

Company statement of financial position – as at 30 June 2016

	Notes	2016 Rm	2015 Rm
Assets			
Non-current assets			
Investments in associates and joint venture	2	639	639
Investments in subsidiaries	3	3 621	3 621
Loans to subsidiaries	3	15 869	12 296
Loan – Impala	4	4 467	4 486
Other financial assets	5	1 180	673
		25 776	21 715
Current assets			
Trade and other receivables		50	43
Loan – Impala	4	115	85
Cash and cash equivalents	6	5 115	–
		5 280	128
Total assets		31 056	21 843
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	7	22 186	18 286
Retained earnings/(loss)		3 266	(1 392)
Other components of equity		–	–
Total equity		25 452	16 894
Liabilities			
Non-current liabilities			
Deferred tax liability	8	81	108
Borrowings	9	5 260	4 654
		5 341	4 762
Current liabilities			
Trade and other payables		30	24
Current tax payable		16	–
Borrowings	9	217	158
Other financial liabilities	10	–	5
		263	187
Total liabilities		5 604	4 949
Total equity and liabilities		31 056	21 843

The notes on pages 90 to 98 are an integral part of these Financial Statements.

Company statement of profit or loss and other comprehensive income

– for the period ended 30 June 2016

	Notes	2016 Rm	2015 Rm
Finance and investment income	11	5 114	801
Finance cost		(330)	(285)
Other income	12	469	265
Other expenses	13	(503)	(1 648)
Profit/(loss) before tax		4 750	(867)
Income tax income/(expense)	14	(92)	9
Profit/(loss) for the year		4 658	(858)
Other comprehensive income, comprising items subsequently reclassified to profit or loss:			
Available-for-sale financial assets		–	(28)
Total comprehensive income/(loss) for the year		4 658	(886)

The notes on pages 90 to 98 are an integral part of these Financial Statements.

Company statement of changes in equity – for the period ended 30 June 2016

	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 2015	16	16 376	1 894	18 286	–	(1 392)	16 894
Shares issued	2	3 998	–	4 000	–	–	4 000
Share issue transaction cost	–	(100)	–	(100)	–	–	(100)
Total comprehensive income/(loss)	–	–	–	–	–	4 658	4 658
Profit/(loss) for the year	–	–	–	–	–	4 658	4 658
Other comprehensive income/(loss)	–	–	–	–	–	–	–
Balance at 30 June 2016	18	20 274	1 894	22 186	–	3 266	25 452
Balance at 30 June 2014	16	16 376	1 894	18 286	28	(534)	17 780
Total comprehensive income/(loss)	–	–	–	–	(28)	(858)	(886)
Profit/(loss) for the year	–	–	–	–	–	(858)	(858)
Other comprehensive income/(loss)	–	–	–	–	(28)	–	(28)
Balance at 30 June 2015	16	16 376	1 894	18 286	–	(1 392)	16 894

The notes on pages 90 to 98 are an integral part of these Financial Statements.

Company statement of cash flows – for the period ended 30 June 2016

	Notes	2016 Rm	2015 Rm
Cash flows from operating activities			
Profit/(loss) before tax		4 750	(867)
Adjustment to profit/(loss) before tax	16	(4 730)	855
Finance cost		(198)	(171)
Cash movements in working capital	16	(1)	(6)
Income tax paid		(103)	(16)
Net cash used in operating activities		(282)	(205)
Cash flows from investing activities			
Finance income		502	135
Dividends received	11	4 480	538
Loans to subsidiaries		(3 485)	(468)
Net cash from investing activities		1 497	205
Cash flows from financing activities			
Issue of ordinary shares, net of cost		3 900	—
Net cash from financing activities		3 900	—
Net increase in cash and cash equivalents		5 115	—
Cash and cash equivalents at the beginning of the year		—	—
Cash and cash equivalents at the end of the year		5 115	—

The notes on pages 90 to 98 are an integral part of these Financial Statements.

Notes to the Company Financial Statements – for the period ended 30 June 2016

1. Basis of preparation and accounting policies

The basis of preparation and principal accounting policies are disclosed on pages 17 to 27.

Subsidiaries, associated undertakings and joint venture are accounted for at cost less any impairment provision in the Company Financial Statements.

2. Investments in associates and joint venture

	2016 Rm	2015 Rm
Associates		
Two Rivers Platinum (note 6 of Group Annual Financial Statements)	202	202
Makgomo Chrome (note 6 of Group Annual Financial Statements)	61	61
Joint venture		
Mimosa (note 6 of Group Annual Financial Statements)	376	376
Total investments in associates and joint venture	639	639

Notes to the Company Financial Statements – for the period ended 30 June 2016

3. Investments in subsidiaries

(All amounts in rand millions unless otherwise stated)	Issued share capital	Carrying amount					
		% interest		Investment		Loans	
		2016	2015	2016	2015	2016	2015
Company and description							
Impala Holdings Limited	*	100	100	—	—	12 426	11 575
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		74	74	1 987	1 987	—	—
Owns mineral rights							
Imbasa Platinum (Pty) Limited	*	60	60	—	—	47	47
Owns mineral rights							
Inkosi Platinum (Pty) Limited	*	49	49	—	—	108	98
Owns mineral rights							
Gazelle Platinum Limited	*	100	100	—	—	220	220
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	351	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	2 715	—
Owns mineral rights and mines PGMs							
Impala Chrome (Pty) Limited	*	65	65	52	52	—	—
Sundry and dormant companies	*	77	100	—	—	2	4
Total				3 621	3 621	15 869	12 296
Total investment at cost						19 490	15 917

* Share capital less than R50 000.

** Listed on the Australian Securities Exchange.

¹ Incorporated in Japan.

² Incorporated in the Netherlands.

³ Incorporated in Guernsey.

⁴ Incorporated in Zimbabwe.

Notes to the Company Financial Statements – for the period ended 30 June 2016

4. Loan – Impala

	2016 Rm	2015 Rm
Loan	4 582	4 571
Current	115	85
Non-current	4 467	4 486

The Company made a loan to Impala Platinum Ltd in respect of the cash obtained from the convertible bonds. Interest on the loan is charged at 5.7% and have semi-annually payments ending 21 February 2018.

5. Other financial assets

	Notes	2016 Rm	2015 Rm
Available-for-sale investment	5.1	3	3
Loans	5.2	40	40
Derivative financial instruments	5.3	1 137	630
		1 180	673

5.1 Available-for-sale investment

The Company holds 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.

5.2 Loans

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.

5.3 Derivative financial instruments

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 receives the 1% coupon on the US\$200 million on the same date which Implats pays-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 R1 137 (2015: R630) million.

Refer note 9 of Group Annual Financial Statements.

6. Cash and cash equivalents

	2016 Rm	2015 Rm
Cash at bank	5 115	–
Bank balances (US\$ million)	32	–
Refer note 13 of Group Annual Financial Statements for detailed disclosure relating to cash and cash equivalents.		

Notes to the Company Financial Statements – for the period ended 30 June 2016

7. Share capital

	2016 Rm	2015 Rm
The authorised share capital of the holding company consists of: 844.01 (2015: 844.01) million ordinary shares with a par value of 2.5 cents each		
The issued share capital of the holding company consists of: 734.7 (2015: 632.2) million ordinary shares with a par value of 2.5 cents each	18	16
At a meeting of shareholders held on 6 October 2015, shareholders gave approval for, among other things, to the directors to allot and issue up to 171 895 144 shares. On 7 October 2015, 102 564 102 shares were issued to qualifying investors at R39.00 per share to raise R4.0 billion to be used to fund the completion of Impala's 16 and 20 Shafts.		

8. Deferred tax

Deferred liabilities are attributable to the following items:

Deferred tax liabilities to be settled within 12 months	16	30
Deferred tax liabilities to be settled after 12 months	65	78
	81	108

Deferred income taxes are calculated at the prevailing tax rates.

Deferred tax movements are attributable to the following temporary differences ((assets)/liabilities) and unused tax losses:

	Opening balance Rm	Recognised in profit or loss Rm	Closing balance Rm
2016			
Equity portion of bonds	58	(23)	35
Fair value of assets and liabilities	50	(4)	46
	108	(27)	81
	Opening balance Rm	Recognised in profit or loss Rm	Closing balance Rm
2015			
Equity portion of bonds	75	(17)	58
Fair value of assets and liabilities	58	(8)	50
	133	(25)	108

Notes to the Company Financial Statements – for the period ended 30 June 2016

9. Borrowings

	Notes	2016 Rm	2015 Rm
Convertible bonds – ZAR	9.1	2 575	2 499
Convertible bonds – US\$	9.2	2 848	2 313
Intra-group borrowing – Afplats	9.3	54	—
		5 477	4 812
Current		217	158
Non-current		5 260	4 654
Beginning of the year		4 812	4 410
Proceeds		57	—
Interest accrued		297	270
Repayments		(168)	(156)
Exchange adjustment		479	288
End of the year		5 477	4 812

Proceeds of R4 466 million from the convertible bond issue, which together with interest of R254 (2015: R254) million and payments of R243 (2015: R243) million was advanced to Impala, totalling R4 582 (2015: R4 571) million.

9.1 Convertible bonds – ZAR

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 semi-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 was R319 million (before tax) on issue. 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% (2015: 8.5%).

9.2 Convertible bonds – US\$

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 semi-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% (2015: 3.1%).

9.3 Intra-group borrowing – Afplats

The borrowing from a subsidiary Afplats, is charged at the Company's overdraft borrowing rate which varied between 5.5% – 6.3% per annum. The loan is unsecured and has no fixed term of repayment.

10. Other financial liabilities

	Notes	2016 Rm	2015 Rm
Commitments	10.1	—	5
Derivative financial instruments	10.2	—	—
Current		—	5

10.1 Commitments

Fees payable to Bakwena Ba Mogopa as a result of an agreement with the acquisition of Afplats. The liability had an effective interest rate of 12.9% (2015: 12.9%) and is now fully repaid.

10.2 Derivative financial instruments

The conversion option on the US\$200 million bond was valued at R0 (2015: R0.1) million. The option value was calculated using the binomial option model.

Notes to the Company Financial Statements – for the period ended 30 June 2016

11. Finance and investment income

	2016 Rm	2015 Rm
Cash and cash equivalents	193	–
Interest on subsidiaries shareholders' loans	441	263
Dividend received	4 480	538
	5 114	801

12. Other income

Guarantee fees	43	37
Derivative financial instruments – fair value movements		
– Cross currency interest rate swap	426	210
– Other derivatives	–	18
	469	265

13. Other expenses

Net foreign exchange transaction losses/(gains)	388	288
Corporate costs	41	20
Exploration expenditure	8	4
Other	66	24
Impairment of investment*	–	1 312
	503	1 648

*The investment in Afplats, Imbasa and Inkosi has been impaired in the prior year (note 4 of Group Annual Financial Statements).

14. Income tax expense

Current tax

South African company tax	131	11
Prior year under/(over) provision	(11)	4

Deferred tax

Temporary differences (note 8)	(24)	(20)
Prior year adjustment (note 8)	(3)	(4)

Income tax expense

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 for companies on (loss)/profit before tax	1 330	(243)
Adjusted for:		
Disallowable expenditure	31	17
Exempt dividend income	(1 254)	(150)
Prior year adjustment	(14)	–
Tax expense	93	(376)

Notes to the Company Financial Statements – for the period ended 30 June 2016

15. Contingent liabilities and guarantees

	2016 Rm	2015 Rm
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		
Standard Bank – Marula BEE parties	882	881
Standard Bank – Zimplats Pvt Ltd	1 248	913
First National Bank	665	665
Total guarantees	2 795	2 459
16. Cash generated from operations		
Adjustment to profit before tax:		
Foreign exchange (gain)/loss	479	288
Fair value adjustment on derivative	(426)	(229)
Finance cost	331	285
Finance income (note 11)	(634)	(263)
Impairment of investment	–	1 312
Dividend income (note 11)	(4 480)	(538)
Total adjustment to profit before tax	(4 730)	855
Cash movements in working capital		
Increase in trade and other receivables	(7)	(6)
Increase in trade and other payables	6	–
Cash from changes in working capital	(1)	(6)

Notes to the Company Financial Statements – for the period ended 30 June 2016

17. Related-party transactions

	2016 Rm	2015 Rm
Associates and joint venture (note 2)		
Two Rivers		
Transactions with related parties:		
Dividend received	369	277
Additional 4% investment acquired	–	157
Makgomo Chrome		
Transactions with related parties:		
Dividend received	12	10
Mimosa		
Transactions with related parties:		
Dividend received	50	229
Subsidiaries (notes 3 and 4)		
Impala		
Transactions with related parties:		
Loans granted	1 964	785
Loan repayments	12 452	1 786
Interest income accrued	254	254
Balances arising from transactions with related parties:		
Loans	1 080	11 568
Loans – Impala	4 582	4 571
Impala Holdings Limited		
Transactions with related parties:		
Loan granted	11 338	–
Balances arising from transactions with related parties:		
Loans	11 346	8
Marula Platinum Proprietary Limited		
Transactions with related parties:		
Loan granted	2 715	–
Balances arising from transactions with related parties:		
Guarantees provided (note 16)		
Subsidiaries (refer to page 91)		
Share options granted to directors		
The aggregate number of share options granted to key management (directors and executive management) is disclosed in note 37 of the Group Annual Financial Statements.		

Notes to the Company Financial Statements – for the period ended 30 June 2016

18. Financial risk management

The Company manages its risk on a Group-wide basis. Refer to note 21 of the Group Annual Financial Statements.

18.1 Market risk

Foreign exchange risk

There are no significant concentrations of foreign exchange risk.

Interest rate risk

The Company is exposed to fair value interest rate risk in respect of fixed rate financial assets and liabilities. Movement in interest rates will have an impact on the fair value of these instruments but will not affect profit or loss as these financial assets and liabilities are carried at amortised cost using the effective interest method.

Fixed interest rate exposure

	2016 Rm	2015 Rm
Financial assets		
Loans to subsidiaries (note 3)	13 154	12 296
Loan – Impala (note 4)	4 582	4 571
Financial liabilities		
Borrowings (note 9)	(5 423)	(4 812)
	12 313	12 055

The loan to Impala has a fair value of R4 014 million. This fair value is categorised within Level 3 of the fair value hierarchy. A discounted cash-flow valuation technique was used using an 14% discount rate.

The carrying amount of other financial assets and liabilities which are not carried at fair value, is a reasonable approximation of their fair value.

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 amount of all the financial assets and the maximum amount the Company could have to pay if the guarantees are called on (note 16).

The potential concentration of credit risk could arise in loans 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.

Trade and trade receivables

Trade and other receivables consist 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 16.

18.4 Cash flow interest rate risk

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