

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

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	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.

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

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	Number of shares issued (million)	Ordinary shares Rm	Share premium Rm	Share- based payment reserve Rm	Total share capital Rm	Total other compo- nents 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

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

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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
<i>* Refer note 37 of consolidated financial statements</i>		
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.		
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.		

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

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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 valuers 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.		
Opening balance	30	–
Grant due option value	–	137
Fair value adjustment	(12)	(107)
Closing balance	18	30
6. Cash and cash equivalents		
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		
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:		
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		
Present value adjustment of fees and loans	133	119

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

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	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.		
(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%).		
(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

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	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

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

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	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

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

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	2014 Rm	2013 Rm
17. Related party transactions		
Associates and joint venture (note 2)		
Two Rivers		
<i>Transactions with related parties:</i>		
Loan repayments	–	51
Interest income accrued	–	2
<i>Dividend received</i>	236	–
Makgomo Chrome		
<i>Transactions with related parties:</i>		
Dividend received	4	3
Mimosa		
<i>Transactions with related parties:</i>		
Dividend received	224	91
Subsidiaries (note 37 in consolidated financial statements)		
Impala		
<i>Transactions with related parties:</i>		
Loans granted	4 249	1 000
Loan repayments	645	1 096
Dividend received	–	–
Dividend paid	–	–
<i>Balances arising from transactions with related parties:</i>		
Loans	11 245	7 641
Impala – Deposit		
<i>Transactions with related parties:</i>		
Deposit made	–	4 466
Loan repayments	243	–
Interest income accrued	253	84
<i>Balances arising from transactions with related parties:</i>		
Deposit	4 560	4 550
Impala Holdings Limited		
<i>Transactions with related parties:</i>		
Loan repayment	3 661	–
<i>Balances arising from transactions with related parties:</i>		
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.		

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

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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.

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

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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	