations are:
- Long-term real revenue per platinum ounce sold of R30 264 (2013: R28 718)
- Long-term real discount rate – a range of 6.0% to 14.0% (2013: 6.0% to 14.0%) for the various operations in the Group.

3.2 Impairment (notes 6 and 7)

Goodwill, which was fully written off in the previous year, was allocated to the Group's cash-generating units (CGUs) identified in accordance with business operations (Afplats, Imbasa and Inkosi).

In the current year exploration and evaluation assets annual impairment test, management utilised a data set of all platinum transactions done in South Africa since 2005. The transactions are distinguished by 'status of assets' (being producing, developing or exploration) and 'location of asset' (being eastern, western or northern limb). This data set and the current economic outlook for the mining industry, yielded in a range of *in situ* UG2 4E ounce valuations as set out below. The recoverable amount was based on the fair value less cost to sell derived from the reserve and resource ounce valuation which was categorised as a level 2 valuation of the fair value hierarchy.
- The Afplats reserve and resource ounce valuation was based on the UG2 4E ounces. These ounces were valued using a range of US$4 and US$19 (2013: US$5 and US$24) per ounce.
- The Imbasa and the Inkosi resource ounce valuation was also based on the UG2 4E ounces. These ounces were valued using a range of US$2.50 and US$7.50 (2013: US$3 and US$8) per ounce.

This resulted in an impairment of R934 million of exploration and evaluation assets in the current year.

3.3 Production start date (note 5)

The Group assesses the stage of each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location. The Group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production stage.

Some of the criteria would include, but are not limited to, the following:
- The level of capital expenditure compared to the construction cost estimates
- Completion of a reasonable period of testing of the mine plant and equipment
- Ability to produce metal in saleable form (within specifications)
- Ability to sustain ongoing production of metal.

When a mine construction project moves into the production stage, the capitalisation of mine construction costs ceases and costs are either regarded as inventory or expensed, except for cost qualifying for capitalising related to mining asset additions or improvements, underground mine development or mineable reserve development.

3.4 Income taxes (notes 23 and 31)

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

The Zimbabwean tax authority has indicated that some additional tax is payable. Management has sought advice from independent tax advisers in Zimbabwe and disagrees with ZIMRA's view. A contingent liability has been raised in this regard.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. Critical accounting estimates and judgements continued

3.5 Metal in process and product inventories (note 15)

Costs that are incurred in or benefit the production process are accumulated as stockpiles, metal in process and product inventories. Net realisable value tests are performed, at least, on each reporting date, and represent the estimated future sales price of the product based on prevailing metal prices, less estimated costs to complete production and bring the product to sale.

Due to the strike starting on 23 January, management assumed the first six-month cost of production being normal. This was therefore used as the cost allocated to the main products. R1 255 million due to the strike was expensed immediately within other operating expenditure and did not form part of cost of sales.

Although the quantities of recoverable metal are reconciled by comparing the grades of ore to the quantities of metal actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. Changes in engineering estimates resulted in a reduction of in-process metal of R806 million.

3.6 Recoverability of trade and other receivables (note 16)

Due to time involved in toll refining metals, certain customers are granted advances based on a contractually agreed percentage of the fair value of their in-process metal, which serves as collateral for the advances.

The contractually agreed percentage generally provides a sufficient safety margin for normal price fluctuations not to expose the Group to undue credit risk. However, in times of significant price decreases, there is a risk that the fair value of the in-process metal that serves as collateral, could decrease below the carrying amount of the advance.

In cases where the carrying value of advances are not fully supported by the fair value of in-process metal that serves as collateral, management uses judgement to determine the recoverability of the advances.

Items considered by management include the ability of the customer to continue to deliver metals to the Group, the estimated levels of future deliveries and the estimated movements in PGM prices. Recent levels of deliveries and short-term price forecasts are used in management's assumptions. If customer deliveries or actual PGM prices differ significantly from estimates, there is a possibility of an impairment.

3.7 Derivative financial instrument – US dollar conversion option (note 13)

The fair value of the conversion option of the US$ bond was calculated using the binomial option model.

The main inputs into this model are as follows:

	2014	2013
Option conversion value (US dollar)	**24.13**	24.13
Share price on valuation date (US dollar)	**10.05**	9.41
Volatility	**28.6**	31.4
Risk-free US dollar interest rate (%)	**1.34**	1.39

3.8 Liabilities (note 20)

Post-retirement medical benefits (note 20(i))

The determination of Implats' obligation for post-retirement healthcare liabilities depends on the selection of certain assumptions used by actuaries to calculate amounts. These assumptions include, among others, the discount rate, healthcare inflation costs, rates of increase in compensation costs and the number of employees who reach retirement age before the mine reaches the end of its life. While Implats believes that these assumptions are appropriate, significant changes in the assumptions may materially affect post-retirement obligations as well as future expenses, which may result in an impact on earnings in the periods that the changes in the assumptions occur.

As at 30 June 2014, actuarial parameters used by independent valuators assumed 7.8% (2013: 6.6%) as the long-term medical inflation rate and an 8.6% (2013: 8.0%) risk-free interest rate corresponding to the yields on long-dated high-quality bonds.

3. Critical accounting estimates and judgements continued

3.8 Liabilities (note 20) continued

Share-based payments

The Group issues equity-settled and cash-settled share-based payments to employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed as services are rendered over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. Cash-settled share-based payments are valued on the reporting date and recognised over the vesting period.

The fair value of share-based payments is calculated using the binomial option model for non-vested shares, except for fully paid shares which are valued using the share price on valuation date, adjusted for the present value of expected dividends during the vesting period as well as market performance conditions. Vested cash-settled shares are valued at their intrinsic value.

The average inputs into this model are as follows:

Cash-settled

	Employee Share Ownership Programme (ESOP)		Share Appreciation Rights scheme (SARs)	
	2014	2013	**2014**	2013
Weighted average option value (rand)[1]	**11.52**	9.33	**18.09**	14.88
Weighted average share price on valuation date (rand)[2]	**106.88**	93.00	**106.88**	93.00
Weighted average exercise price (rand)[3 & 5]	**159.18**	159.18	**175.19**	175.60
Volatility[4]	**36.25**	34.35	**36.25**	34.35
Dividend yield (%)	**0.56**	1.02	**0.56**	1.02
Risk-free interest rate (%)	**7.75**	7.10	**7.75**	7.10

[1] The weighted average option value for cash-settled shares is calculated on reporting date.
[2] The value of cash-settled share appreciation rights are calculated at year-end based on the year-end closing price.
[3] The weighted average exercise price for cash-settled shares is calculated taking into account the exercise price on each grant date.
[4] Volatility for equity and cash-settled shares is the 400-day moving average historical volatility on Implats shares on each valuation date.
[5] The weighted average market price of the share on date of issue approximates the weighted average exercise price. Options are granted based on the market price at the date of issue.

Equity-settled

	Long-term Incentive Plan – (SARs)		Long-term Incentive Plan – (CSP)	
	2014	2013	**2014**	2013
Weighted average option value (rand)[1]	**46.46**	44.25	**130.62**	131.90
Weighted average share price on valuation date (rand)[2]	**138.67**	142.67	**138.33**	142.44
Weighted average exercise price (rand)[3 & 5]	**140.47**	146.55	**Nil**	Nil
Volatility[4]	**34.51**	32.63	**N/A**	N/A
Dividend yield (%)	**1.01**	1.26	**N/A**	N/A
Risk-free interest rate (%)	**6.33**	5.95	**6.34**	5.94

[1] The weighted average option value of equity-settled shares is calculated on grant date.
[2] Weighted average share price for valuation of equity-settled shares is calculated taking into account the market price on all grant dates.
[3] The weighted average exercise price for equity-settled shares is calculated taking into account the exercise price on each grant date.
[4] Volatility for equity-settled shares is the 400-day moving average historical volatility on Implats shares on each valuation date.
[5] The weighted average market price of the share on date of issue approximates the weighted average exercise price. Options are granted based on the market price at the date of issue.

3. Critical accounting estimates and judgements continued

3.9 Provisions (note 21)

Environmental rehabilitation obligations

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life-of-mine estimates and discount rates can affect the carrying amount of this provision.

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental policy taking into account current technological, environmental and regulatory requirements.

Provisions for future rehabilitation costs have been determined, based on calculations which require the use of estimates.

South African operations

The discount rate is the long-term risk-free rate as indicated by the government bonds which ranged between 8.2% and 9.0% (2013: 7.7% and 8.6%) at the time of calculation. The net present value of current rehabilitation estimates is based on the assumption of a long-term real discount rate of 2.3% (2013: 1.8%).

Zimbabwe operations

The discount rate used was 7.2% (2013: 7.3%) at the time of calculation. The net present value of current rehabilitation estimates is based on the assumption of a long-term real discount rate of 5.1% (2013: 3.8%).

3.10 Zimbabwe indigenisation

On 14 December 2012, Implats announced that its 50%-held joint venture, Mimosa, had concluded a non-binding termsheet in respect of a proposed indigenisation implementation plan (IIP) with the Government of Zimbabwe (as represented by the Minister of Youth Development, Indigenisation and Empowerment). On 11 January 2013, Implats further announced that its 87%-held subsidiary, Zimplats, had similarly concluded a non-binding termsheet in respect of a proposed IIP. The respective termsheets referred to above stipulated the key terms, subject to certain conditions precedent, for the sale by Mimosa and Zimplats of an aggregate 51% equity ownership of Mimosa Pvt and Zimbabwe Pvt respectively to select indigenous entities. The Company has subsequently been informed that the Government of Zimbabwe wishes to review the termsheets.

The Company has now been advised by the government to factor in certain corporate social responsibility projects with a view to accruing credits towards the 51% indigenous shareholding target. Both Zimplats and Mimosa are engaged in discussions with the Minister of Youth Development, Indigenisation and Economic Empowerment with regard to the indigenisation implementation plan.

Based on the circumstances existing at year end, the Group has reviewed its investment in the Zimbabwean operations for impairment and no indication of impairment existed. These operations are still under the control and the joint control respectively of the Group at the date of this report.

3.11 Classification of joint arrangements (note 8)

Mimosa Investments Limited is a limited liability company, the legal form of which confers separation between the parties to the joint arrangement and the company itself. Furthermore, there is no contractual arrangement that indicates that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, the joint arrangement is classified as a joint venture of the Group.

3.12 Foreign currency translation

The following US dollar exchange rates were used:

Year-end rate:	R10.64 (2013: R9.88)
Annual average rate:	R10.37 (2013: R8.82)

4. Segment information

Operating segments – June 2014

	Mining segment			
	Impala Rm	Zimplats Rm	Marula Rm	Afplats Rm
Segment profit				
Revenue from:				
Platinum	7 161	3 180	1 003	–
Palladium	1 786	1 429	554	–
Rhodium	541	208	151	–
Nickel	268	614	33	–
Other metal sales	571	542	50	–
Treatment income	–	–	–	–
Revenue	10 327	5 973	1 791	–
On-mine operations	(6 914)	(1 942)	(1 371)	–
Processing operations	(1 308)	(1 047)	(188)	–
Refining operations	(430)	–	–	–
Selling and administration	(405)	(219)	–	–
Share-based payments	(200)	(19)	(12)	–
Chrome operation	–	–	–	–
Treatment charge	–	–	(5)	–
Depreciation	(1 458)	(645)	(227)	(5)
Metals purchased	–	–	–	–
Change in inventories	(1 514)	(62)	–	–
Cost of sales	(12 229)	(3 934)	(1 803)	(5)
Gross profit/(loss)	(1 902)	2 039	(12)	(5)
Other operating (expenses)/income	1	(136)	1	(935)
Royalty expense	(209)	(423)	(60)	–
Profit/(loss) from operations	(2 110)	1 480	(71)	(940)
Other	41	(150)	(156)	(2)
Profit from metals purchased	129	–	–	–
Sale of metal purchased	17 981	–	–	–
Cost of metal purchased	(17 879)	–	–	–
Change in inventories	27	–	–	–
Share of profit of associates	–	–	–	–
Profit/(loss) before tax	(1 940)	1 330	(227)	(942)
Income tax expense	522	(461)	42	257
Profit/(loss) for the year	(1 418)	869	(185)	(685)
External revenue*	28 294			

** External revenue excludes intergroup sales.*

Total mining segment Rm	Impala Refining Services Rm	Chrome processing Rm	Other Rm	Inter-segment adjustment Rm	Total Rm
11 344	10 389	–	–	(4 112)	17 621
3 769	4 035	–	–	(1 939)	5 865
900	959	–	–	(330)	1 529
915	1 390	–	–	(677)	1 628
1 163	1 196	179	–	(674)	1 864
–	526	–	–	(5)	521
18 091	18 495	179	–	(7 737)	29 028
(10 227)	–	–	–	1 137	(9 090)
(2 543)	(308)	–	–	118	(2 733)
(430)	(450)	–	–	–	(880)
(624)	(31)	–	–	–	(655)
(231)	–	–	–	–	(231)
–	–	(117)	–	–	(117)
(5)	–	(14)	–	19	–
(2 335)	–	(6)	–	–	(2 341)
–	(16 421)	–	–	7 820	(8 601)
(1 576)	528	(1)	–	(89)	(1 138)
(17 971)	(16 682)	(138)	–	9 005	(25 786)
120	1 813	41	–	1 268	3 242
(1 069)	(246)	–	–	(1 255)	(2 570)
(692)	–	(1)	–	–	(693)
(1 641)	1 567	40	–	13	(21)
(267)	64	(1)	(125)	–	(329)
129	–	–	–	(129)	–
17 981	–	–	–	(17 981)	–
(17 879)	–	–	–	17 879	–
27	–	–	–	(27)	–
–	–	–	365	–	365
(1 779)	1 631	39	240	(116)	15
360	(493)	(12)	(31)	32	(144)
(1 419)	1 138	27	209	(84)	(129)
	28 294	555	179		29 028

4. Segment information continued

Operating segments – June 2014 continued

	Mining segment			
	Impala Rm	Zimplats Rm	Marula Rm	Afplats Rm
Segment assets and liabilities				
Non-current segment assets	41 094	11 196	2 873	5 899
Property, plant and equipment	30 312	11 123	2 873	2 539
Exploration and evaluation assets	–	–	–	3 360
Investment in associates	–	–	–	–
Deferred tax	–	–	–	–
Available-for-sale financial assets	22	–	–	–
Held-to-maturity financial assets	35	–	–	–
Loans	60	73	–	–
Derivative financial instruments	–	–	–	–
Prepayments	10 665	–	–	–
Current segment assets	8 852	1 660	175	13
Inventories	3 143	611	33	–
Trade and other receivables	1 613	378	138	13
Loans	12	–	–	–
Prepayments	307	260	1	–
Cash and cash equivalents	3 777	411	3	–
Total assets	49 946	12 856	3 048	5 912
Non-current segment liabilities	8 510	3 076	1 436	1 206
Deferred tax liability	6 197	2 126	451	1 198
Borrowings	1 190	797	922	–
Derivative financial instruments	–	–	–	–
Liabilities	653	7	11	–
Provisions	470	146	52	8
Current segment liabilities	1 723	1 691	311	8
Trade and other payables	1 296	804	268	8
Current tax payable	7	551	–	–
Short-term borrowings	121	319	27	–
Bank overdraft	–	–	–	–
Short-term liabilities	299	17	16	–
Total liabilities	10 233	4 767	1 747	1 214
Segmental cash flow				
Net increase/(decrease) in cash and cash equivalents	(990)	591	(202)	(188)
Net cash from/(used in) operating activities	1 488	1 838	(43)	(21)
Net cash (used in)/from investing activities	(2 463)	(1 246)	(159)	(167)
Net cash used in financing activities	(15)	(1)	–	–
Capital expenditure	2 823	1 226	159	175

Total mining segment Rm	Impala Refining Services Rm	Chrome processing Rm	Other Rm	Total Rm
61 062	238	69	3 323	64 692
46 847	–	69	–	46 916
3 360	–	–	–	3 360
–	–	–	2 959	2 959
–	238	–	–	238
22	–	–	32	54
35	–	–	–	35
133	–	–	–	133
–	–	–	332	332
10 665	–	–	–	10 665
10 700	4 342	51	82	15 175
3 787	3 425	–	–	7 212
2 142	870	4	62	3 078
12	–	–	–	12
568	–	–	–	568
4 191	47	47	20	4 305
71 762	4 580	120	3 405	79 867
14 228	–	3	4 487	18 718
9 972	–	3	204	10 179
2 909	–	–	4 260	7 169
–	–	–	18	18
671	–	–	5	676
676	–	–	–	676
3 733	2 256	9	234	6 232
2 376	2 256	6	75	4 713
558	–	3	1	562
467	–	–	151	618
–	–	–	–	–
332	–	–	7	339
17 961	2 256	12	4 721	24 950
(789)	1 008	58	(97)	180
3 262	1 002	59	(227)	4 096
(4 035)	6	(1)	493	(3 537)
(16)	–	–	(363)	(379)
4 383	–	2	–	4 385

4. Segment information continued

Operating segments – June 2013

	Mining segment			
	Impala Rm	Zimplats Rm	Marula Rm	Afplats Rm
Segment profit				
Revenue from:				
Platinum	9 624	2 321	825	–
Palladium	2 399	854	384	–
Rhodium	940	133	115	–
Nickel	600	411	24	–
Other metal sales	1 025	440	56	–
Treatment income	–	–	–	–
Revenue	14 588	4 159	1 404	–
On-mine operations	(9 329)	(1 434)	(1 249)	–
Processing operations	(1 959)	(627)	(161)	–
Refining operations	(542)	–		–
Treatment charge	–	–	(4)	–
Depreciation	(1 666)	(433)	(207)	(2)
Metals purchased	–	–	–	–
Change in inventories	1 309	4	–	–
Other operating cost of sales	(304)	(218)	1	–
Chrome operation	–	–	–	–
Cost of sales	(12 491)	(2 708)	(1 620)	(2)
Gross profit/(loss)	2 097	1 451	(216)	(2)
Other operating (expenses)/income	134	(66)	6	(1 018)
Royalty expense	(326)	(303)	(44)	–
Profit/(loss) from operations	1 905	1 082	(254)	(1 020)
Other	56	(109)	(127)	–
Profit from metals purchased	218	–	–	–
Sale of metal purchased	14 522	–	–	–
Cost of metal purchased	(14 304)	–	–	–
Change in inventories	–	–	–	–
Share of profit of associates	–	–	–	–
Profit/(loss) before tax	2 179	973	(381)	(1 020)
Income tax expense	(472)	(424)	84	(5)
Profit/(loss) for the year	1 707	549	(297)	(1 025)
External revenue*	29 110	–	–	–

** External revenue excludes intergroup sales.*

Total mining segment Rm	Impala Refining Services Rm	Chrome processing Rm	Other Rm	Inter-segment adjustment Rm	Total Rm
12 770	8 481	–	–	(3 036)	18 215
3 637	2 675	–	–	(1 187)	5 125
1 188	794	–	–	(216)	1 766
1 035	1 164	–	–	(276)	1 923
1 521	1 136	181	–	(465)	2 373
–	446	–	–	(4)	442
20 151	14 696	181	–	(5 184)	29 844
(12 012)	–	–	–	–	(12 012)
(2 747)	(297)	–	–	–	(3 044)
(542)	(399)	–	–	–	(941)
(4)	–	–	–	4	–
(2 308)	–	(6)	–	–	(2 314)
–	(12 749)	–	–	5 160	(7 589)
1 313	183	–	–	(33)	1 463
(521)	(37)	–	–	–	(558)
–	–	(137)	–	–	(137)
(16 821)	(13 299)	(143)	–	5 131	(25 132)
3 330	1 397	38	–	(53)	4 712
(944)	(1 118)		238		(1 824)
(673)	–	(1)	–	–	(674)
1 713	279	37	238	(53)	2 214
(180)	69	(1)	(104)	229	13
218	–	–	–	(218)	–
14 522	–	–	–	(14 522)	–
(14 304)	–	–	–	14 304	–
–	–	–	–	–	–
–	–	–	233	–	233
1 751	348	36	367	(42)	2 460
(817)	(525)	(11)	(43)	4	(1 392)
934	(177)	25	324	(38)	1 068
29 110	553	181	–	–	29 844

4. Segment information continued

Operating segments – June 2013 continued

	Mining segment			
	Impala Rm	Zimplats Rm	Marula Rm	Afplats Rm
Segment assets and liabilities				
Non-current segment assets	40 046	10 046	2 942	6 662
Property, plant and equipment	29 185	9 842	2 942	2 368
Exploration and evaluation assets	–	–	–	4 294
Investment in associates	–	–	–	–
Available-for-sale financial assets	19	–	–	–
Held-to-maturity financial assets	32	–	–	–
Loans	39	135	–	–
Derivative financial instruments	–	–	–	–
Prepayments	10 771	69	–	–
Deferred tax	–	–	–	–
Current segment assets	12 185	925	173	15
Inventories	4 604	582	28	–
Trade and other receivables	2 474	115	140	14
Loans	21	–	–	–
Prepayments	272	165	5	1
Cash and cash equivalents	4 814	63	–	–
Total assets	52 231	10 971	3 115	6 677
Non-current segment liabilities	9 160	2 776	1 479	1 460
Deferred tax liability	6 741	1 579	494	1 460
Borrowings	1 214	1 037	922	–
Derivative financial statements	–	–	–	–
Liabilities	645	6	9	–
Provisions	560	154	54	–
Current segment liabilities	2 810	1 109	353	25
Trade and other payables	1 705	607	319	25
Current tax payable	2	417	–	–
Short-term borrowings	112	2	24	–
Short-term liabilities	788	23	–	–
Bank overdraft	203	60	10	–
Total liabilities	11 970	3 885	1 832	1 485
Segmental cash flow				
Net increase/(decrease) in cash and cash equivalents	(1 364)	256	(236)	(214)
Net cash from/(used in) operating activities	2 888	1 466	(101)	–
Net cash (used in)/from investing activities	(4 148)	(1 431)	(124)	(214)
Net cash (used in)/from financing activities	(104)	221	(11)	–
Capital expenditure	4 390	1 449	125	215

Total mining segment Rm	Impala Refining Services Rm	Chrome processing Rm	Other Rm	Total Rm
59 696	118	73	3 103	62 990
44 337		73		44 410
4 294	–	–	–	4 294
–	–	–	2 922	2 922
19	–	–	91	110
32	–	–	–	32
174	–	–	–	174
–	–	–	90	90
10 840	–	–	–	10 840
–	118	–	–	118
13 298	3 851	86	167	17 402
5 214	3 241	1	–	8 456
2 743	595	72	148	3 558
21	–	–	–	21
443	–	–	–	443
4 877	15	13	19	4 924
72 994	3 969	159	3 270	80 392
14 875	(11)	1	4 306	19 171
10 274	(11)	1	178	10 442
3 173	–	–	4 086	7 259
–	–	–	30	30
660	–	–	12	672
768	–	–	–	768
4 297	1 966	52	230	6 545
2 656	1 882	49	101	4 688
419	84	3	2	508
138	–	–	82	220
811	–	–	–	811
273	–	–	45	318
19 172	1 955	53	4 536	25 716
(1 558)	1 154	(46)	4 222	3 772
4 253	1 104	12	213	5 582
(5 917)	50	(58)	153	(5 772)
106	–	–	3 856	3 962
6 179	–	79	–	6 258

4. Segment information continued

Notes to operating segment analysis

The Group distinguishes its segments between mining operations, refining services (which include metals purchased and toll refined), chrome processing and other.

Management has determined the operating segments based on the business activities and management structure within the Group. Mimosa, previously included in the mining segment, will in future be reported internally as other mine-to-market operations and included in the other segment.

Capital expenditure comprises additions to property, plant and equipment (note 5), including additions resulting from acquisitions through business combinations.

Impala Mining segment's largest sales customers amounted to 12% and 11% of total sales (June 2013: 13% each).

Revenue

Metals mined

Reflects the mine-to-market sales primarily from the Impala mining operations.

Metals purchased

Revenue from metals purchased is recognised within two separate legal entities:

- For Impala this incorporates sales of metals purchased principally from Impala Refining Services.
- For Impala Refining Services this includes sales from purchases of metals from third-party refining customers. The majority of sales are to Impala.

Treatment income

Fees earned by Impala Refining Services for the treatment of metals from refining customers.

Inter-company

Comprises sales of concentrate from Marula and Zimplats mining operations to Impala Refining Services.

Segment operating expenses

Gross cost

Comprises total costs associated with the mining, refining and external metal purchases.

Inter-segment adjustments

Elimination of inter-segment sales, purchases, interest, administration fees, toll refining fees and unrealised profit in the Group.

Inter-segment transfers

Inter-segment transfers are based on market-related prices.

4. Segment information continued

	2014 Rm	2013 Rm
Analysis of revenue by destination		
Main products		
Asia	**11 487**	10 788
North America	**2 803**	4 713
Europe	**6 550**	6 146
South Africa	**4 175**	3 456
	25 015	25 103
By products		
South Africa	**2 154**	2 800
Asia	**822**	903
Europe	**358**	372
North America	**158**	222
	3 492	4 297
Treatment income		
South Africa	**520**	375
North America	**1**	69
	521	444
	29 028	29 844
Analysis of revenue by category		
Sales of goods		
Precious metals		
Platinum	**17 621**	18 220
Palladium	**5 865**	5 122
Rhodium	**1 529**	1 764
Ruthenium	**143**	169
Iridium	**286**	438
Gold	**814**	973
Silver	**17**	21
	26 275	26 707
Base metals		
Nickel	**1 628**	1 923
Copper	**347**	415
Cobalt	**26**	28
Chrome	**231**	328
	2 232	2 694
Revenue from services		
Toll refining	**521**	443
	29 028	29 844

4. Segment information continued

	Revenue		Capital expenditure		Non-current assets	
	2014 Rm	2013 Rm	**2014 Rm**	2013 Rm	**2014 Rm**	2013 Rm
Other segment information						
South Africa	**23 055**	25 685	**3 159**	4 809	**50 505**	50 022
Zimbabwe	**5 973**	4 159	**1 226**	1 449	**11 196**	10 046
Investment in associates	**–**	–	**–**	–	**2 991**	2 922
	29 028	29 844	**4 385**	6 258	**64 692**	62 990

Non-current assets and capital expenditure are allocated according to the location of the asset.

Revenues are allocated based on the country in which the sale originates.

5. Property, plant and equipment

	Shafts, mining develop-ment and infra-structure Rm	Metal-lurgical and refining plants Rm	Land and buildings Rm	Assets under construc-tion Rm	Other assets Rm	Total Rm
Cost						
Balance at 30 June 2013	**25 445**	**12 172**	**3 994**	**13 628**	**3 082**	**58 321**
Additions	**2 253**	**197**	**99**	**1 708**	**88**	**4 345**
Interest capitalised (note 29)	**–**	**–**	**–**	**155**	**–**	**155**
Transfer from assets under construction	**6 879**	**413**	**686**	**(8 334)**	**356**	**–**
Disposals	**(2)**	**–**	**(76)**	**–**	**(130)**	**(208)**
Scrapping	**(429)**	**–**	**–**	**–**	**–**	**(429)**
Rehabilitation adjustment	**(115)**	**–**	**–**	**–**	**–**	**(115)**
Exchange adjustment	**275**	**331**	**106**	**137**	**128**	**977**
Balance at 30 June 2014	**34 306**	**13 113**	**4 809**	**7 294**	**3 524**	**63 046**
Balance at 30 June 2012	22 295	9 994	3 696	11 542	2 591	50 118
Additions	2 667	1 333	23	1 849	263	6 135
Additions through business combination	–	79	–	–	–	79
Interest capitalised (note 29)	–	–	–	64	–	64
Transfer from assets under construction	33	120	102	(275)	20	–
Disposals	(23)	–	(18)	–	(56)	(97)
Rehabilitation adjustment	(20)	–	–	–	–	(20)
Exchange adjustment	493	646	191	448	264	2 042
Balance at 30 June 2013	25 445	12 172	3 994	13 628	3 082	58 321

5. Property, plant and equipment continued

	Shafts, mining development and infrastructure Rm	Metallurgical and refining plants Rm	Land and buildings Rm	Assets under construction Rm	Other assets Rm	Total Rm
Accumulated depreciation and impairment						
Balance at 30 June 2013	**7 778**	**3 569**	**300**	**–**	**2 264**	**13 911**
Depreciation (note 25)	**1 288**	**490**	**167**	**–**	**396**	**2 341**
Disposals	**–**	**–**	**(65)**	**–**	**(126)**	**(191)**
Scrapping	**(206)**	**–**	**–**	**–**	**–**	**(206)**
Impairment	**–**	**–**	**65**	**–**	**–**	**65**
Exchange adjustment	**62**	**53**	**12**	**–**	**83**	**210**
Balance at 30 June 2014	**8 922**	**4 112**	**479**	**–**	**2 617**	**16 130**
Balance at 30 June 2012	6 432	2 872	174	–	1 764	11 242
Depreciation (note 25)	1 232	593	107	–	382	2 314
Disposals	(11)	–	–	–	(42)	(53)
Exchange adjustment	125	104	19	–	160	408
Balance at 30 June 2013	7 778	3 569	300	–	2 264	13 911
Carrying value at 30 June 2014	25 384	9 001	4 330	7 294	907	46 916
Carrying value at 30 June 2013	17 667	8 603	3 694	13 628	818	44 410

	2014 Rm	2013 Rm
5. Property, plant and equipment continued		
Assets under construction consist mainly of (carrying value):		
Impala (17, 18, 19 and 20 shafts)	**4 140**	8 757
Afplats (Leeuwkop)	**2 539**	2 364
Zimplats (Ngezi phase 2 and underground mine project)	**559**	2 487
Other assets consist mainly of (carrying value):		
Mobile equipment	**812**	662
Information technology	**77**	121
Other	**18**	35
	907	818
Commitments in respect of property, plant and equipment:		
Commitments contracted for	**1 855**	2 716
Approved expenditure not yet contracted	**13 733**	16 346
	15 588	19 062
Less than one year	**4 777**	5 114
Between one and five years	**10 006**	12 682
More than five years	**805**	1 266
	15 588	19 062

This expenditure will be funded internally and from borrowings, where necessary. Apart from finance leases, assets are not encumbered by loans. No assets were pledged as collateral.

Included in property, plant and equipment are assets with a carrying amount of R1 090 (2013: R1 225) million arising from finance leases capitalised. Refer note 19 (v).

	2014 Rm	2013 Rm
6. Exploration and evaluation assets		
Cost	**4 318**	4 318
Accumulated impairment	**(958)**	(24)
Carrying value	**3 360**	4 294

An amount of R934 million was impaired during the year. Refer note 3.2.

	2014 Rm	2013 Rm
7. Intangible assets		
Goodwill at cost less impairment		
Beginning of the year	**–**	1 018
Impaired during the year	**–**	(1 018)
End of the year	**–**	–

The goodwill originated from the deferred taxation provided on the excess of the fair value of the assets over the carrying amount of Afplats, Imbasa and Inkosi.

A summary of the goodwill allocation is as follows:

	2014 Rm	2013 Rm
Leeuwkop project	**–**	179
Evaluation and exploration projects	**–**	839
	–	1 018

During the previous financial year goodwill was impaired (note 3).

	2014 Rm	2013 Rm
8. Investment in equity accounted entities		
Summary – Balances		
Joint venture		
Mimosa	**1 756**	1 786
Associates		
Two Rivers	**1 134**	1 072
Makgomo Chrome	**69**	64
Friedshelf 1226 & 1169	**–**	–
Total investment in equity accounted entities	**2 959**	2 922
Summary – Movement		
Beginning of the year	**2 922**	2 524
Amount invested	**–**	–
Share of profit	**383**	220
Share of other comprehensive income	**120**	323
Interest accrued	**–**	2
Payments received	**–**	(51)
Dividends received	**(466)**	(96
End of the year	**2 959**	2 922

Details of the Group's material joint venture and associates at the end of the reporting period are as follows:

Company	Principal activity	Place of incorporation	Place of business	Proportion of ownership and voting rights held by the Group 2014	2013
Mimosa	Mining and producing PGM concentrate	Mauritius	Zimbabwe	**50%**	50%
Two Rivers	Mining and producing PGM concentrate	South Africa	South Africa	**45%**	45%

The above joint venture and associate are accounted for using the equity method in these consolidated financial statements.

8. Investment in equity accounted entities continued

Details of the Group's material joint venture and associates at the end of the reporting period are as follows:

(i) Mimosa	2014 Rm	2013 Rm
Capital and reserves	**3 513**	3 572
Non-current liabilities	**1 105**	1 057
Current liabilities	**248**	198
	4 866	4 827
Non-current assets	**3 511**	3 375
Current assets	**1 355**	1 452
	4 866	4 827
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	**159**	472
Current financial liabilities (excluding trade and other payables and provisions)	**91**	110
Revenue	**2 699**	2 348
Profit/(loss) for the year	**149**	91
Total comprehensive income	**149**	91
Dividends received from the joint venture during the year	**224**	91
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	**256**	203
Interest income	**9**	4
Interest expense	**17**	7
Income tax expense	**125**	337
Reconciliation of the summarised financial information to the carrying amount of the joint venture recognised in the consolidated financial statements:		
Net assets of the joint venture	**3 513**	3 572
Proportion of the Group's ownership interest in the joint venture	**1 756**	1 786
Carrying amount of the Group's interest in the joint venture	**1 756**	1 786

8. Investment in associates and joint venture continued

(ii) Two Rivers	2014 Rm	2013 Rm
Capital and reserves	2 521	2 382
Non-current liabilities	850	853
Current liabilities	799	752
	4 170	3 987
Non-current assets	2 632	2 751
Current assets	1 538	1 236
	4 170	3 987
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	77	63
Current financial liabilities (excluding trade and other payables and provisions)	384	354
Non-current financial liabilities (excluding trade and other payables and provisions)	650	763
Revenue	3 420	2 867
Profit/(loss) for the year	665	361
Total comprehensive income	665	361
Dividends received from the associate during the year	236	–
The above profit/(loss) for the year include the following:		
Depreciation and amortisation	416	372
Interest income	12	4
Interest expense	33	41
Income tax expense	281	147
Reconciliation of the summarised financial information to the carrying amount of the associate recognised in the consolidated financial statements:		
Net assets of the associate	2 521	2 382
Proportion of the Group's ownership interest in the joint venture	1 134	1 072
Carrying amount of the Group's interest in the joint venture	1 134	1 072
(iii) Aggregate information of associates that are not individually material		
The Group's share of profit/(loss)	11	7
The Group's share of total comprehensive income	11	7
Aggregate carrying amount of the Group's interest in these associates	69	64

9. Deferred tax

The analysis of the net deferred tax asset in subsidiaries is as follows:

	2014 Rm	2013 Rm
Deferred tax assets		
Deferred tax assets to be recovered within 12 months	(238)	(129)
Deferred tax assets to be recovered after 12 months	–	–
	(238)	(129)

9. Deferred tax continued

	2014 Rm	2013 Rm
The analysis of the net deferred tax liability in subsidiaries is as follows:		
Deferred tax assets		
Deferred tax assets to be recovered within 12 months	**(167)**	(197)
Deferred tax assets to be recovered after 12 months	**(865)**	(581)
Deferred tax liabilities		
Deferred tax liabilities to be settled within 12 months	**686**	669
Deferred tax liabilities to be settled after 12 months	**10 525**	10 562
	10 179	10 453
Net deferred tax	**9 941**	10 324

There are unrecognised temporary differences of R2 455 million in the Group, all of it relating to subsidiaries. This comprises unredeemed capex of R305 (2013: R284) million and capital losses of R2 150 (2013: R1 802) million.

Currently the reversal of these timing differences are uncertain and deferred tax has therefore not been provided. Deferred income taxes are calculated at the prevailing tax rates of the different fiscal authorities where the asset or liability originates.

	2014 Rm	2013 Rm
The movement on the deferred income tax account is as follows:		
Beginning of the year	**10 324**	9 223
Income tax expense (note 31)	**(550)**	521
Movement in the equity component of convertible bonds (note 31)	**(15)**	–
Prior year adjustment (note 31)	**3**	(209)
Unrealised profit in inventories purchased from equity accounted entities	**(9)**	5
Other comprehensive income	**105**	507
Recognised directly into equity	**–**	90
Exchange adjustment	**83**	187
End of the year	**9 941**	10 324
Deferred tax assets and liabilities are attributable to the following items:		
Deferred tax assets (year-end balances)		
Movements year-on-year recognised in profit or loss:		
Rehabilitation and post-retirement medical provisions	**(121)**	(123)
Lease liabilities	**(107)**	(89)
Share-based compensation	**(106)**	(58)
Leave pay	**(82)**	(188)
Unrealised profit in metal inventories	**(199)**	(94)
Assessed losses	**(471)**	(55)
Fair value of assets and liabilities	**(131)**	(234)
Other	**(53)**	(66)
	(1 270)	(907)

		2014 Rm	2013 Rm
9.	**Deferred tax** continued		
	Deferred tax liabilities (year-end balances)		
	Movements year-on-year recognised in profit or loss:		
	Property, plant and equipment	**8 186**	8 245
	Royalty prepayment	**434**	352
	Fair value of assets and liabilities	**179**	28
	Other	**102**	113
	Movements year-on-year recognised in other comprehensive income:		
	Translation differences of foreign subsidiaries	**780**	675
	Revaluation of mining assets acquired	**1 455**	1 727
	Movements year-on-year recognised in equity:		
	Equity component of convertible bonds	**75**	91
		11 211	11 231
	Net deferred tax balance	**9 941**	10 324

10. Available-for-sale financial assets

	2014 Rm	2013 Rm
Beginning of the year	**110**	101
Fair value adjustment	**(56)**	9
End of the year	**54**	110

The Group holds shares listed on the Johannesburg Stock Exchange and shares in the insurance cell captive. The fair value of these shares as at the close of business is the stock exchange quoted prices at and the underlying net value of assets in the cell.

Refer note 38 for level of fair value hierarchy disclosure.

11. Held-to-maturity financial assets

Investment in interest-bearing instruments

	2014 Rm	2013 Rm
Beginning of the year	**32**	49
Sold	**–**	(21)
Interest accrued (note 28)	**3**	4
End of the year	**35**	32

The investment is held through the Impala Pollution Control, Rehabilitation and Closure Trust Fund. The fund is an irrevocable trust under the Group's control. The interest rate on interest bearing investments are 10% on average with a maturity date in the 2016 financial year.

	2014 Rm	2013 Rm
12. Loans		
Summary		
Employee housing	**55**	44
Reserve Bank of Zimbabwe (RBZ)	**73**	135
Contractors	**5**	16
Silplats	**12**	–
	145	195
Short-term portion	**(12)**	(21)
Long-term portion	**133**	174
Summary – Movement		
Beginning of the year	**195**	1 625
Loans granted during the year	**22**	7
Interest accrued (note 28)	**7**	37
Impairment (note 34)	**(71)**	(1 098)
Repayment received	**(17)**	(364)
Exchange adjustment	**9**	(12)
End of the year	**145**	195
(i) Employee housing		
Beginning of the year	**44**	39
Loans granted	**10**	4
Interest accrued	**7**	6
Repayment received	**(6)**	(5)
End of the year	**55**	44
Short-term portion	**(6)**	(5)
Long-term portion	**49**	39

These loans relate to the home ownership scheme whereby non-interest-bearing loans are provided to qualifying employees of Impala and Marula. These loans are interest-free and repayable over 20 years from grant date. The average remaining repayment period is between 16 and 20 years. The effective interest rate is 9% (2013: 9.0%). These loans are secured by a second bond over residential properties.

	2014 Rm	2013 Rm
(ii) Advances		
Beginning of the year	**–**	1 402
Loans granted	**–**	–
Interest accrued	**–**	29
Repayments received	**–**	(339)
Impairment	**–**	(1 053)
Exchange adjustment	**–**	(39)
End of the year	**–**	–

Subsequent to a default by a toll refining customer on its loans in the prior year, the Group lodged a legal claim in Pennsylvania for the full amount due. Since then the parties have agreed that the dispute be heard in the London Court of International Arbitration, which process is currently under way.

	2014 Rm	2013 Rm
(iii) Reserve Bank of Zimbabwe (RBZ)		
Beginning of the year	**135**	168
Impairment	**(71)**	(60)
Exchange adjustment	**9**	27
End of the year	**73**	135

The loan to the RBZ emanates from the dollarisation of the Zimbabwean economy which resulted in the stay of the agreed repayment of the loan in Zimbabwean dollars. The RBZ has acknowledged the amount due and recommended to the government of Zimbabwe to assume the debt. No fixed terms of repayment or interest payable has been set by the government of Zimbabwe. Given the circumstances, provision has been made for the long-term real value of the outstanding amount.

12. Loans continued

	2014 Rm	2013 Rm
(iv) Contractors		
Beginning of the year	**16**	16
Loans granted	**–**	3
Interest accrued	**–**	2
Reversal of impairment	**–**	15
Repayment received	**(11)**	(20)
End of the year	**5**	16
Short-term portion	**(5)**	(16)
Long-term portion	**–**	–

These loans bear interest at 7% (2013: 7%) per annum and are repayable within the next 12 months. None of the loans are past due.

	2014 Rm	2013 Rm
(v) Silplats		
Beginning of the year	**–**	–
Loans granted	**12**	–
Interest accrued	**–**	–
Repayment received	**–**	–
End of the year	**12**	–
Short-term portion	**(1)**	–
Long-term portion	**11**	–

The loan was granted during March 2014 and bears interest at the prime lending rate calculated monthly in arrears. Fixed monthly repayments of R172 706 are payable over 95 months with the final payment in December 2022.

13. Derivative financial instruments

Cross Currency Interest Rate Swap

Implats entered into a Cross Currency Interest Rate Swap (CCIRS) amounting to US$200 million to hedge certain aspects of the foreign exchange risk on the US dollar convertible bonds, being: exchange rate risk on the dollar interest payments is hedged and the risk of a future cash settlement of the bonds of a rand/dollar exchange rate weaker than R9.24/US$ is hedged. No hedge accounting has been applied. (US$200 million was swapped for R1 848 million on which Implats pays a fixed interest rate to Standard Bank of 5.94%. Implats received the 1% coupon on the US$200 million on the same date which Implats pay-on externally to the bond holders. At February 2018 Implats will repay the R1 848 million in return of the US$200 million.)

	2014 Rm	2013 Rm
The CCIRS with Standard Bank was valued at R332 (2013: R90) million		
Opening balance	**90**	–
Interest payment	**110**	–
Interest received	**(21)**	–
Fair value adjustment – income	**153**	90
Closing balance	**332**	90
US dollar bond conversion option		
The conversion option on the US$200 million bond was valued at R18 (2013: R30) million. The option value was calculated using the binomial option model. Refer note 3 for key assumptions used.		
Opening balance	**30**	–
Grant date option value	**–**	137
Fair value adjustment – income	**(12)**	(107)
Closing balance	**18**	30

14. Prepayments

	2014 Rm	2013 Rm
Summary – Balances		
Royalties	**10 857**	10 969
Zesa Holdings – Electricity prepayment	**74**	152
Operating expenditure	**302**	162
End of the year	**11 233**	11 283
Short-term portion	**(568)**	(443)
Long-term portion	**10 665**	10 840
Summary – Movement		
Beginning of the year	**11 283**	11 624
Prepayments made	**140**	12
Interest accrued	**14**	–
Recoverable expenditure on infrastructure	**–**	(12)
Expensed	**(213)**	(374)
Exchange adjustment	**9**	33
End of the year	**11 233**	11 283
(i) Royalties		
Beginning of the year	**10 969**	11 168
Expensed (notes 27 and 34)	**(112)**	(199)
End of the year	**10 857**	10 969
Short-term portion	**(192)**	(198)
Long-term portion	**10 665**	10 771

In March 2007, the Group finalised a deal with the Royal Bafokeng Nation (RBN). In terms of this transaction Impala agreed to pay the RBN all future royalties due to them, thus effectively discharging any further obligation to pay royalties. In turn the RBN purchased shares through Royal Bafokeng Impala Investment Company and Royal Bafokeng Tholo Investment Holding Company, giving them a 13.2% holding in the Company.

	2014 Rm	2013 Rm
(ii) Zesa Holdings – Electricity prepayment		
Beginning of the year	**152**	228
Interest accrued	**14**	12
Prepayment refunded	**–**	(12)
Expensed	**(101)**	(109)
Exchange adjustment	**9**	33
End of the year	**74**	152
Short-term portion	**(74)**	(83)
Long-term portion	**–**	69

The prepayment relates to an advance to Zesa, which will be redeemed in power units over a three-year period terminating in May 2015 and thereafter to construct the Selous 330KV substation for the national power utility (Zesa).

	2014 Rm	2013 Rm
15. Inventories		
Mining metal		
Refined metal	**1 300**	2 301
Main products – at cost	**941**	1 394
Main products – at net realisable value	**286**	814
By-products – at net realisable value	**73**	93
In-process metal	**1 728**	2 294
At cost	**1 270**	1 480
At net realisable value	**458**	814
Non-mining metal		
Refined metal	**1 160**	1 086
At cost	**1 134**	886
At net realisable value	**26**	200
In-process metal	**2 291**	2 154
At cost	**2 291**	1 526
At net realisable value	**–**	628
Total metal inventories	**6 479**	7 835
Stores and materials inventories	**733**	621
	7 212	8 456

Refined metal

Refined main products at a cost of R361 (June 2013: R1 346) million were written down by R49 (June 2013: R332) million to net realisable value of R312 (June 2013: R1 014) million.

Included in refined metal is metal on lease to third parties of 36 000 (June 2013: 36 000) ounces ruthenium.

In-process metal

Changes in engineering estimates resulted in a reduction of R806 million.

After this adjustment, in-process metal of main products at a cost of R544 (June 2013: R1 888) million were written down by R86 (June 2013: R446) million to net realisable value amounting to R458 (June 2013: R1 442) million.

	2014 Rm	2013 Rm
16. Trade and other receivables		
Trade receivables	**589**	1 123
Advances	**643**	523
Other receivables	**263**	277
Sale and leaseback of properties	**–**	133
Employee receivables	**427**	230
South African Revenue Service (value added taxation)	**717**	744
Current tax receivable	**439**	438
	3 078	3 468
Advances to customers are secured by toll refining in-process metal held as collateral against these advances. The value of this metal is higher than the advances.		
The uncovered foreign currency denominated balances, included above, were as follows:		
Trade and other receivables (US$ million)	**95**	84
The credit exposures of trade receivables and advances by country are as follows:		
North America	**15**	50
South Africa	**556**	1 047
Asia	**36**	117
Europe	**24**	208
Zimbabwe	**601**	224
	1 232	1 646
In the prior year, a current trade receivable of R148 million comprising toll income and fees was impaired.		
17. Cash and cash equivalents		
Short-term bank deposits	**4 017**	4 841
Cash at bank	**288**	83
	4 305	4 924
Bank overdraft	**–**	(811)
	4 305	4 113
The weighted average effective interest rate on short-term bank deposits was 5.1% (2013: 4.8%) and these deposits have a maximum maturity of 60 days (2013: 60 days).		
The net exposure to foreign currency denominated balances as at 30 June was as follows:		
Bank balances (US$ million)	**50**	77
The exposures by country are as follows:		
South Africa	**3 888**	4 050
Europe	**124**	46
Zimbabwe	**287**	17
Asia	**6**	–
	4 305	4 113
The following cash and cash equivalents are restricted for use by the Group by virtue of their nature and not timing:		
Absa deposit account for guarantees	**–**	1
Impala Pollution Control, Rehabilitation and Closure Trust Fund	**144**	138
Morokotso Trust	**13**	14
	157	153
The carrying amount of the cash and cash equivalents approximates its fair value.		

	2014 Rm	2013 Rm

18. Share capital

The authorised share capital of the holding company is R21 (2013: R21) million consisting of 844 008 000 (2013: 844 008 000) ordinary shares with a par value of 2.5 cents each.

During the year, 145 852 (2013: 339 603) treasury shares were sold, resulting in R8 (2013: R36) million being recognised within the statement of changes of equity as share premium. 8 927 124 (2013: 9 072 228) treasury shares to the value of R1 420 (2013: R1 424) million are expected to be sold before the end of 2016. 16 233 994 treasury shares bought in terms of a share buy back is held at the discretion of the Group.

The number of ordinary shares in issue outside the Group are calculated as follows:

	2014 Rm	2013 Rm
Number of ordinary shares issued	**632.21**	632.21
Treasury shares	**(16.23)**	(16.23)
Morokotso Trust	**(8.87)**	(8.86)
Share Incentive Trust	**(0.06)**	(0.21)
Number of ordinary shares issued outside the Group	**607.05**	606.91

Refer note 32 and consolidated statement of changes in equity for additional information.

19. Borrowings

Summary – Balances

	2014 Rm	2013 Rm
Standard Bank Limited – BEE Partners Marula	**878**	876
Standard Bank Limited – Zimplats	**1 117**	1 037
Convertible bonds – ZAR	**2 429**	2 365
Convertible bonds – US$	**1 981**	1 803
Finance leases	**1 382**	1 398
	7 787	7 479
Short-term portion	**(618)**	(220)
Long-term portion	**7 169**	7 259

Summary – Movement

	2014 Rm	2013 Rm
Beginning of the year	**7 479**	2 940
Proceeds	**–**	4 146
Leases capitalised (note 5)	**–**	(20)
Interest accrued (note 29)	**549**	344
Repayments	**(462)**	(273)
Exchange adjustments	**221**	342
End of the year	**7 787**	7 479

The effective interest rates for all borrowings for the year were as follows:

	2014	2013
Bank loans ZAR	**9**	8
Bank loans US$	**5**	5

(i) Standard Bank Limited – BEE Partners Marula

	2014 Rm	2013 Rm
Beginning of the year	**876**	882
Interest accrued	**60**	58
Repayments	**(58)**	(64)
End of the year	**878**	876
Short-term portion	**(20)**	(18)
Long-term portion	**858**	858

- Loans were obtained by BEE partners for purchasing a 27% share in Marula. The BEE partners' shareholding in Marula and their loans are consolidated as the loans are guaranteed by Implats. The loans carry interest at the Johannesburg Interbank Acceptance Rate (JIBAR) plus 130 (2013: 130) basis points. Revolving credit facilities amounting to R108 (2013: R108) million are included and carry interest at JIBAR plus 145 (2013: 145) basis points. The loans are repayable in 2020.

	2014 Rm	2013 Rm
19. Borrowings continued		
(ii) Standard Bank Limited – Zimplats		
Beginning of the year	**1 037**	637
Proceeds	**–**	238
Interest accrued	**86**	57
Repayments	**(86)**	(57)
Exchange adjustments	**80**	162
End of the year	**1 117**	1 037
Short-term portion	**(319)**	–
Long-term portion	**798**	1 037

- US$ denominated revolving credit facility of R1 117 (US$105) million bears interest at LIBOR plus 700 (2013: 700) basis points. The loan repayments commence in January 2015 with final maturity in December 2017. At the end of the period the US dollar balance amounted to US$105 (2013: US$105) million.

	2014 Rm	2013 Rm
(iii) Convertible bonds – ZAR		
Beginning of the year	**2 365**	–
Proceeds	**–**	2 300
Interest accrued	**198**	65
Repayments	**(134)**	–
End of the year	**2 429**	2 365
Short-term portion	**(129)**	(65)
Long-term portion	**2 300**	2 300

- The ZAR denominated bonds have a par value of R2 672 million and carry a coupon of 5% (R133.6 million) per annum. The coupon is payable bi-annually for a period of five years ending 21 February 2018. The bond holder has the option to convert the bonds to Implats shares at a price of R214.90. The value of this compound instrument's equity portion relating to conversion is R319 million (before tax). Implats has the option to call the bonds at par plus accrued interest at any time on or after 21 February 2016, if the aggregate value of the underlying shares per bond for a specified period of time is 130% or more of the principal amount of that bond. The effective interest rate of the bond is 8.5% (2013: 8.5%).

	2014 Rm	2013 Rm
(iv) Convertible bonds – US$		
Beginning of the year	**1 803**	–
Proceeds	**–**	1 608
Interest accrued	**59**	17
Repayments	**(21)**	
Exchange adjustments	**140**	178
End of the year	**1 981**	1 803
Short-term portion	**(21)**	(17)
Long-term portion	**1 960**	1 786

- The US$ denominated bonds have a par value of US$200 million and carry a coupon of 1% (US$2 million) per annum. The coupon is payable bi-annually for a period of five years ending 21 February 2018. The bond holder has the option to convert the bonds to Implats shares at a price of US$24.13. The value of this conversion option derivative was R106 million at initial recognition. Implats has the option to call the bonds at par plus accrued interest at any time on or after 21 February 2016, if the aggregate value of the underlying shares per bond for a specified period of time is 130% or more of the principal amount of that bond. The effective interest rate is 3.1% (2013: 3.1%).

19. Borrowings continued

(v) Finance leases

	2014 Rm	2013 Rm
Beginning of the year	**1 398**	1 421
Leases capitalised (note 5)	**–**	(20)
Interest accrued	**146**	147
Repayments	**(163)**	(152)
Exchange adjustments	**1**	2
End of the year	**1 382**	1 398
Short-term portion	**(129)**	(120)
Long-term portion	**1 253**	1 278

	2014			2013		
	Minimum lease payments Rm	**Interest Rm**	**Principal Rm**	Minimum lease payments Rm	Interest Rm	Principal Rm
Lease liabilities						
Less than one year	**146**	**144**	**2**	157	145	12
Between one and five years	**686**	**558**	**128**	648	568	80
More than five years	**1 864**	**612**	**1 252**	2 038	733	1 305
	2 696	**1 314**	**1 382**	2 843	1 446	1 397

The rand denominated finance leases comprise mainly the houses leased from Friedshelf. The lease agreement has an effective interest rate of 10.2% and is repayable over the next 13 years. It also includes a lease arrangement for a Sasol hydrogen pipeline and a oxygen and nitrogen plant with a remaining life of 10 years and seven years respectively and an effective interest rate of 11.5%.

20. Liabilities

	2014 Rm	2013 Rm
Summary		
Post-employment medical benefits	**64**	62
Share appreciation rights liability	**360**	254
Future commitments	**84**	169
Deferred profit on sale and leaseback of houses	**366**	401
Employee retention scheme	**141**	104
	1 015	990
Short-term portion	**(339)**	(318)
Long-term portion	**676**	672
Summary – Movement		
Beginning of the year	**990**	1 127
Expense/(income)	**193**	(85)
Actuarial loss	**1**	6
Profit on sale of houses	**–**	3
Interest accrued (note 29)	**32**	25
Payments made	**(204)**	(98)
Exchange adjustments	**3**	12
End of the year	**1 015**	990
(i) Post-employment medical benefits		
Beginning of the year	**62**	58
Employee benefit expense (note 24)	**3**	3
Finance cost	**5**	4
Actuarial loss	**1**	6
Benefits paid	**(7)**	(9)
End of the year	**64**	62
Short-term portion	**(5)**	(3)
Long-term portion	**59**	59

The Company provides post-retirement medical scheme subsidies to qualifying employees and retirees. Post-employment medical benefits are an unfunded liability. A 1% increase in the medical inflation rate results in a R6.5 (2013: R6.1) million increase in the provision and a decrease of 1% results in a decrease in the provision of R5.5 (2013: R5.2) million. Subsidies of R5.1 (2013: R3.3) million are expected to be paid in the next financial year.

Active employees have an average age of 51 (2013: 51) years and an average remaining service period of 14 (2013: 13) years. Retirees have an average age of 73 (2013: 72) years.

	2014 Rm	2013 Rm
(ii) Share appreciation rights liability		
Beginning of the year	**254**	405
Share-based compensation expense/(income) (note 24)	**109**	(140)
Paid to employees	**(4)**	(16)
Exchange adjustment	**1**	5
End of the year	**360**	254
Short-term portion	**(240)**	(154)
Long-term portion	**120**	100

The total intrinsic value was R nil (2013: R nil) as determined by the year-end share price of R107 (2013: R93).

Refer note 3 for the key assumptions used in determining the value of the share options. Refer note 39 for share-based compensation disclosure.

The cash-settled share appreciation rights include the Employee Share Option Participation scheme (ESOP) and the Share Appreciation Rights scheme (SARs).

20. Liabilities continued

(iii) Future commitments

	2014 Rm	2013 Rm
Beginning of the year	**169**	177
Interest accrued	**13**	12
Payments for the year	**(100)**	(28)
Exchange adjustment	**2**	8
End of the year	**84**	169
Short-term portion	**(18)**	(93)
Long-term portion	**66**	76

Future commitments consist of:

- Fees payable to the Bakwena Ba-Mogopa as a result of an agreement with the acquisition of African Platinum Plc amounts to R12 (2013: R57) million
- Future payments to the Impala Bafokeng local economic development trust as a result of the Impala-Bafokeng empowerment transaction amounts to R72 (2013: R75) million
- Future payments to the Zimbabwean local economic development trusts as a result of the indigenisation commitments in Zimbabwe amount to R nil (2013: R37) million.

(iv) Deferred profit on sale and leaseback of houses

	2014 Rm	2013 Rm
Beginning of the year	**401**	428
Profit on sale of houses	**–**	3
Amortised to profit or loss	**(35)**	(30)
End of the year	**366**	401
Short-term portion	**(29)**	(33)
Long-term portion	**337**	368

The profit on the sale of the houses, which is subject to a sale and leaseback arrangement, will be amortised over the life of the lease which is 13 years (2013: 14 years) (note 36).

(v) Employee retention scheme

	2014 Rm	2013 Rm
Beginning of the year	**104**	59
Expenses	**116**	82
Interest accrued	**14**	9
Payments for the year	**(93)**	(46)
End of the year	**141**	104
Short-term portion	**(47)**	(35)
Long-term portion	**94**	69

The scheme is a retention bonus scheme based on salary and deferred payment as a result of continued employment. Every year one-third of this award is paid over to the employee, provided that the employee stays in service for the period.

(vi) Pension and provident plans

Independent funds provide pension and other benefits to all permanent employees and their dependants.

At the end of the financial year the following funds were in existence:
Impala Platinum Refineries Provident Fund
Impala Workers Provident Fund
Implats Pension Fund
Mine Employees Pension Fund (industry fund)
Mining Industry Pension Fund Zimbabwe (industry fund)
National Social Security Scheme Zimbabwe (industry fund)[1]
Old Mutual – Zimasco Pension Fund
Sentinel Pension Fund (industry fund)

[1] This is the only defined benefit plan. This scheme was promulgated under the National Social Security Authority Act 1989. Contributions by all Zimbabwe employees are 3.5% of pensionable remuneration, which is capped at US$700 000 per annum for the purposes of this defined benefit scheme. The Group's contribution for the year amounted to US$700 000 (2013: US$247 000).

	2014 Rm	2013 Rm
21. Provisions		
Provision for future rehabilitation		
Beginning of the year	**768**	732
Change in estimate – Rehabilitation asset	**(115)**	(20)
Change in estimate – Profit and loss (note 26)	**(44)**	(32)
Interest accrued (note 29)	**64**	69
Utilised – Rehabilitation done	**(8)**	(6)
Exchange adjustment	**11**	25
End of the year	**676**	768

Current cost rehabilitation estimate is R1 199 (2013: R1 166) million. Cash flows relating to rehabilitation costs will occur at the end of the life of the individual items to be rehabilitated.

The movement of the investment in the Impala Pollution Control, Rehabilitation and Closure Trust Fund is as follows:

	2014 Rm	2013 Rm
Beginning of the year	**189**	179
Interest accrued	**10**	8
Fair value adjustment	**2**	2
End of the year	**201**	189

Guarantees, an insurance policy and the funds in the Impala Pollution Control, Rehabilitation and Closure Trust Fund are available to the Department of Mineral Resources to satisfy the requirements of the Mineral and Petroleum Resources Development Act with respect to environmental rehabilitation (note 35). Refer note 3.9 for assumptions used in calculating the provision.

	2014 Rm	2013 Rm
22. Trade and other payables		
Trade payables	**3 733**	3 472
Leave liability[1]	**587**	723
Royalties payable	**18**	42
South African Revenue Service (value added tax)	**353**	349
Other payables	**22**	72
	4 713	4 658
The uncovered foreign currency denominated balances as at 30 June were as follows:		
Trade and other payables (US$ million)	**80**	194

[1] *Leave liability*

Employee entitlements to annual leave are recognised on an ongoing basis. The liability for annual leave as a result of services rendered by employees is accrued up to the reporting date.

	2014 Rm	2013 Rm
23. Current tax payable		
Beginning of the year	**508**	164
Income tax expense	**272**	1 080
Payments made during the year	**(210)**	(914)
Interest and penalties	**40**	124
Current tax receivable	**(84)**	–
Exchange adjustment	**36**	54
End of the year	**562**	508
Income tax expense within current tax receivable	**434**	–
Total income tax expense (note 31)	**706**	1 080
Payments made relating to current tax receivable	**(504)**	(102)
Total payment made	**(714)**	(1 016)

	2014 Rm	2013 Rm
24. Employee benefit expense		
Employment costs		
Wages and salaries	**6 739**	7 707
Post-employment medical benefits (note 20 (i))	**3**	3
Pension costs defined contribution plans	**608**	653
Share-based compensation (note 25)	**231**	(98)
– Cash settled (note 20 (ii))	**109**	(140)
– Equity settled	**122**	42
	7 581	8 265
25. Cost of sales		
Included in cost of sales		
On-mine operations	**9 090**	12 013
Wages and salaries	**6 085**	7 074
Materials and consumables	**3 323**	4 148
Utilities	**819**	791
Minus: Cost incurred during strike period (note 27)	**(1 137)**	–
Processing operations	**2 733**	3 044
Wages and salaries	**562**	624
Materials and consumables	**1 333**	1 530
Utilities	**956**	890
Minus: Cost incurred during strike period (note 27)	**(118)**	–
Refining operations	**880**	941
Wages and salaries	**406**	413
Materials and consumables	**354**	414
Utilities	**120**	114
Other costs	**655**	656
Corporate costs, salaries and wages	**483**	321
Selling and promotional expenses	**172**	335
Share-based compensation (note 24)	**231**	(98)
Chrome operation – cost of sales	**117**	137
Depreciation of operating assets (notes 5 and 34)	**2 341**	2 314
Metals purchased	**8 601**	7 588
Change in metal inventories	**1 138**	(1 463)
	25 786	25 132
The following disclosure items are included in cost of sales:		
Repairs and maintenance expenditure on property, plant and equipment	**1 259**	1 340
Operating lease rentals	**23**	38

	2014 Rm	2013 Rm
26. Other operating expenses/(income)		
Other operating expenses/(income) comprise the following principal categories:		
Non-production cost during strike (note 25)	**1 255**	–
Profit on disposal of property, plant and equipment	**(76)**	(86)
Rehabilitation provision – Change in estimate (note 21)	**(44)**	(32)
Impairment (notes 5, 6, 7 and 12 (ii), (iii))	**1 071**	2 279
Scrapping of assets (note 32)	**223**	–
Insurance claim (note 32)	**(112)**	–
Trade payables – Commodity price adjustment	**246**	(331)
Audit remuneration	**14**	15
Other	**(7)**	(21)
	2 570	1 824

Production ceased at Impala Rustenburg's operation during the five-month industrial action. Cost incurred during this period was reallocated from cost of sales to other operating expenses.

The following disclosure items are included in other operating expenses:

	2014 Rm	2013 Rm
Audit remuneration	**14**	15
Other services	**–**	1
Audit services	**14**	14

	2014 Rm	2013 Rm
27. Royalty expense		
Stakeholder royalties	**99**	121
State royalties	**482**	354
Amortisation of royalty prepayment (notes 14 (i) and 34)	**112**	199
	693	674
28. Finance income		
Cash and cash equivalents	**218**	71
Associate loan	**–**	2
Loans (note 12)	**7**	37
Held-to-maturity financial assets (note 11)	**3**	4
Trade and other receivables	**88**	74
	316	188
Metal lease fees	**2**	34
	318	222
29. Finance cost		
Borrowings (note 19)	**549**	344
Liabilities (note 20)	**32**	25
Provisions (note 21)	**64**	69
Trade and other payables	**6**	72
Finance costs	**651**	510
Less: Borrowing cost capitalised (note 5)[1]	**(155)**	(64)
	496	446

[1] *The average rate calculated for the capitalisation was 5% (2013: 5%). This interest relates to bonds issued specifically designated for capital expenditure. This interest has been capitalised in as far as qualifying capital expenditure has been incurred.*

	2014 Rm	2013 Rm
30. Other (income)/expense		
Exploration expenditure (note 34)	**20**	47
Guarantee fees	**(38)**	(40)
Tax penalties and interest	**131**	136
Derivative financial instruments – Fair value movements		
– Cross currency interest rate swap	**(153)**	(90)
– US$ bond conversion option	**(12)**	(106)
Non-production-related corporate cost	**73**	38
Other	**29**	(14)
	50	(29)

31. Income tax expense

	2014 Rm	2013 Rm
Current tax		
South African company tax	480	563
Current tax on profits for the year	488	676
Prior year adjustment	(8)	(113)
Other countries' company tax	226	517
Current tax on profits for the year	161	120
Prior year adjustment	65	397
Total current tax	706	1 080
Deferred tax		
Temporary differences (note 9)	(565)	521
Prior year adjustment (note 9)	3	(209)
Total deferred tax	(562)	312
Total income tax expense	144	1 392
The tax of the Group's profit differs as follows from the theoretical charge that would arise using the basic tax rate of 28% for South African companies:		
Normal tax for companies on profit before tax	4	688
Adjusted for:		
Disallowable expenditure	175	780
Sale of land	(32)	(22)
Prior year adjustment	60	76
Capitalisation of mining loss to unredeemed capex	8	22
Effect of after-tax share of profit from associates	(102)	(65)
Effect of different taxes of foreign subsidiaries	31	(87)
Secondary tax on companies	–	–
Tax expense	144	1 392

	2014 Millions	2013 Millions
32. Earnings per share		
The weighted average number of ordinary shares in issue outside the Group for the purposes of basic earnings per share and the weighted average number of ordinary shares for diluted earnings per share are calculated as follows:		
Number of ordinary shares issued	**632.21**	632.21
Treasury shares	**(16.23)**	(16.23)
Morokotso Trust	**(8.87)**	(8.86)
Share Incentive Trust	**(0.06)**	(0.21)
Number of ordinary shares issued outside the Group (note 18)	**607.05**	606.91
Adjusted for weighted average number of ordinary shares issued during the year	**(0.11)**	(0.15)
Weighted average number of ordinary shares in issue for basic earnings per share	**606.94**	606.76
Adjusted for dilution effect for Implats Share Incentive Scheme (ISIS)	**0.03**	0.11
Adjusted for dilution effect for Long-term Incentive Plan	**0.88**	0.19
Convertible bonds	**–**	–
Weighted average number of ordinary shares for diluted earnings per share	**607.85**	607.06
	Rm	Rm
Profit attributable to the owners of the Company	**8**	1 015
Basic earnings		
Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company for the year by the weighted average number of ordinary shares in issue for basic earnings per share.		
	Cents	Cents
Basic earnings per share	**1**	167
Diluted earnings		
Diluted earnings per share is calculated by dividing the profit attributable to the owners of the Company for the year by the weighted average number of ordinary shares for diluted earnings per share. The convertible bonds could potentially dilute earnings per share in the future, but were anti-dilutive for the current year.		
Diluted earnings per share (cents)	**1**	167
Headline earnings		
Profit attributable to owners of the Company is adjusted as follows:	**Rm**	Rm
Profit attributable to owners of the Company	**8**	1 015
Adjustments:		
Profit on disposal of property, plant and equipment	**(47)**	(54)
Impairment	**630**	1 018
Scrapping of property, plant and equipment (note 26)	**223**	–
Insurance compensation relating to scrapping of property, plant and equipment (note 26)	**(112)**	–
Total tax effects of adjustments	**(179)**	15
	523	1 994
Headline earnings per share (cents)	**Cents**	Cents
Basic	**86**	329
Diluted	**86**	328
33. Dividends		
No dividends were declared in respect of the 2014 financial year.		
Dividends paid		
Final dividend No 91 for 2013 of 60 (2012: 60) cents per share	**371**	366
No interim dividend for 2014 (2013: interim dividend No 90 of 35 cents per share)	**–**	214
	371	580

	2014 Millions	2013 Millions
34. Cash generated from operations		
Profit before tax	**15**	2 460
Adjustment for:		
Exploration costs (note 30)	**20**	47
Depreciation (notes 5 and 25)	**2 341**	2 314
Finance income (note 28)	**(318)**	(222)
Finance cost (note 29)	**496**	446
Share of associates' results	**(365)**	(233)
Retirement benefit obligations	**(4)**	(6)
Share-based compensation	**228**	(114)
Provision for employee retention scheme	**21**	36
Provision for community development	**(100)**	(27)
Rehabilitation provision	**(52)**	(38)
Amortisation of prepaid royalty (notes 14 (i) and 27)	**112**	199
Foreign currency adjustment	**143**	182
Profit on disposal of property, plant and equipment	**(76)**	(86)
Impairments	**1 071**	2 280
Scrapping of assets	**223**	–
Bad debt provision	**(19)**	(7)
Prepayments utilised	**101**	197
Fair value adjustment on derivative financial instruments	**(165)**	(196)
Tax penalties and interest	**25**	124
Deferred profit on housing scheme	**–**	3
Insurance claim	**(112)**	–
	3 585	7 359
Cash movements in working capital:		
Decrease in trade and other receivables	**395**	1 059
Decrease/(increase) in inventories	**1 260**	(1 206)
Decrease in trade and other payables	**(6)**	(417)
Cash generated from operations	**5 234**	6 795

35. Contingent liabilities, guarantees and subsequent events

At year end the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

Contingent liabilities

The Group has a contingent liability for Additional Profits Tax (APT) raised by Zimbabwe Revenue Authority (ZIMRA) in respect of the tax period 2007 to 2010 based on the assumption that this would be payable should the Zimplats appeal against the ZIMRA interpretation of the APT provisions fail in the Special Court of Tax Appeals. Management, supported by the opinions of its tax advisers, strongly disagrees with the ZIMRA interpretation of the provisions of the Act. The contingent liability at 30 June 2014 amounts to US$9.1 million.

The companies which are subject to water licences with the Department of Water Affairs are in the process of compiling a plan, including future cash flow, to ensure that adherence to the water management requirements, including treatment and rehabilitation requirements of the Department of Water Affairs, are met. This could result in a liability and a corresponding asset in the statement of financial position. Measurement of the liability is currently in process.

	2014 Millions	2013 Millions
Guarantees		
Financial guarantees		
Friedshelf (notes 8 and 36)	**152**	152
Other guarantees		
Department of Mineral Resources	**1 150**	892
Eskom	**63**	63
Registrar of medical aids	**5**	5
Total guarantees	**1 370**	1 112

Subsequent events

For subsequent events, refer to the directors' report (page 9).

	2014 Rm	2013 Rm
36. Related party transactions		
(i) Associates		
Two Rivers		
Transactions with related parties:		
Refining fees	**21**	18
Interest payment received (notes 8 (i) and 28)	**–**	2
Capital repayments received (note 8 (i))	**–**	49
Purchases of mineral concentrates	**3 409**	2 990
Year-end balances arising from transactions with related parties:		
Payables to associates	**936**	759
Contingencies:		
Guarantees provided (notes 8 (i) and 35)	**–**	–
Makgomo Chrome		
Transactions with related parties:		
Refining fees	**13**	8
Purchases of mineral concentrates	**13**	8
Year-end balances arising from transactions with related parties:		
Receivables from associates	**–**	–
Friedshelf		
Transactions with related parties:		
Interest accrued	**111**	123
Interest repayments	**114**	100
During 2012 profit on sale of property resulted from the sale of houses with a carrying value of R567 million, which was leased back for R769 million (note 20 iv)).		
Year-end balances arising from transactions with related parties:		
Receivables from associates	**–**	133
Borrowings – Finance leases	**1 221**	1 224
The finance leases have an effective interest rate of 10.2%.		
Contingencies		
Guarantees provided (notes 8 and 35)	**152**	152
(ii) Joint venture		
Mimosa		
Transactions with related parties:		
Refining fees	**222**	167
Interest received	**1**	2
Purchases of mineral concentrates	**2 642**	2 034
Year-end balances arising from transactions with related parties:		
Payables to joint venture	**778**	572
Receivables from joint venture	**601**	416

Transactions with related parties were entered into on an arm's-length basis at prevailing market rates.

Key management compensation is disclosed in the directors' report (pages 10 to 14).

37. Composition of the Group

37.1 Principal subsidiaries

				Book value in holding company			
	Issued share capital	% interest		Shares		Loans	
(All amounts in rand millions unless otherwise stated)		**2014**	2013	**2014**	2013	**2014**	2013
Company and description							
Impala Holdings Limited	*	**100**	100	**–**	–	**11 252**	11 310
Investment holding company							
Impala Platinum Limited	*	**100**	100	**–**	–		–
Mines, refines and markets PGMs							
Impala Platinum Investments (Pty) Limited	*	**100**	100	**–**	–	**–**	–
Impala Platinum Properties (Rustenburg) (Pty) Limited	*	**100**	100	**–**	–	**–**	–
Impala Platinum Properties (Johannesburg) (Pty) Limited	*	**100**	100	**–**	–	**–**	–
Own properties							
Biz Afrika 1866 (Pty) Limited	*	**–**	–	**–**	–	**–**	
Afplats (Pty) Limited							
Owns mineral rights		**74**	74	**2 842**	3 796	**–**	–
Imbasa Platinum (Pty) Limited	*	**60**	60	**197**	432	**47**	45
Owns mineral rights				**–**	–		
Inkosi Platinum (Pty) Limited	*	**49**	49	**260**	577	**88**	78
Owns mineral rights							
Gazelle Platinum Limited	*	**100**	100	**–**	–	**220**	177
Investment holding company							
Impala Refining Services Limited	*	**100**	100	**–**	–	**–**	–
Provides toll refining services							
Impala Platinum Japan Limited[1]	¥10m	**100**	100	**2**	2	**–**	–
Marketing representative							
Impala Platinum Zimbabwe (Pty) Limited	*	**100**	100	**73**	73	**352**	352
Investment holding company							
Impala Platinum BV[2]	€0,02	**100**	100	**900**	900	**–**	–
Investment holding company							
Zimplats Holdings Limited**[3]	US$10.8m	**87**	87	**–**	–	**–**	–
Investment holding company							
Zimbabwe Platinum Mines (Pvt) Limited[4]	US$30.1m	**87**	87	**–**	–	**–**	–
Owns mineral rights and mines PGMs							
Marula Platinum (Pty) Limited	*	**73**	73	**607**	607	**–**	–
Owns mineral rights and mines PGMs							
Impala Chrome (Pty) Limited	*	**70**	70	**56**	56	**–**	–
Sundry and dormant companies	*	**100**	100	**–**	–	**–**	–
Total				**4 937**	6 443	**11 959**	11 962
Total investment at cost						**16 896**	18 405

** Share capital less than R50 000*
*** Listed on the Australian Securities Exchange*
[1] Incorporated in Japan
[2] Incorporated in Netherlands
[3] Incorporated in Guernsey
[4] Incorporated in Zimbabwe

37. Composition of the Group continued

37.2 Non-wholly owned subsidiaries with material non-controlling interest

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Company	Place of incorporation	Place of business	Proportion of ownership and voting rights held by non-controlling interests 2014	2013	Profit/(loss) allocated to non-controlling interests 2014	2013	Accumulated non-controlling interests 2014	2013
Zimplats Holdings Limited	Guernsey	Zimbabwe	**13%**	13%	**127**	53	**1 349**	1 113
Afplats (Pty) Limited	South Africa	South Africa	**26%**	26%	**(266)**	(6)	**1 169**	1 436
Individually immaterial subsidiaries					**2**	6	**32**	30
Total					**(137)**	53	**2 550**	2 579

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below presents amounts before intragroup eliminations.

Zimplats Holdings Limited

Zimplats' financial information disclosed below was translated using the closing and annual average US dollar exchange rates as in note 3.14.

	30 June 2014 Rm	30 June 2013 Rm
Non-current assets	**11 195**	10 045
Current assets	**3 444**	2 278
Total assets	**14 639**	12 323
Equity	**10 927**	9 188
Non-current liabilities	**2 268**	2 239
Current liabilities	**1 444**	896
Total equity and liabilities	**14 639**	12 323
Revenue	**5 973**	4 159
Gross profit	**2 037**	1 446
Profit from operations	**1 478**	1 077
Profit before tax	**1 334**	962
Income tax expense	**(327)**	(360)
Profit for the year	**1 007**	602
Profit attributable to:		
Owners of the Company	**876**	524
Non-controlling interest	**131**	78
	1 007	602
Other comprehensive income attributable to:		
Owners of the Company	**636**	1 349
Non-controlling interest	**95**	202
	731	1 551
Total comprehensive income attributable to:		
Owners of the Company	**1 512**	1 873
Non-controlling interest	**226**	280
	1 738	2 153
Dividends paid to non-controlling interests	**–**	–
Net cash from operating activities	**1 518**	1 090
Net cash used in investing activities	**(1 136)**	(1 378)
Net cash used in financing activities	**(23)**	220
Net increase/(decrease) in cash and cash equivalents	**359**	(68)

37. Composition of the Group continued

37.2 Non-wholly owned subsidiaries with material non-controlling interest continued

Afplats (Pty) Limited	30 June 2014 Rm	30 June 2013 Rm
Non-current assets	**1 619**	1 449
Current assets	**203**	380
Total assets	**1 822**	1 829
Equity	**1 806**	1 803
Non-current liabilities	**8**	–
Current liabilities	**8**	26
Total equity and liabilities	**1 822**	1 829
Revenue	**–**	–
Gross loss	**(6)**	(4)
Loss from operations	**(6)**	(4)
Profit/(loss) before tax	**6**	15
Income tax expense	**(3)**	(5)
Profit/(loss) for the year	**3**	10
Profit attributable to:		
Owners of the Company	**2**	7
Non-controlling interest	**1**	3
	3	10
Total comprehensive income attributable to:		
Owners of the Company	**2**	7
Non-controlling interest	**1**	3
	3	10
Dividends paid to non-controlling interests	**–**	–
Net cash from/(used in) operating activities	**(20)**	2
Net cash from investing activities	**21**	–
Net cash used in financing activities	**–**	–
Net increase in cash and cash equivalents	**1**	2
	2	4

38. Financial instruments by category

Financial instruments by category – June 2014

	Carrying value Rm	Finance income/ (expense) Rm	Fair value adjustment Rm	Settlement discount Rm
Financial assets				
Loans and receivables	6 145	313	(71)	–
Loans	145	7	(71)	–
Trade and other receivables	1 695	88	–	–
Cash and cash equivalents	4 305	218	–	–
Financial instruments at fair value through profit or loss (held for trading)				
Derivative financial instruments[2]	332	–	153	–
Held-to-maturity financial assets	35	3	–	–
Available-for-sale financial assets[1]	54	–	(56)	–
Total	6 566	316	26	
Financial liabilities				
Financial liabilities at amortised cost	11 626	(568)	–	11
Borrowings	7 787	(549)	–	–
Liabilities	84	(13)	–	–
Trade and other payables	3 755	(6)	–	11
Financial instruments at fair value through profit or loss (held for trading)				
Derivative financial instruments[2]	18	–	12	–
Total	11 644	(568)	12	11

[1] Level 1 of the fair value hierarchy.
[2] Level 2 of the fair value hierarchy.

Fair value hierarchy

Level 1 – Quoted prices in active markets for the same instrument.
Level 2 – Valuation techniques for which significant inputs are based on observable market data.
Level 3 – Valuation techniques for which any significant input is not based on observable market data.

38. Financial instruments by category continued

Financial instruments by category – June 2013

	Carrying value Rm	Finance income/ (expense) Rm	Fair value adjustment Rm	Settlement discount Rm
Financial assets				
Loans and receivables	7 405	153	(45)	–
Loans	195	8	(45)	–
Trade and other receivables	2 286	74	–	–
Cash and cash equivalents	4 924	71	–	–
Financial instruments at fair value through profit or loss (held for trading)				
Derivative financial instruments[2]	90	–	90	–
Held-to-maturity financial assets	32	4	–	–
Available-for-sale financial assets[1]	110	–	9	–
Total	7 637	157	54	–
Financial liabilities				
Financial liabilities at amortised cost	12 003	(428)	–	–
Borrowings	7 479	(344)	–	–
Bank overdraft	811	–	–	–
Liabilities	169	(12)	–	–
Trade and other payables	3 544	(72)	–	–
Financial instruments at fair value through profit or loss (held for trading)				
Derivative financial instruments[2]	30	–	106	–
Total	12 033	(428)	106	–

[1] *Level 1 of the fair value hierarchy.*
[2] *Level 2 of the fair value hierarchy.*

Fair value hierarchy

Level 1 – Quoted prices in active markets for the same instrument.
Level 2 – Valuation techniques for which significant inputs are based on observable market data.
Level 3 – Valuation techniques for which any significant input is not based on observable market data.

39. Share-based compensation

(i) Cash settled – SARs and ESOP

Movement in the number of share appreciation rights outstanding was as follows:

	2014 ('000)	2013 ('000)
Beginning of the year	**27 575**	29 199
Granted	**–**	53
Lapsed during the year	**(1 132)**	(1 295)
Paid to employees during the year	**(106)**	(382)
End of the year	**26 337**	27 575
Exercisable	**12 504**	9 011
Not yet exercisable	**13 833**	18 564
	26 337	27 575

39. Share-based compensation continued

(i) Cash settled – SARs and ESOP continued

Cash-settled share-based payment rights outstanding (number in thousands) at the end of the year have the following terms:

	Vesting years										
Price per share	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	**Total number**
SARs											
R63 – R150	194.0	361.3	382.8	181.4	503.8	944.4	574.6	574.6	574.7	13.3	**4 304.9**
R159 – R171	43.0	51.4	657.1	732.4	635.8	673.0	37.3	37.3	37.4	–	**2 904.7**
R171 – R190	0.7	6.9	287.3	305.0	472.2	921.6	638.6	628.0	449.0	–	**3 709.3**
R190 – R210	4.7	11.6	32.5	518.6	1 291.1	1 276.8	1 265.3	779.8	–	–	**5 180.4**
R210 – R334	134.9	302.6	313.7	322.7	225.0	32.5	21.6	19.1	–	–	**1 372.1**
ESOP											
R159.18*	–	–	–	784.0	–	–	–	–	8 081.6	–	**8 865.6**
Total 2014	**377.3**	**733.8**	**1 673.4**	**2 844.1**	**3 127.9**	**3 848.3**	**2 537.4**	**2 038.8**	**9 142.7**	**13.3**	**26 337.0**
Total 2013	425.4	834.0	1 906.5	3 020.4	3 282.2	4 098.8	2 684.1	2 141.7	9 168.2	13.3	**27 574.6**
Actual remaining contractual life (years):											
2014	**1 – 3**	**2 – 4**	**2 – 5**	**3 – 7**	**4 – 8**	**5 – 8**	**6 – 9**	**7 – 9**	**3 – 9**	**9**	
2013	2 – 4	2 – 5	3 – 6	4 – 7	5 – 8	6 – 9	7 – 10	8 – 10	4 – 10	10	

These share-based payment rights, excluded from the remaining contractual life table, relate to the ESOP, which have a remaining contractual life of two years.

Refer to the directors' report for the details on share-based payment rights held by key management personnel (directors and senior executive management).

(ii) Equity settled – LTIP SAR

	2014		2013	
	Number ('000)	**Weighted average exercise price (R)**	Number ('000)	Weighted average exercise price (R)
Movement in the number of share options outstanding was as follows:				
Beginning of the year	**1 019**	**146.55**	—	—
Granted	**1 031**	**134.72**	1 045	146.55
Forfeited	**(140)**	**146.55**	(26)	146.55
Exercised (good leavers)	**–**	**–**	–	–
End of the year (not yet exercisable)	**1 910**	**140.47**	1 019	146.55

Share options outstanding (number in thousands) at the end of the year have the following terms:

Price per share	Vesting years 2016	Vesting years 2017	**Total number**
<R100	5	–	**5**
R100 – R150	918	987	**1 905**
Total 2014	923	987	**1 910**
Total 2013	1 019	–	**1 019**

The share options have a contractual life of three years after vesting date.

39. Share-based compensation continued

(iii) Equity settled – LTIP CSP

	2014 Number ('000)	2013 Number ('000)
Movement in the number of share options outstanding was as follows:		
Beginning of the year	**1 768**	–
Granted	**1 859**	1 811
Forfeited	**(126)**	(43)
Exercised (good leavers)	**(2)**	–
End of the year (not yet exercisable)	**3 499**	1 768

Share options outstanding (number in thousands) at the end of the year have the following terms:

Price per share	Vesting years 2016	Vesting years 2017	Total number
Total 2014	1 672	1 827	**3 499**
Total 2013	1 768	–	**1 768**

The share options are full value shares, with a R nil exercise price. The contractual life ends on the vesting date.

40. Business combinations

Acquisition of chrome business

In November 2012, Impala Chrome, a subsidiary within the Group, acquired a chrome business whose main business is the processing of Impala's tailings to extract chrome.

	2014 Rm	2013 Rm
Details of net assets acquired are as follows:		
Property, plant and equipment	**–**	79
Inventories	**–**	1
Net assets acquired	**–**	80
Details of consideration transferred are as follows:		
Cash	**–**	57
Equity interest in Impala Chrome	**–**	23
Total consideration paid	**–**	80

30% (300 ordinary shares) of the equity interest in Impala Chrome was transferred as part of the consideration paid for the chrome business acquired. The fair value of the equity instruments granted for consideration was determined by reference to the fair value of the assets, liabilities and contingent liabilities recognised in terms of the business combination. The share-based payment resulted in Implats retaining a 70% controlling interest in Impala Chrome. No goodwill resulted from the transaction.

41. Changes in accounting policies

The adoption of IFRS 11 *Joint Arrangements*, and IFRS 10 *Consolidated Financial Statements* (notes 1.2 and 1.3), had the following impact on the financial statements. There was no impact on the consolidated statement of changes in equity.

Impact of change in accounting policy on consolidated statement of financial position:

	As at 30 June 2014 Rm	Equity accounting for Mimosa Rm	Deconsolidation of insurance cell captive Rm	As at 30 June 2014 as presented Rm
Assets				
Non-current assets				
Property, plant and equipment	48 611	(1 695)	–	46 916
Exploration and evaluation assets	3 360	–	–	3 360
Intangible assets	–	–	–	–
Investment in equity accounted entities	1 203	1 756	–	2 959
Deferred tax	238	–	–	238
Available-for-sale financial assets	56	(34)	32	54
Held-to-maturity financial assets	35	–	–	35
Loans	194	(61)	–	133
Derivative financial instruments	332	–	–	332
Prepayments	10 665	–	–	10 665
	64 694	(34)	32	64 692
Current assets				
Inventories	7 473	(261)	–	7 212
Trade and other receivables	3 011	86	(19)	3 078
Loans	12	–	–	12
Prepayments	568	–	–	568
Cash and cash equivalents	4 506	(79)	(122)	4 305
	15 570	(254)	(141)	15 175
Total assets	80 264	(288)	(109)	79 867
Equity and liabilities				
Equity attributable to owners of the Company				
Share capital	15 624	–	–	15 624
Retained earnings	34 964	–	(28)	34 936
Other components of equity	1 779	–	28	1 807
	52 367	–	–	52 367
Non-controlling interest	2 550	–	–	2 550
Total equity	54 917	–	–	54 917
Liabilities				
Non-current liabilities				
Deferred tax	10 674	(495)	–	10 179
Borrowings	7 169	–	–	7 169
Derivative financial instruments	18	–	–	18
Liabilities	706	(30)	–	676
Provisions	704	(28)	–	676
	19 271	(553)	–	18 718
Current liabilities				
Trade and other payables	4 540	282	(109)	4 713
Current tax payable	562	–	–	562
Borrowings	635	(17)	–	618
Liabilities	339	–	–	339
Bank overdraft	–	–	–	–
	6 076	265	(109)	6 232
Total liabilities	25 347	(288)	(109)	24 950
Total equity and liabilities	80 264	(288)	(109)	79 867

As at 30 June 2013 (previously stated) Rm	Equity accounting for Mimosa Rm	Deconsoli-dation of insurance cell captive Rm	As at 30 June 2013 (restated) Rm	As at 1 July 2012 (previously stated) Rm	Equity accounting for Mimosa Rm	Deconsoli-dation of insurance cell captive Rm	As at 1 July 2012 (restated) Rm
45 969	(1 559)	–	44 410	40 169	(1 292)	–	38 877
4 294	–	–	4 294	4 294	–	–	4 294
–	–	–	–	1 018	–	–	1 018
1 136	1 786	–	2 922	1 021	1 503	–	2 524
118	–	–	118	–	–	–	–
49	(30)	91	110	32	(15)	84	101
32	–	–	32	49	–	–	49
287	(113)	–	174	1 227	(140)	–	1 087
90	–	–	90	–	–	–	–
10 855	(15)	–	10 840	11 129	(27)	–	11 102
62 830	69	91	62 990	58 939	29	84	59 052
8 684	(228)	–	8 456	7 081	(247)	–	6 834
3 369	115	(16)	3 468	4 305	60	–	4 365
21	–	–	21	538	–	–	538
507	(64)	–	443	571	(49)	–	522
5 308	(241)	(143)	4 924	1 193	(105)	(153)	935
17 889	(418)	(159)	17 312	13 688	(341)	(153)	13 194
80 719	(349)	(68)	80 302	72 627	(312)	(69)	72 246
15 493	–	–	15 493	15 187	–	–	15 187
35 387	–	(87)	35 300	34 949	–	(80)	34 869
1 157	–	87	1 244	32	–	80	112
52 037	–	–	52 037	50 168	–	–	50 168
2 579	–	–	2 579	2 307	–	–	2 307
54 616	–	–	54 616	52 475	–	–	52 475
10 917	(475)	–	10 442	9 625	(402)	–	9 223
7 259	–	–	7 259	2 882	–	–	2 882
30	–	–	30	–	–	–	–
689	(17)	–	672	812	–	–	812
791	(23)	–	768	757	(25)	–	732
19 686	(515)	–	19 171	14 076	(427)	–	13 649
4 514	212	(68)	4 658	4 858	182	(69)	4 971
508	–	–	508	176	(4)	–	172
252	(32)	–	220	121	(63)	–	58
332	(14)	–	318	315	–	–	315
811	–	–	811	606	–	–	606
6 417	166	(68)	6 515	6 076	115	(69)	6 122
26 103	(349)	(68)	25 686	20 152	(312)	(69)	19 771
80 719	(349)	(68)	80 302	72 627	(312)	(69)	72 246

41. Changes in accounting policies continued

Impact of change in accounting policy on consolidated statement of comprehensive income:

	As at 30 June 2014 Rm	Equity accounting for Mimosa Rm	Deconsolidation of insurance cell captive Rm	As at 30 June 2014 as presented Rm
Revenue	29 416	(388)	–	29 028
Cost of sales	(25 868)	82	–	(25 786)
Gross profit	3 548	(306)	–	3 242
Other operating income	239	–	–	239
Other operating expenses	(2 868)	59	–	(2 809)
Royalty expense	(790)	97	–	(693)
Profit from operations	129	(150)	–	(21)
Finance income	321	(3)	–	318
Finance cost	(503)	7	–	(496)
Net foreign exchange transaction gains	(103)	2	–	(101)
Other income	203	–	–	203
Other expense	(312)	–	59	(253)
Share of profit of equity accounted entities	283	(82)	–	365
Profit before tax	18	(62)	59	15
Income tax expense	(206)	62	–	(144)
Profit for the year	(188)	–	59	(129)
Other comprehensive income, comprising items subsequently reclassified to profit or loss:				
Available-for-sale financial assets	5	(2)	(59)	(56)
Deferred tax thereon	–	–	–	–
Share of other comprehensive income of equity accounted entities	–	120	–	120
Deferred tax thereon	–	(12)	–	(12)
Exchange differences on translating foreign operations	829	(118)	–	711
Deferred tax thereon	(105)	12	–	(93)
Other comprehensive income, comprising of items not subsequently reclassified to profit or loss:				
Actuarial loss on post-employment medical benefit	(1)	–	–	(1)
Deferred tax thereon	–	–	–	–
Total comprehensive income	540	–	–	540
Profit attributable to:				
Owners of the Company	(51)	–	59	8
Non-controlling interest	(137)	–	–	(137)
	(188)	–	59	(129)
Total comprehensive income attributable to:				
Owners of the Company	569	–	–	569
Non-controlling interest	(29)	–	–	(29)
	540	–	–	540
Earnings per share (cents per share)				
Basic	1	–	–	1
Diluted	1	–	–	1

As at 30 June 2013 (previously stated) Rm	Equity accounting for Mimosa Rm	Deconsolidation of insurance cell captive Rm	As at 30 June 2013 (restated) Rm	As at 1 July 2012 (previously stated) Rm	Equity accounting for Mimosa Rm	Deconsolidation of insurance cell captive Rm	As at 1 July 2012 (restated) Rm
30 032	(188)	–	29 844	27 593	(200)	–	27 393
(24 980)	(152)	–	(25 132)	(21 337)	(276)	–	(21 613)
5 052	(340)	–	4 712	6 256	(476)	–	5 780
455	15	–	470	552	–	–	552
(2 367)	73	–	(2 294)	(441)	44	–	(397)
(764)	90	–	(674)	(664)	66	–	(598)
2 376	(162)	–	2 214	5 703	(366)	–	5 337
223	(1)	–	222	314	–	–	314
(453)	7	–	(446)	(305)	–	–	(305
207	1	–	208	520	–	–	520
236	14	–	250	19	–	–	19
(201)	(13)	(7)	(221)	(118)	1	(20)	(137)
163	70	–	233	117	222	–	339
2 551	(84)	(7)	2 460	6 250	(143)	(20)	6 087
(1 476)	84		(1 392)	(1 951)	143	–	(1 808)
1 075	–	(7)	1 068	4 299		(20)	4 279)
12	(10)	7	9	(3)	5	20	22
–	–	–	–	–	–	–	–
–	324	–	324	–	273	–	273
–	(88)	–	(88)	–	(76)	–	(76)
1 818	(314)	–	1 504	1 356	(278)	–	1 078
(509)	88	–	(421)	(379)	76	–	(303)
(6)	–	–	(6)	(4)	–	–	(4)
2	–	–	2	1	–	–	1
2 392	–	–	2 392	5 270	–	–	5 270
1 022	–	(7)	1 015	4 180	–	(20)	4 160
53	–	–	53	119	–	–	119
1 075	–	(7)	1 068	4 299	–	(20)	4 279
2 143	–	–	2 143	5 010	–	–	5 010
249	–	–	249	260	–	–	260
2 392	–		2 392	5 270		–	5 270
		–					
168	–	(1)	167	690	–	(4)	686
168	–	(1)	167	689	–	(3)	686

41. Changes in accounting policies continued

Impact of change in accounting policy on consolidated statement of cash flows:

	As at 30 June 2014 Rm	Equity accounting for Mimosa Rm	Deconsolidation of insurance cell captive Rm	As at 30 June 2014 as presented Rm
Cash flows from operating activities				
Cash generated from operations	5 377	(164)	21	5 234
Exploration costs	(20)	–	–	(20)
Finance cost	(399)	(5)	–	(404)
Income tax paid	(651)	(63)	–	(714)
Net cash from operating activities	4 307	(232)	21	4 096
Cash flows from investing activities				
Purchase of property, plant and equipment	(4 658)	158	–	(4 500)
Proceeds from sale of property, plant and equipment	65	(1)	–	64
Proceeds from insurance claim	112	–	–	112
Purchase of investment in subsidiary	–	–	–	–
Payment received from associate on shareholders' loan	–	–	–	–
Proceeds from sale of held-to-maturity investment	–	–	–	–
Loans granted	(10)	–	–	(10)
Loan repayments received	11	–	–	11
Prepayments refunded	–	–	–	–
Finance income	319	–	–	319
Dividends received	243	224	–	467
Net cash used in investing activities	(3 918)	381	–	(3 537)
Cash flows from financing activities				
Issue of ordinary shares	8	–	–	8
Repayments of borrowings	(34)	18	–	(16)
Proceeds from borrowings	–	–	–	–
Dividends paid to Company's shareholders	(371)	–	–	(371)
Net cash used in financing activities	(397)	18	–	(379)
Net increase/(decrease) in cash and cash equivalents	(8)	167	21	180
Cash and cash equivalents at beginning of year	4 497	(241)	(143)	4 113
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	17	(5)	–	12
Cash and cash equivalents at end of year*	4 506	(79)	(122)	4 305

** Net of bank overdraft*

As at 30 June 2013 (previously stated) Rm	Equity accounting for Mimosa Rm	Deconsolidation of insurance cell captive Rm	As at 30 June 2013 (restated) Rm
7 228	(444)	10	6 794
(47)	–	–	(47)
(150)	1	–	(149)
(1 093)	77	–	(1 016)
5 938	(366)	10	5 582
(6 360)	141	–	(6 219)
102	(5)	–	97
–	–	–	–
(57)	–	–	(57)
49	–	–	49
21	–	–	21
(7)	–	–	(7)
30	–	–	30
–	–	–	–
218	(1)	–	217
6	91	–	97
(5 998)	226	–	(5 772)
36	–	–	36
(172)	40	–	(132)
4 638	–	–	4 638
(580)	–	–	(580)
3 922	40	–	3 962
3 862	(100)	10	3 772
587	(105)	(153)	329
48	(36)	–	12
4 497	(241)	(143)	4 113

COMPANY STATEMENT OF FINANCIAL POSITION – as at 30 June 2014

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	Notes	**30 June 2014 Rm**	30 June 2013 Restated* Rm	1 July 2012 Restated* Rm
Assets				
Non-current assets				
Investments in associates and joint venture	2	**482**	482	531
Investments in subsidiaries	2	**4 937**	6 443	6 387
Loans to subsidiaries	2	**11 959**	11 962	12 048
Available-for-sale investment	3	**32**	91	84
Loans	4	**40**	40	40
Derivative financial instruments	5	**332**	90	–
		17 782	19 108	19 090
Current assets				
Trade and other receivables		**36**	35	133
Deposit at subsidiary		**4 560**	4 550	–
Cash and cash equivalents	6	**–**	1	–
		4 596	4 586	133
Total assets		**22 378**	23 694	19 223
Equity and liabilities				
Equity attributable to owners of the Company				
Share capital	7	**18 286**	18 287	18 046
Retained (loss)/earnings		**(534)**	919	1 014
Other components of equity		**28**	87	80
Total equity		**17 780**	19 293	19 140
Liabilities				
Non-current liabilities				
Deferred tax liability	8	**133**	119	2
Borrowings	9	**4 260**	4 086	–
Derivative financial instrument	5	**18**	30	–
Liabilities	10	**5**	12	18
		4 416	4 247	20
Current liabilities				
Trade and other payables		**24**	26	25
Current tax payable		**1**	1	1
Borrowings	9	**150**	82	–
Liabilities	10	**7**	45	37
		182	154	63
Total liabilities		**4 598**	4 401	83
Total equity and liabilities		**22 378**	23 694	19 223

** The audited June 2013 and June 2012 results were restated as a result of IFRS 10 Consolidated Financial Statements, which has become effective. The impact of this standard is that Guardrisk is no longer carried at historical cost.*

The notes on pages 101 to 108 are an integral part of these financial statements.

COMPANY STATEMENT OF COMPREHENSIVE INCOME – as at 30 June 2014

	Notes	30 June 2014 Rm	30 June 2013 Restated* Rm
Finance and investment income	11	**737**	568
Finance cost		**(258)**	(85)
Other income	12	**203**	238
Other expense	12	**(1 731)**	(178)
Profit/(loss) before tax		**(1 049)**	543
Income tax expense	13	**(25)**	(38)
Profit/(loss) for the year		**(1 074)**	505
Other comprehensive income, comprising items subsequently reclassified to profit or loss:			
Available-for-sale financial assets		**(59)**	7
Total comprehensive income/(loss) for the year		**(1 133)**	512

** The audited June 2013 results were restated as a result of IFRS 10 Consolidated Financial Statements, which has become effective. The impact of this standard is that Guardrisk is no longer carried at historical cost.*

The notes on pages 101 to 108 are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY – for the year ended 30 June 2014

	Number of shares issued (million)	Ordinary shares Rm	Share premium Rm	Share-based payment reserve Rm	Total share capital Rm	Total other components of equity Rm	Retained earnings Rm	Total equity Rm
Balance at 30 June 2013	**632.21**	**16**	**16 377**	**1 894**	**18 287**	**87**	**919**	**19 293**
Shares issued – Implats Share Incentive Scheme	**0.22**	**–**	**(1)**	**–**	**(1)**		**–**	**(1)**
Total comprehensive income	**–**	**–**	**–**	**–**	**–**		**(1 074)**	**(1 074)**
Other comprehensive income						**(59)**	**–**	**(59)**
Dividends (note 14)	**–**	**–**	**–**	**–**	**–**		**(379)**	**(379)**
Balance at 30 June 2014	**632.43**	**16**	**16 376**	**1 894**	**18 286**	**28**	**(534)**	**17 780**
Balance at 30 June 2012	631.99	16	16 136	1 894	18 046	80	1 014	19 140
Shares issued – Implats Share Incentive Scheme	0.22	–	13	–	13		–	13
Convertible bonds	–		228		228			228
Total comprehensive income	–	–	–	–	–		505	505
Other comprehensive income						7		7
Dividends (note 14)	–	–	–	–	–		(600)	(600)
Balance at 30 June 2013	632.21	16	16 377	1 894	18 287	87	919	19 293

The notes on pages 101 to 108 are an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS – for the year ended 30 June 2014

	Notes	30 June 2014 Rm	30 June 2013 Restated* Rm
Cash flows from operating activities			
(Loss)/profit before tax		**(1 049)**	543
Adjustment to (loss)/profit before tax	16	**1 001**	(501)
Finance cost		**(155)**	–
Cash from changes in working capital	16	**(2)**	98
Income tax refunded/(paid)		**(11)**	(11)
Net cash from/(used) in operating activities		**(216)**	129
Cash flows from investing activities			
Payment received from associate on shareholders' loan		**–**	48
Purchase of investment		**–**	(56)
Finance income		**133**	5
Dividends received	11	**477**	473
Deposit to subsidiary	9	**–**	(4 466)
Loans (to)/from subsidiaries		**(15)**	92
Net cash from investing activities		**595**	(3 904)
Cash flows from financing activities			
Issue of bonds, net of cost		**–**	4 363
Issue of ordinary shares, net of cost		**(1)**	13
Dividends paid to the Company's shareholders	14	**(379)**	(600)
Net cash used in financing activities		**(380)**	3 776
Net (decrease)/increase in cash and cash equivalents		**(1)**	1
Cash and cash equivalents at the beginning of the year		**1**	–
Cash and cash equivalents at the end of the year		**–**	1

* *The audited June 2013 results were restated as a result of IFRS 10 Consolidated Financial Statements, which has become effective. The impact of this standard is that Guardrisk is no longer carried at historical cost.*

The notes on pages 101 to 108 are an integral part of these financial statements.

1. Basis of preparation and accounting policies

The basis of preparation and principal accounting policies are disclosed on pages 21 to 40.

Subsidiaries, associated undertakings and joint ventures are accounted for at cost less any impairment provision in the Company financial statements.

	2014 Rm	2013 Rm
2. Investments		
Associates		
Two Rivers Platinum (Group note 8 (i))		
Beginning of the year	**45**	93
Payments received on shareholders' loan	**–**	(50)
Interest (note 11)	**–**	2
End of the year	**45**	45
Makgomo Chrome (Group note 8 (ii))		
Beginning of the year	**61**	61
Acquisition of shareholding	**–**	–
End of the year	**61**	61
Joint venture		
Mimosa (Group note 8(iii))		
End of the year	**376**	376
Total investments in associates and joint venture	**482**	482
Investments in subsidiaries*	**4 937**	6 443
Total loans to subsidiaries*	**11 959**	11 962

** Refer note 37 of consolidated financial statements*

	2014 Rm	2013 Rm
3. Available-for-sale investment		
Beginning of the year	**91**	84
Fair value adjustment	**(59)**	7
End of the year	**32**	91

The company hold shares in Guardrisk, an insurance cell captive. The fair value of these shares is equal to the underlying net value of assets in the cell.

	2014 Rm	2013 Rm
4. Loans		
Black economic empowerment company (BEE)		
Non-current	**40**	40

Loans granted to Tubatse Platinum (Pty) Limited, Marula Community Trust and Mmakau Platinum Mining (Pty) Limited in terms of a BEE transaction. The loan is repayable on approval and adoption by the board of directors of Marula of a feasibility study on any aspect and/or portion of the non-cash producing portion of the Marula mine.

5. Derivative financial instruments

Cross Currency Interest Rate Swap

Implats entered into a Cross Currency Interest Rate Swap (CCIRS) amounting to US$200 million to hedge certain aspects of the foreign exchange risk on the US$ convertible bonds, being: exchange rate risk on the dollar interest payments is hedged and the risk of a future cash settlement of the bonds at a rand/dollar exchange rate weaker than R9.24/US$ is hedged. No hedge accounting has been applied. (US$200 million was swapped for R1 848 million on which Implats pays a fixed interest rate to Standard Bank of 5.94%. Implats received the 1% coupon on the US$200 million on the same date which Implats pay-on externally to the bond holders. At February 2018 Implats will repay the R1 848 million in return of the US$200 million.)

The CCIRS with Standard Bank was valued by external valuators at R332 (2013: R90) million.

	2014 Rm	2013 Rm
Opening balance	**90**	–
Interest payment	**110**	–
Interest received	**(21)**	–
Fair value adjustment	**153**	90
Closing balance	**332**	90

US$ bond conversion option

The conversion option on the US$200 million bond was valued at R18 (2013: R30) million. The option value was calculated using the binomial option model. Refer note 3 for key assumptions used.

	2014 Rm	2013 Rm
Opening balance	**30**	–
Grant due option value	**–**	137
Fair value adjustment	**(12)**	(107)
Closing balance	**18**	30

6. Cash and cash equivalents

	2014 Rm	2013 Rm
Cash at bank	**–**	1

7. Share capital

The authorised share capital of the holding Company consists of:
844 008 000 (2013: 844 008 000) ordinary shares with a par value of 2.5 cents each

8. Deferred tax

	2014 Rm	2013 Rm
Deferred tax liabilities to be settled within 12 months	**30**	6
Deferred tax liabilities to be settled after 12 months	**103**	113
	133	119

There are unrecognised temporary differences of R1 506 million relating to a capital loss (2013: R nil)
Deferred income taxes are calculated at the prevailing tax rates.
The movement on the deferred income tax account is as follows:

	2014 Rm	2013 Rm
Beginning of the year	**119**	2
Income tax expense (note 13)	**19**	26
Prior year under/(over) provision (note 13)	**(5)**	–
Charge to equity	**–**	91
End of the year	**133**	119

Deferred tax liabilities are attributable to the following items:
Recognised directly in profit or loss

	2014 Rm	2013 Rm
Present value adjustment of fees and loans	**133**	119

	2014 Rm	2013 Rm
9. Borrowings		
Summary – Balances		
Convertible bonds – ZAR	**2 429**	2 365
Convertible bonds – US dollar	**1 981**	1 803
	4 410	4 168
Short-term portion	**(150)**	(82)
Long-term portion	**4 260**	4 086
Summary – Movement		
Beginning of the year	**4 168**	–
Proceeds	**—**	3 908
Interest accrued	**257**	82
Repayments	**(155)**	—
Exchange adjustment	**140**	178
End of the year	**4 410**	4 168

Proceeds of R4 466 from the convertible bond issue, which together with interest of R253 (2013: R84) million and payments of R243 (2013: R nil) million was placed on deposit with Impala, totalling R4 560 (2013: R4 550) million.

	2014 Rm	2013 Rm
(i) Convertible bonds – ZAR		
Beginning of the year	**2 365**	–
Proceeds	**—**	2 300
Interest accrued	**198**	65
Repayments	**(134)**	–
End of the year	**2 429**	2 365
Short-term portion	**(129)**	(65)
Long-term portion	**2 300**	2 300

The ZAR denominated bonds have a par value of R2 672 million and carry a coupon of 5% (R133.6 million) per annum. The coupon is payable bi-annually for a period of five years ending 21 February 2018. The bond holder has the option to convert the bonds to Implats shares at a price of R214.90. The value of this compound instrument's equity portion relating to conversion is R319 million (before tax). Implats has the option to call the bonds at par plus accrued interest at any time on or after 21 February 2016, if the aggregate value of the underlying shares per bond for a specified period of time is 130% or more of the principal amount of that bond. The effective interest rate of the bond is 8.5% (2013: 8.5%).

	2014 Rm	2013 Rm
(ii) Convertible bonds – US$		
Beginning of the year	**1 803**	–
Proceeds	**—**	1 608
Interest accrued	**59**	17
Repayments	**(21)**	–
Exchange adjustment	**140**	178
End of the year	**1 981**	1 803
Short-term portion	**(21)**	(17)
Long-term portion	**1 960**	1 786

The US$ denominated bonds have a par value of US$200 million and carry a coupon of 1% (US$2 million) per annum. The coupon is payable bi-annually for a period of five years ending 21 February 2018. The bond holder has the option to convert the bonds to Implats shares at a price of US$24.13. The value of this conversion option derivative was R106 million at initial recognition. Implats has the option to call the bonds at par plus accrued interest at any time on or after 21 February 2016, if the aggregate value of the underlying shares per bond for a specified period of time is 130% or more of the principal amount of that bond. The effective interest rate is 3.1% (2013: 3.1%).

NOTES TO THE COMPANY FINANCIAL STATEMENTS – for the year ended 30 June 2014

	2014 Rm	2013 Rm
10. Liabilities		
Beginning of the year	**57**	55
Repayments	**(47)**	–
Interest accrued	**2**	2
End of the year	**12**	57
Short-term portion	**(7)**	(45)
Long-term portion	**5**	12
Fees payable to Bakwena Ba-Magopa as a result of an agreement with the acquisition of Afplats. The liability has an effective interest rate of 12.9% (2013: 12.9%).		
11. Finance and investment income		
Two Rivers (note 2)	**–**	2
Subsidiaries shareholders' loans	**260**	90
Bank	**–**	2
Other	**–**	1
	260	95
Dividend received	**477**	473
	737	568
12. Other income/(expense)		
Net foreign exchange transaction gains/(losses)	**(140)**	(111)
Guarantee fees	**38**	42
Derivative financial instruments – Fair value movements		
Cross currency interest rate swap	**153**	90
US$ bond conversion option	**12**	106
Corporate costs	**(17)**	(19)
Exploration expenditure	**(12)**	(30)
Other	**(56)**	(18)
Impairment of investment	**(1 506)**	–
	(1 528)	60
13. Income tax expense		
Current tax		
South African company tax	**6**	12
Prior year overprovision	**5**	–
Deferred tax		
Temporary differences (note 8)	**19**	26
Prior year adjustment (note 8)	**(5)**	
Income tax expense	**25**	38
The tax of the Company's profit differs as follows from the theoretical charge that would arise using the basic tax rate of 28% for South African companies:		
Normal tax rate for companies on (loss)/profit before tax	**(294)**	153
Adjusted for:		
Disallowable expenditure	**31**	18
Exempt income	**(134)**	(133)
Deferred tax not recognised	**422**	–
Tax expense	**25**	38

	2014 Rm	2013 Rm
14. Dividends per share		
No dividends were declared in respect of the 2014 financial year.		
Dividends paid		
Final dividend No 91 for 2013 of 60 (2012: 60) cents per share	**379**	379
No interim dividend for 2014 (2013: interim dividend No 90 of 35 cents per share)	**–**	221
	379	600
15. Contingent liabilities and guarantees		
At year end the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.		
Guarantees		
Marula BEE parties	**878**	858
Zimplats Pvt	**1 117**	1 037
Department of Mineral Resources	**666**	578
Total guarantees	**2 661**	2 473
Contingencies		
There are no contingent liabilities relating to the above.		
16. Cash generated from operations		
Adjustment to profit before tax:		
Foreign exchange (gain)/loss	**139**	178
Fair value adjustment on derivative	**(165)**	(196)
Finance cost	**258**	85
Finance income (note 11)	**(260)**	(95)
Impairment of investment	**1 506**	–
Dividend income (note 11)	**(477)**	(473)
Total adjustment to profit before tax	**1 001**	(501)
Changes in working capital		
Trade and other receivables	**–**	97
Trade and other payables	**(2)**	1
Cash from changes in working capital	**(2)**	98

	2014 Rm	2013 Rm
17. Related party transactions		
Associates and joint venture (note 2)		
Two Rivers		
Transactions with related parties:		
Loan repayments	–	51
Interest income accrued	–	2
Dividend received	236	–
Makgomo Chrome		
Transactions with related parties:		
Dividend received	4	3
Mimosa		
Transactions with related parties:		
Dividend received	224	91
Subsidiaries (note 37 in consolidated financial statements)		
Impala		
Transactions with related parties:		
Loans granted	4 249	1 000
Loan repayments	645	1 096
Dividend received	–	–
Dividend paid	–	–
Balances arising from transactions with related parties:		
Loans	11 245	7 641
Impala – Deposit		
Transactions with related parties:		
Deposit made	–	4 466
Loan repayments	243	–
Interest income accrued	253	84
Balances arising from transactions with related parties:		
Deposit	4 560	4 550
Impala Holdings Limited		
Transactions with related parties:		
Loan repayment	3 661	–
Balances arising from transactions with related parties:		
Loans	8	3 669
Marula Platinum Proprietary Limited		
Guarantees provided (note 15)		
Subsidiaries (refer to page 85)		
Share options granted to directors		
The aggregate number of share options granted to key management (directors and executive management) is disclosed in the directors' report.		

18. Financial risk management

The Company manages its risk on a Group-wide basis. Refer to note 2 in the consolidated financial statements.

18.1 Market risk

Foreign exchange risk

There are no significant concentrations of foreign exchange risk.

18.2 Credit risk

Credit risk arises from the risk that the financial asset counterparty may default or not meet its obligations timeously. The maximum exposure to the credit risk is represented by the carrying value of all the financial assets and the maximum amount the Company could have to pay if the guarantees are called on (note 15).

The potential concentration of credit risk could arise in loan to associates, loans to subsidiaries, receivables and prepayments and trade receivables. No financial assets were past due for the current or the comparative period under review. No terms relating to financial assets have been renegotiated resulting in assets not being past due.

Loans to subsidiaries

These loans are unsecured and have no fixed terms of repayment.

Loans

Credit risk relating to these loans consist of loans to BEE companies, which is secured by a guarantee from Lonmin Plc.

Trade and trade receivables

Trade and other receivables consists mainly of guarantee fees receivable from financial institutions with high credit ratings.

18.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding for its expected future cash flow. Impala Platinum Holdings Limited's cash requirements are met by Impala Platinum Limited.

Trade and other payables are all due within a 12-month period. Guarantees are further analysed in note 15.

18.4 Cash flow interest rate risk

The Company is not exposed to significant interest-bearing liabilities resulting in cash flow interest rate risk.

19. Changes in accounting policies

During the current year the prior years' audited results were restated as a result of IFRS10 *Consolidated Financial Statements* which has become effective. This standard requires that the investment in Guardrisk (previously consolidated), be deconsolidated. There was no impact on the statement of changes in equity and statement of cash flows.

Impact of change in accounting policy on statement of financial position

	2014 effect Increase/ (decrease)	2013 effect Increase/ (decrease)	2012 effect Increase/ (decrease)
Assets			
Non-current assets			
Investments in subsidiaries	**(4)**	(4)	(4)
Available-for-sale investment	**32**	91	84
	28	87	80
Equity and liabilities			
Equity attributable to owners of the Company			
Other components of equity	**28**	87	80
Impact of change in accounting policy on statement of comprehensive income:			
Other comprehensive income, comprising items subsequently reclassified to profit or loss:			
Available-for-sale financial assets	**(59)**	7	
Total comprehensive income for the year	**(59)**	7	

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