NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2016

2. KEY ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

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

2.1 Impairment of assets

The group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Due to the vertically integrated operations of the group and the fact that there is no active market for the group's intermediate products, the group's operations as a whole constitute the smallest CGU.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted by an appropriate discount rate to determine the net present value.

The group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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

The determined value in use of the cash-generating unit is most sensitive to the platinum price, the US dollar exchange rate and the discount rate. Other judgements made by management include, total capital expenditure, operating costs, production levels and inflation factors.

The following key assumptions were made by management, which are based on management interpretation of market forecast and the future.

	Group		Company	
	2016	2015	2016	2015
Long term real platinum price US$ per ounce	1 433	1 663	1 433	1 663
Long term real palladium price US$ per ounce	896	897	896	897
Long term real rhodium price US$ per ounce	1 254	1 573	1 254	1 573
Long term real gold price US$ per ounce	1 209	1 325	1 209	1 325
Long term real exchange rate US$	R14.16	R11.64	R14.16	R11.64
Long term real discount rate	10.50%	15.10%	10.50%	15.10%

Management also estimated the recoverable amount of mineral assets that the group is not currently developing. For those assets, the recoverable amount is calculated on a fair value less cost of disposal basis taking into account earlier binding sales agreements between market participants as well as the market capitalisation of platinum exploration companies relative to their resources base.

2.2 Mine rehabilitation provision

The group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. Management estimates, with the assistance of independent experts, the expected total spend for the rehabilitation, management and remediation of negative environmental impacts at closure at the end of the lives of the mines and processing operations.

The estimation of future costs of environmental obligations relating to decommissioning and rehabilitation is particularly complex and requires management to make estimates, assumptions and judgements relating to the future. These estimates are dependent on a number of factors including assumptions around environmental legislation, life-of-mine estimates and discount rates.

The group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites.

Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future platinum group metal prices, which are inherently uncertain.

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

	Group		Company	
	2016	2015	2016	2015
Long term South African inflation rate	8.71%	6.00%	8.71%	6.00%
Long term real discount rate	10.62%	8.00%	10.62%	8.00%

The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Refer to note 22 relating to the provision for the rehabilitation and decommission liability of the group.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2016

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

Residual values, useful lives and methods of depreciation are reviewed at each reporting period and adjusted prospectively, if appropriate.

The group's assets, excluding mining development and infrastructure assets, are depreciated over their expected useful lives which are reviewed annually to ensure that the useful lives continue to be appropriate. In assessing useful lives, technological innovation, product life cycles, physical condition of the assets and maintenance programmes are taken into consideration.

Mining development and infrastructure assets are depreciated on a unit-of-production basis. The calculation of the unit-of-production depreciation is based on forecasted production which is calculated using numerous assumptions. Any changes in these assumptions may have an impact on the calculation.

Refer to note 5 relating to property, plant and equipment and note 6 for mining properties and mineral resources.

2.4 Ore reserve and mineral resource estimates (life of mine)

The estimation of reserves impacts the depreciation of property, plant and equipment, the recoverable amount of property, plant and equipment and the timing of rehabilitation expenditure.

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the group's mining properties. The group estimates its ore reserves and mineral resources, based on information compiled by appropriately qualified persons, relating to the geological data on the size, depth and shape of the ore body, and require complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgements made in estimating the size and grade of the ore body. Changes in the reserve or resources estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, provision for rehabilitation, recognition of deferred tax assets (if any), and depreciation and amortisation charges. The group estimates and reports ore reserves in line with the principles contained in the South African Code for Reporting of Mineral Resources and Mineral Reserves of 2007, revised in 2016 (SAMREC 2016).

The above impacts both the provision for rehabilitation and decommission as detailed in note 22 as well as the depreciation calculation for property, plant and equipment items (note 5) as well as mining properties and mineral resources included in note 6.

2.5 Production start date for mine developments

The group assesses the stage of a mine under construction to determine when the mine moves into the production phase. This being when the mine is substantially complete and ready for its intended use. The criteria used to assess the start date are determined based on the unique nature of that mine's construction project, such as the complexity of the project and its location. The group considers various relevant criteria to assess when the production phase is considered to have commenced. At this point, all related amounts are reclassified from "pre-production development expenditure" to "property, plant and equipment". Some of the criteria used to identify the production start date include, but are not limited to:

– Level of capital expenditure incurred compared to the original construction cost estimate
– Ability to produce metal in saleable form (within specification)
– Ability to sustain ongoing production of metal

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

2.6 Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalised as part of the cost of the respective asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Northam obtained various forms of borrowings to fund the development of new mines. Only borrowing costs relating to qualifying assets are capitalised as borrowing costs.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Refer to financing charges excluding preference share dividends included in note 36. No finance costs were capitalised in the current or previous year.

2.7 Transaction with Northam's precious metal refiner

Northam agreed terms to extend its co-operation agreement with Heraeus Deutschland GmbH &Co. KG (Heraeus) and Heraeus South Africa Proprietary Limited (HSA).

In terms of the agreement Heraeus will contribute €20.0 million to expand the capacity of Northam's existing smelter, through the construction of a 20MW second furnace at the Zondereinde metallurgical complex. The total cost of the expansion is estimated at R750.0 million.

The agreement also provides for the renewal of the current offtake and toll refining agreements with Heraeus.

Heraeus' capital contribution will be fixed according to a progress schedule, and paid in two tranches of €10.0 million each, the first of which was received during June 2016. The furnace is planned for commissioning by the end of the 2017 calendar year. In return, Northam has renewed its toll refining agreement with Heraeus and HSA for a period of 20 years on competitive terms. Northam also undertakes to sell up to 40% of its production to Heraeus or HSA at market prices.

The first €10.0 million received from Heraeus was recognised as a liability, as Northam is obligated to refund the amount to Heraeus if, but only if Northam does not commission the furnace on time. Once the furnace is commissioned and the second €10.0 million is received, the €20.0 million will be deducted from the cost of the smelter as the value contributed by Heraeus is effectively considered a "rebate" in terms of IAS 16.16(a). The €10.0 million was revalued to the closing Euro exchange rate at year end.

R9.4 million will be paid annually by Northam for product development on 1 July of every year, commencing on 1 July 2016 for 20 years.

With regards to the R9.4 million annual payments from Northam to HSA, Northam has an obligation to pay this amount to HSA for 20 years. A liability was recognised at contract inception, being 16 April 2016. The liability was measured at the present value of the R9.4 million payments over 20 years using the prevailing prime interest rate. The contra side of the entry was included as an addition cost to the furnace. The reason for this is that the contract will be entered into for the construction of the smelter and thus the liability is viewed as a cost incurred in the construction of the smelter. By adding the amount to the cost of the smelter, depreciation will be higher each year, thereby increasing the cost of goods produced.

Refer to note 5 Property, plant and equipment as well as note 23 which details the amounts payable to Heraeus and HSA.

2.8 Zambezi Platinum (RF) Limited

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

All of these factors have been considered in determining that even though Northam Platinum Limited does not have majority of the voting rights in Zambezi Platinum (RF) Limited it still has control over the entity.

Refer to note 24 detailing the preference share liability consolidated into the Northam group.

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for the year ended 30 June 2016

2.9 Toro Employee Empowerment Trust

The company entered into an agreement with the representative unions at the Northam's Zondereinde mine in terms of which the company has undertaken to contribute 4% of Northam company's after tax profits to the Toro Employee Empowerment Trust, providing Northam's Zondereinde mine unskilled and semi-skilled employees an opportunity to participate in the profits of the company. In the event of the company making a loss, no contributions are made to the trust. Eligible employees will receive payment at the end of each five-year cycle, starting from September 2013. The amount of the cash to be distributed is based on the valuation of the fund and Northam Platinum Limited does not guarantee any values over and above what is included in the Trust and managed accordingly by the investment manager.

The Toro Trust is accounted for as an "other long term employee benefits" in terms of IAS 19.

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

	Group		Company	
	2016	2015	2016	2015
Discount rate	7.8%	7.60%	7.8%	7.60%
Interest rate	8.2%	7.90%	8.2%	7.90%

The rate used to discount pre-retirement benefit obligations should be determined by reference to market yields at the reporting date on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds should be used. There is however no deep market in corporate bonds in South Africa and as such reference to the nominal bond curve, as compiled by the JSE has been used, for the duration of the liabilities of 2 years. This converts into an effective yield of 7.80% as at 30 June 2016. In terms of the accounting standards historical yields are less important and we consequently consider it appropriate to use the discount rate 7.80% per annum.

Refer to note 31 detailing the movements included in the Toro Trust in the current year.

2.10 Taxes

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

Estimation is required to determine whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require the group to assess the likelihood that the group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred tax assets.

Judgements are also required in respect of the application of existing tax laws in each jurisdiction. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, dividends and other capital management transactions). To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the reporting date could be impacted.

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

Refer to note 21 and note 39 detailing the breakdown of both normal and deferred taxes for the current year.

2.11 Contingencies

A contingency is a possible obligation depending on whether some uncertain future event occurs, or a present obligation but payment is not probable or the amount cannot be measured reliably.

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

2.12 Inventories

Work in progress metal inventory is valued at the lower of net realisable value and the average cost of production or purchase less net revenue from sales of other metals in the ratio of the contribution of these metals to gross sales revenue. Production costs are allocated to platinum, palladium, rhodium and gold (joint products) by dividing the mine output into total mine production costs, determined on a 3-month rolling average basis. The quantity of ounces of joint products in work in progress is calculated based on the following factors. The theoretical inventory at that point in time which is calculated by adding the inputs to the previous physical inventory and then deducting the outputs for the inventory period. The inputs and outputs include estimates due to the delay in finalising analytical values. The estimates are subsequently trued up to the final metal accounting quantities when available. The theoretical inventory is then converted to a refined equivalent inventory by applying appropriate recoveries depending on where the material is within the production pipeline. The recoveries are based on actual results as determined by the inventory count and are in line with industry standards.

The nature of the production process inherently limits the ability to precisely measure recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the variables used in the process are refined based on actual results over time.

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

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

Stockpile tonnages are verified by periodic surveys.

Refer to note 16 detailing the breakdown of inventories at year end.

2.13 Exploration and evaluation expenditure

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

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

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

2.14 Fair value measurement

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

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

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

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

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable information.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2016

2.15 Guarantee to Zambezi Platinum (RF) Limited

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

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

In the Northam Platinum Limited separate financial statements, the financial guarantee was recognised as a financial guarantee liability. Measuring the guarantee contract liability required the use of estimates, these assumptions include:

	Group		Company	
	2016	2015	2016	2015
Dividend yield rate	–	–	0.30%	0.30%
Volatility	–	–	30.00%	30.00%
Risk free rate	–	–	8.42%	8.42%

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

Refer to note 25 included in the annual financial statements.

2.16 Black economic empowerment (BEE) transaction cost

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

Refer to note 37 sundry expenditure, detailing the transaction costs relating to the BEE transaction in the prior year.

2.17 Liquidity fees incurred with the BEE transaction

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

Included in the Northam Platinum Limited company accounts these costs were expensed as transaction costs. The liquidity fee payable of R163.9 million was of a capital nature and therefore not tax deductible, resulting in a permanent difference in the prior year.

Refer to note 27 which discloses the preference share liability including the liquidity fees incurred with the BEE transaction.

2.18 Determining the recoverability of investment in associate

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

During the current year the investment was sold.

Refer to note 7, interest in associates and joint ventures for the various impairments and reversal of impairments accounted for during the current and prior year.

2.19 Pandora joint venture

The group's interest in the "joint venture" is classified as an investment in an associate due to the existence of significant influence as opposed to joint control. The entity is called the Pandora joint venture because there are three parties that have an interest in the entity and the two main parties hold 92.50% interest. Joint control only exists for the two majority parties and the minority interest holder only have significant influence due to board representation. Thus the investment has been accounted for as an investment in associate.

Refer to note 7 which discloses the investment in the Pandora joint venture.

2.20 Operating segments

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

The Zondereinde mine includes the results of Northam Chrome Proprietary Limited (formerly known as Northam Chrome Producers Proprietary Limited). This operating segment does not meet the quantitative thresholds to be separately reported and the nature of the products and type of customers is similar to that of Zondereinde.

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

Refer to note 2 for the segmental disclosure.

2.21 Equity settled share based payment

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

Refer to note 20 for the equity settled share based payment accounted for in the prior year as part of the BEE transaction.

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for the year ended 30 June 2016

3. SEGMENTAL ANALYSIS

The group has two business segments, the Zondereinde mine and the Booysendal mine. The group's executive committee looks at the performance of the Zondereinde and Booysendal mines when allocating resources and assessing the segmental performance. The Zondereinde segment includes the results of Northam Chrome Proprietary Limited (formerly known as Northam Chrome Producers Proprietary Limited).

Segmental statement of profit or loss and other comprehensive income

30 June 2016	Zondereinde operating segment R'000	Booysendal operating segment R'000	Intercompany eliminations R'000	Zambezi Platinum and the BEE transaction R'000	Other R'000	Total R'000
Sales revenue	5 966 217	1 972 883	(1 843 980)	–	1 950	6 097 070
Cost of sales	(5 718 092)	(1 796 904)	1 843 980	–	(42 706)	(5 713 722)
Operating costs	(3 464 378)	(1 541 040)	–	–	(1 815)	(5 007 233)
On mine operations	*(2 691 280)*	*(1 166 353)*	–	–	–	*(3 857 633)*
Concentrator operations	*(285 170)*	*(283 461)*	–	–	–	*(568 631)*
Smelting and base metal removal plant costs	*(273 612)*	–	–	–	–	*(273 612)*
Chrome processing	*(18 175)*	*(11 921)*	–	–	–	*(30 096)*
Selling and administration	*(106 622)*	*(47 762)*	–	–	–	*(154 384)*
Royalty charges	*(34 419)*	*(9 864)*	–	–	–	*(44 283)*
Share based payment expenses	*(35 628)*	*(28 547)*	–	–	–	*(64 175)*
Toro employee profit share scheme	*(10 904)*	–	–	–	–	*(10 904)*
Rehabilitation	*(8 568)*	*6 868*	–	–	–	*(1 700)*
Other	–	–	–	–	*(1 815)*	*(1 815)*
Concentrates purchased	(2 194 494)	–	1 843 980	–	–	(350 514)
Refining including sampling and handling charges	(133 186)	–	–	–	–	(133 186)
Depreciation and write offs	(191 797)	(213 481)	–	–	1 733	(403 545)
Change in metal inventory	265 763	(42 383)	–	–	(42 624)	180 756
Operating profit	248 125	175 979	–	–	(40 756)	383 348
Share of (losses)/earnings from associate and joint venture	–	–	–	–	(32 253)	(32 253)
Investment revenue	111 066	163 940	(27 223)	–	17 475	265 258
Finance charges before preference shares	(33 515)	(24 131)	27 223	–	(9 211)	(39 634)
Sundry income	157 437	3 233	–	–	20 258	180 928
Sundry expenditure	(37 088)	(32 110)	–	–	(22 924)	(92 122)
Profit/(loss) before preference share dividends	446 025	286 911	–	–	(67 411)	665 525
Amortisation of liquidity fees paid on preference shares	–	–	–	(18 088)	–	(18 088)
Preference shares	–	–	–	(918 806)	–	(918 806)
Profit/(loss) before tax	446 025	286 911	–	(936 894)	(67 411)	(271 369)
Taxation	(162 587)	(82 866)	–	–	8 559	(236 894)
Profit/(loss) for the year	283 438	204 045	–	(936 894)	(58 852)	(508 263)

Segmental statement of profit or loss and other comprehensive income

30 June 2015	Zondereinde operating segment R'000	Booysendal operating segment R'000	Intercompany eliminations R'000	Zambezi Platinum and the BEE transaction R'000	Other R'000	Total R'000
Sales revenue	4 414 254	1 978 081	(360 616)	–	3 816	6 035 535
Cost of sales	(4 015 840)	(1 782 850)	360 616	–	(1 648)	(5 439 722)
Operating costs	(3 147 023)	(1 192 167)	–	–	(3 381)	(4 342 571)
On mine operations	*(2 548 692)*	*(872 982)*	–	–	–	*(3 421 674)*
Concentrator operations	*(264 326)*	*(245 973)*	–	–	–	*(510 299)*
Smelting and base metal removal plant costs	*(172 485)*	–	–	–	–	*(172 485)*
Chrome processing	*(34 686)*	*(11 329)*	–	–	–	*(46 015)*
Selling and administration	*(70 970)*	*(34 011)*	–	–	–	*(104 981)*
Royalty charges	*(29 912)*	*(10 074)*	–	–	–	*(39 986)*
Share based payment expenses	*(22 994)*	*(13 042)*	–	–	–	*(36 036)*
Toro employee profit share scheme	*(25)*	–	–	–	–	*(25)*
Rehabilitation	*(2 933)*	*(4 756)*	–	–	–	*(7 689)*
Other	–	–	–	–	*(3 381)*	*(3 381)*
Concentrates purchased	(963 011)	–	360 616	–	–	(602 395)
Refining including sampling and handling charges	(83 408)	(116 062)	–	–	–	(199 470)
Depreciation and write offs	(167 988)	(173 694)	–	–	1 733	(339 949)
Change in metal inventory	345 590	(300 927)	–	–	–	44 663
Operating profit	398 414	195 231	–	–	2 168	595 813
Share of (losses)/earnings from associate and joint venture	–	–	–	–	28 769	28 769
Investment revenue	232 598	29 929	(189 100)	588	(1 972)	72 043
Finance charges before preference shares	(140 342)	(186 410)	189 100	–	(7 518)	(145 170)
Sundry income	265 336	1 147	–	–	1 767	268 250
Sundry expenditure	(197 285)	(13 498)	–	(1 289 518)	(86 963)	(1 587 264)
Profit/(loss) before preference share dividends	558 721	26 399	–	(1 288 930)	(63 749)	(767 559)
Preference share dividends	–	–	–	(100 767)	–	(100 767)
Profit/(loss) before tax	558 721	26 399	–	(1 389 697)	(63 749)	(868 326)
Taxation	(153 604)	74 279	–	(87 350)	1 056	(165 619)
Profit/(loss) for the year	405 117	100 678	–	(1 477 047)	(62 693)	(1 033 945)

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Segmental statement of financial position

30 June 2016	Zondereinde operating segment R'000	Booysendal operating segment R'000	Intercompany eliminations R'000	Zambezi Platinum and the BEE transaction R'000	Other R'000	Total R'000
ASSETS						
Non-current assets	13 298 934	11 614 864	(22 573 282)	6 875 935	4 893 633	14 110 084
Property, plant and equipment	2 813 957	5 089 844	(51 096)	–	1 288	7 853 993
Mining properties and mineral resources	101 518	6 451 464	(954 583)	–	15 695	5 614 094
Interest in associates and joint ventures	36 844	–	–	–	155 320	192 164
Investment in subsidiaries	10 236 000	–	(14 836 000)	–	4 600 000	–
Investment in Northam Platinum Limited	–	–	(6 875 935)	6 875 935	–	–
Unlisted investment	6	–	–	–	–	6
Land and township development	18 218	11 955	–	–	21 168	51 341
Long term receivables	–	–	–	–	89 717	89 717
Investments held by Northam Platinum Restoration Trust Fund	43 204	50 443	–	–	–	93 647
Environmental Guarantee Investment	49 187	11 158	–	–	–	60 345
Buttonshope Conservancy Trust	–	–	–	–	10 445	10 445
Deferred tax asset	–	–	144 332	–	–	144 332
Current assets	5 665 592	1 856 514	(5 117 587)	424	2 462 836	4 867 779
Short term subsidiary loan	2 354 985	363 618	(5 074 446)	–	2 355 843	–
Inventories	1 309 127	63 767	(42 624)	–	–	1 330 270
Trade and other receivables	295 867	68 587	(517)	–	11 267	375 204
Cash and cash equivalents	1 657 140	1 360 542	–	424	86 974	3 105 080
Tax receivable	48 473	–	–	–	8 752	57 225
Total assets	18 964 526	13 471 378	(27 690 869)	6 876 359	7 356 469	18 977 863
EQUITY AND LIABILITES						
Stated capital	13 778 114	4 600 000	(11 706 125)	–	7 106 125	13 778 114
Treasury shares	–	–	(6 556 123)	–	–	(6 556 123)
Retained earnings	(6 030 982)	(257 188)	7 743 692	(770 976)	(53 001)	631 545
Non distributable reserves	–	2 501 755	(2 501 755)	–	–	–
Equity settled share based payment reserve	1 173 756	–	(299 308)	–	–	874 448
Total equity	8 920 888	6 844 567	(13 319 619)	(770 976)	7 053 124	8 727 984
Non-current liabilities	8 983 689	1 695 422	(9 320 307)	7 647 335	66 040	9 072 179
Deferred tax liability	597 149	1 530 187	(1 613 759)	71 638	5 422	590 637
Long term provisions	139 316	133 504	–	–	–	272 820
Long term loan	239 351	–	(24 456)	–	60 618	275 513
Long term share based payment liability	52 642	31 731	–	–	–	84 373
Financial guarantee liability	7 535 944	–	(7 535 944)	–	–	–
Domestic medium term debt notes	419 287	–	–	–	–	419 287
Preference share liability	–	–	(146 148)	7 575 697	–	7 429 549
Current liabilities	1 059 949	4 931 389	(5 050 943)	–	237 305	1 177 700
Current portion of long term loans	9 400	–	–	–	3 801	13 201
Short term share based payment liability	44 197	12 507	–	–	–	56 704
Tax payable	–	1 418	–	–	102 654	104 072
Subsidiary loans	363 618	4 618 007	(5 049 990)	–	68 365	–
Trade and other payables	524 934	291 469	(953)	–	62 485	877 935
Short term provisions	117 800	7 988	–	–	–	125 788
Total equity and liabilities	18 964 526	13 471 378	(27 690 869)	6 875 359	7 356 469	18 977 863

30 June 2015	Zondereinde operating segment R'000	Booysendal operating segment R'000	Intercompany eliminations R'000	Zambezi Platinum and the BEE transaction R'000	Other R'000	Total R'000
ASSETS						
Non-current assets	12 991 278	11 156 650	(22 108 795)	6 437 794	4 890 121	13 367 048
Property, plant and equipment	2 445 944	4 672 337	(52 929)	–	–	7 065 352
Mining properties and mineral resources	109 362	6 466 104	(954 683)	–	15 695	5 636 478
Interest in associates and joint ventures	116 961	–	–	–	158 886	275 847
Investment in subsidiaries	10 236 000	–	(14 836 000)	–	4 600 000	–
Investment in Northam Platinum Limited	–	–	(6 437 794)	6 437 794	–	–
Unlisted investment	6	–	–	–	–	6
Land and township development	–	–	–	–	10 000	10 000
Long term receivables	–	–	–	–	94 503	94 503
Investments held by Northam Platinum Restoration Trust Fund	38 868	10 224	–	–	–	49 092
Environmental Guarantee Investment	44 137	7 985	–	–	–	52 122
Buttonshope Conservancy Trust	–	–	–	–	11 037	11 037
Deferred tax asset	–	–	172 611	–	–	172 611
Current assets	6 115 420	3 798 624	(6 580 906)	425	2 450 725	5 784 288
Short term subsidiary loan	4 226 019	–	(6 580 906)	–	2 354 887	–
Inventories	1 046 119	80 431	–	–	–	1 126 550
Trade and other receivables	281 958	211 547	–	–	5 349	498 854
Cash and cash equivalents	548 522	3 506 646	–	425	82 596	4 138 189
Tax receivable	12 802	–	–	–	7 893	20 695
Total assets	19 106 698	14 955 274	(28 689 701)	6 438 219	7 340 846	19 151 336
EQUITY AND LIABILITES						
Stated capital	13 778 114	4 600 000	(11 706 125)	–	7 106 125	13 778 114
Treasury shares	–	–	(6 556 123)	–	–	(6 556 123)
Retained earnings	(6 314 422)	(461 134)	8 158 145	(218 673)	(24 108)	1 139 808
Non distributable reserves	–	2 501 755	(2 501 755)	–	–	–
Equity settled share based payment reserve	1 173 756	–	(299 308)	–	–	874 448
Share of other comprehensive income from associate	–	–	–	–	(19 822)	(19 822)
Total equity	8 637 448	6 640 621	(12 905 166)	(218 673)	7 062 195	9 216 425
Non-current liabilities	8 236 555	1 576 084	(9 228 424)	6 656 891	69 647	7 310 753
Deferred tax liability	527 866	1 492 146	(1 503 788)	–	5 228	521 452
Long term provisions	114 509	72 708	–	–	–	187 217
Long term loan	–	–	(24 456)	–	64 419	39 963
Long term share based payment liability	58 236	11 230	–	–	–	69 466
Financial guarantee liability	7 535 944	–	(7 535 944)	–	–	–
Preference share liability	–	–	(164 236)	6 656 891	–	6 492 655
Current liabilities	2 232 695	6 738 569	(6 556 111)	1	209 004	2 624 158
Current portion of long term loans	–	–	–	–	3 801	3 801
Short term share based payment liability	49 974	11 045	–	–	–	61 019
Domestic medium term debt notes	1 370 000	–	–	–	–	1 370 000
Tax payable	–	169	–	–	101 902	102 072
Subsidiary loans	–	6 515 177	(6 556 451)	–	41 274	–
Trade and other payables	691 859	205 770	340	1	62 027	959 996
Short term provisions	120 862	6 408	–	–	–	127 270
Total equity and liabilities	19 106 698	14 955 274	(28 689 701)	6 438 219	7 340 846	19 151 336

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4. ACQUISITION OF NON CONTROLLING INTEREST

On 1 August 2014, Northam Platinum Limited acquired the last remaining 20% of the voting shares in Northam Chrome Proprietary Limited (previously known as Northam Chrome Producers Proprietary Limited) from the minority shareholders for a consideration of R50.0 million. Northam Chrome Proprietary Limited is now wholly owned by Northam Platinum Limited.

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Non-controlling interest acquired	–	3 185	–	–
Adjustment to retained earnings	–	46 815	–	–
Purchase consideration transferred	–	50 000	–	–

5. PROPERTY, PLANT AND EQUIPMENT

	Mining plant and equipment R'000	Mine development R'000	Decommissioning asset R'000	Motor vehicles R'000	Total R'000
Group 30 June 2016					
Cost opening balance as at 1 July 2015	4 946 844	4 115 766	132 512	17 456	9 212 578
Present value of decommissioning asset capitalised	–	–	35 984	–	35 984
Transfer from mining properties and mineral resources	54 202	–	–	(1 561)	52 641
Additions to maintain operations	333 652	–	–	–	333 652
Additions to expand operations	420 307	328 882	–	–	749 189
Disposals and write offs	(7 742)	–	–	(594)	(8 336)
Cost closing balance as at 30 June 2016	5 747 263	4 444 648	168 496	15 301	10 375 708
Opening accumulated depreciation balance as at 1 July 2015	(1 762 166)	(354 575)	(24 795)	(5 690)	(2 147 226)
Transfer from mining properties and mineral resources	(1 312)	–	–	(1 541)	(2 853)
Depreciation	(239 528)	(130 094)	(4 008)	(2 164)	(375 794)
Accumulated depreciation on disposals	3 966	–	–	192	4 158
Accumulated depreciation closing balance as at 30 June 2016	(1 999 040)	(484 669)	(28 803)	(9 203)	(2 521 715)
Carrying value of property, plant and equipment at 30 June 2016	3 748 223	3 959 979	139 693	6 098	7 853 993

	Mining plant and equipment	Mine development	Decommissioning asset	Motor vehicles	Total
	R'000	R'000	R'000	R'000	R'000
Group 30 June 2015					
Cost opening balance as at 1 July 2014	3 920 378	4 115 766	95 544	18 318	8 150 006
Present value of decommissioning asset capitalised	–	–	36 968	–	36 968
Additions to maintain operations	281 805	–	–	4 207	286 012
Additions to expand operations	776 140	–	–	2 928	779 068
Disposals and write offs	(31 479)	–	–	(7 997)	(39 476)
Cost closing balance as at 30 June 2015	4 946 844	4 115 766	132 512	17 456	9 212 578
Opening accumulated depreciation balance as at 1 July 2014	(1 645 129)	(185 712)	(22 080)	(10 023)	(1 862 944)
Depreciation	(148 516)	(168 863)	(2 715)	(3 005)	(323 099)
Accumulated depreciation on disposals	31 479	–	–	7 338	38 817
Accumulated depreciation closing balance as at 30 June 2015	(1 762 166)	(354 575)	(24 795)	(5 690)	(2 147 226)
Carrying value of property, plant and equipment at 30 June 2015	3 184 678	3 761 191	107 717	11 766	7 065 352

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

	Mining plant and equipment and mine development	Decommissioning asset	Motor vehicles	Total
	R'000	R'000	R'000	R'000
Company 30 June 2016				
Cost opening balance as at 1 July 2015	4 154 469	67 485	7 937	4 229 891
Present value of decommissioning asset capitalised	-	3 024	–	3 024
Transfer from mining properties and mineral resources	7 423	–	–	7 423
Additions to maintain operations	256 794	–	–	256 794
Additions to expand operations	294 297	–	–	294 297
Disposals and write offs	(33 190)	–	(1 898)	(35 088)
Cost closing balance as at 30 June 2016	4 679 793	70 509	6 039	4 756 341
Opening accumulated depreciation balance as at 1 July 2015	(1 786 243)	(21 502)	(3 133)	(1 810 878)
Transfer from mining properties and mineral resources	(2 852)	–	–	(2 852)
Depreciation	(182 570)	(1 436)	(687)	(184 693)
Accumulated depreciation on disposals	31 839	–	521	32 360
Accumulated depreciation closing balance as at 30 June 2016	(1 939 826)	(22 938)	(3 299)	(1 966 063)
Carrying value of property, plant and equipment at 30 June 2016	2 739 967	47 571	2 740	2 790 278

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for the year ended 30 June 2016

	Mining plant and equipment and mine development	Decommissioning asset	Motor vehicles	Total
	R'000	R'000	R'000	R'000
Company 30 June 2015				
Cost opening balance as at 1 July 2014	3 905 157	52 742	7 103	3 965 002
Present value of decommissioning asset capitalised	–	14 743	–	14 743
Additions to maintain operations	267 295	–	4 207	271 502
Disposals and write offs	(17 983)	–	(3 373)	(21 356)
Cost closing balance as at 30 June 2015	4 154 469	67 485	7 937	4 229 891
Opening accumulated depreciation balance as at 1 July 2014	(1 644 577)	(20 434)	(4 320)	(1 669 331)
Depreciation	(159 462)	(1 068)	(832)	(161 362)
Accumulated depreciation on disposals	17 796	–	2 019	19 815
Accumulated depreciation closing balance as at 30 June 2015	(1 786 243)	(21 502)	(3 133)	(1 810 878)
Carrying value of property, plant and equipment at 30 June 2015	2 368 226	45 983	4 804	2 419 013

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

6. MINING PROPERTIES AND MINERAL RESOURCES

	Mining properties	Mineral resources	Total
	R'000	R'000	R'000
Group 30 June 2016			
Cost opening balance as at 1 July 2015	282 374	5 571 003	5 853 377
Additions	–	55 155	55 155
Transfer to property, plant and equipment	(2 789)	(49 852)	(52 641)
Cost closing balance as at 30 June 2016	279 585	5 576 306	5 855 891
Opening accumulated depreciation balance as at 1 July 2015	(156 952)	(59 947)	(216 899)
Transfer to property, plant and equipment	2 646	207	2 853
Depreciation	(3 375)	(24 376)	(27 751)
Accumulated depreciation closing balance as at 30 June 2016	(157 681)	(84 116)	(241 797)
Carrying value of mining properties and mineral resources as at 30 June 2016	121 904	5 492 190	5 614 094

	Mining properties R'000	Mineral resources R'000	Total R'000
Group 30 June 2015			
Cost opening balance as at 1 July 2014	282 374	5 571 003	5 853 377
Cost closing balance as at 30 June 2015	282 374	5 571 003	5 853 377
Opening accumulated depreciation balance as at 1 July 2014	(153 223)	(46 826)	(200 049)
Depreciation	(3 729)	(13 121)	(16 850)
Accumulated depreciation closing balance as at 30 June 2015	(156 952)	(59 947)	(216 899)
Carrying value of mining properties and mineral resources as at 30 June 2015	125 422	5 511 056	5 636 478

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

	Mining properties R'000	Mineral resources R'000	Total R'000
Company 30 June 2016			
Cost opening balance as at 1 July 2015	266 314	–	266 314
Transfer to property, plant and equipment	(7 423)	–	(7 423)
Cost closing balance as at 30 June 2016	258 891	–	258 891
Opening accumulated depreciation balance as at 1 July 2015	(156 952)	–	(156 952)
Transfer to mining properties and mineral resources	2 852	–	2 852
Depreciation	(3 273)	–	(3 273)
Accumulated depreciation closing balance as at 30 June 2016	(157 373)	–	(157 373)
Carrying value of mining properties and mineral resources as at 30 June 2016	101 518	-	101 518

	Mining properties R'000	Mineral resources R'000	Total R'000
Company 30 June 2015			
Cost opening balance as at 1 July 2014	266 314	–	266 314
Cost closing balance as at 30 June 2015	266 314	–	266 314
Opening accumulated depreciation balance as at 1 July 2014	(153 223)	–	(153 223)
Depreciation	(3 729)	–	(3 729)
Accumulated depreciation closing balance as at 30 June 2015	(156 952)	–	(156 952)
Carrying value of mining properties and mineral resources as at 30 June 2015	109 362	–	109 362

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

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7. INTEREST IN ASSOCIATES AND JOINT VENTURES

Interest in associates and joint ventures comprises of a 7.5% interest in the Pandora joint venture (associate), a 50% interest in the Dwaalkop platinum project (joint venture), a 51% interest in the Kokerboom (joint venture) exploration project and a 0% interest (2015: 20.3% interest) in the issued share capital of Trans Hex Group Limited (associate) until 9 May 2016 when it was disposed of.

During the year under review the 20.3% interest in the issued share capital of Trans Hex Group Limited was sold. All other percentage holdings remained unchanged from the prior year.

In addition to the above, effective 29 February 2016, a 20% investment in SSG Holdings Proprietary Limited was acquired for R10.0 million. Subsequent to year end an additional 10% investment in SSG Holdings Proprietary Limited was acquired.

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Dwaalkop joint venture	136 230	136 230	–	–
Pandora joint venture	45 565	70 720	36 845	49 356
Trans Hex Group Limited	–	68 897	–	67 605
SSG Holdings Proprietary Limited	10 369	–	–	–
	192 164	275 847	36 845	116 961

Below is a reconciliation of Northam Platinum Limited's interest in associates and joint venture:

	Interest in Pandora joint venture 7.5%	Interest in Dwaalkop joint venture 50.0%	Interest in Trans Hex Group Limited 20.3%	Interest in SSG Holdings Proprietary Limited 20.0%	Total
	R'000	R'000	R'000	R'000	R'000
Group 30 June 2016					
Opening balance as at 1 July 2015	70 720	136 230	68 897	–	275 847
Additional investment	10 601	–	–	10 000	20 601
(Loss)/profit for the year	(12 620)	–	(20 002)	369	(32 253)
Other comprehensive income	–	–	(3 947)	–	(3 947)
Current year amortisation	(2 600)	–	–	–	(2 600)
Cash distributions received	(24)	–	–	–	(24)
Reversal of prior year impairment	–	–	34 122	–	34 122
Impairment	(20 512)	–	–	–	(20 512)
Sale of investment in Trans Hex Group Limited	–	–	(79 070)	–	(79 070)
	45 565	136 230	–	10 369	192 164

	Interest in Pandora joint venture 7.5%	Interest in Dwaalkop joint venture 50.0%	Interest in Trans Hex Group Limited 20.3%	Interest in SSG Holdings Proprietary Limited 20.0%	Total
	R'000	R'000	R'000	R'000	R'000
Group 30 June 2015					
Opening balance as at 1 July 2014	114 927	300 679	80 903	–	496 509
Additional investment	9 657	–	–	–	9 657
(Loss)/profit for the year	(10 747)	–	39 516	–	28 769
Other comprehensive income	–	–	(4 482)	–	(4 482)
Current year amortisation	(2 600)	–	–	–	(2 600)
Cash distributions received	(34)	–	(12 918)	–	(12 952)
Impairment	(40 483)	(164 449)	(34 122)	–	(239 054)
	70 720	136 230	68 897	–	275 847

	Interest in Pandora joint venture 7.5%	Interest in Dwaalkop joint venture 50.0%	Interest in Trans Hex Group Limited 20.3%	Interest in SSG Holdings Proprietary Limited 20.0%	Total
	R'000	R'000	R'000	R'000	R'000
Company 30 June 2016					
Opening balance as at 1 July 2015	49 356	–	67 605	–	116 961
Additional investment	10 601	–	–	–	10 601
Current year amortisation	(2 600)	–	–	–	(2 600)
Impairment	(20 512)	–	–	–	(20 512)
Sale of investment in Trans Hex Group Limited	–	–	(67 605)	–	(67 605)
	36 845	–	–	–	36 845

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	Interest in Pandora joint venture	Interest in Dwaalkop joint venture	Interest in Trans Hex Group Limited	Interest in SSG Holdings Proprietary Limited	Total
	7.5%	50.0%	20.3%	20.0%	
	R'000	R'000	R'000	R'000	R'000
Company 30 June 2015					
Opening balance as at 1 July 2014	42 333	–	67 605	–	109 938
Additional investment	9 623	–	–	–	9 623
Current year amortisation	(2 600)	–	–	–	(2 600)
	49 356	–	67 605	–	116 961

Below is a summary of the statement of profit or loss and other comprehensive income of the various associates and joint ventures:

Statement of profit or loss and other comprehensive income

	Interest in Pandora joint venture	Interest in Dwaalkop joint venture	Interest in Trans Hex Group Limited*	Interest in SSG Holdings Proprietary Limited	Total
	7.5%	50.0%	20.3%	20.0%	
	R'000	R'000	R'000	R'000	R'000
30 June 2016					
Sales	33 209	–	110 499	22 013	165 721
Cost of sales and operating expenditure	(39 888)	–	(111 269)	(2 515)	(153 672)
Operating (loss)/profit	(6 679)	–	(770)	19 498	12 049
Investment income	75	–	3 900	–	3 975
Sundry (expenditure)/income	(5 940)	–	2 399	–	(3 541)
Other operating costs	–	–	(35 303)	(18 877)	(54 180)
Finance charges	(76)	–	(804)	(190)	(1 070)
Profit from discontinued operations	–	–	4 980	–	4 980
(Loss)/profit before tax	(12 620)	–	(25 598)	431	(37 787)
Taxation	–	–	5 596	(62)	5 534
(Loss)/profit for the year	(12 620)	–	(20 002)	369	(32 253)
Other comprehensive income	–	–	(3 947)	–	(3 947)
Total comprehensive income for the year	(12 620)	–	(23 949)	369	(36 200)

** The period relates to 1 July 2015 to 9 May 2016.*

	Interest in Pandora joint venture	Interest in Dwaalkop joint venture	Interest in Trans Hex Group Limited	Interest in SSG Holdings Proprietary Limited	Total
	7.5%	50.0%	20.3%	20.0%	
	R'000	R'000	R'000	R'000	R'000
30 June 2015					
Sales	38 013	–	182 767	–	220 780
Cost of sales and operating expenditure	(48 766)	–	(154 365)	–	(203 131)
Operating (loss)/profit	(10 753)	–	28 402	–	17 649
Investment income	73	–	34 516	–	34 589
Sundry (expenditure)/income	–	–	(6 141)	–	(6 141)
Other operating costs	–	–	(19 922)	–	(19 922)
Finance charges	(67)	–	(887)	–	(954)
Profit from discontinued operations	–	–	4 366	–	4 366
(Loss)/profit before tax	(10 747)	–	40 334	–	29 587
Taxation	–	–	(818)	–	(818)
(Loss)/profit for the year	(10 747)	–	39 516	–	28 769
Other comprehensive income	–	–	(4 482)	–	(4 482)
Total comprehensive income for the year	(10 747)	–	35 034	–	24 287

The interest in Pandora joint venture is accounted for as an associate and the interest in Dwaalkop joint venture is accounted for as a joint venture. The interest in Trans Hex Group Limited was accounted for as an investment in associate prior to being sold.

These associates and joint ventures are not material for group purposes as they are not considered core to the business and thus the above amounts have been stated at their percentage interest.

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Below is a summary of the statement of financial position of the various associates and joint ventures:

Statement of financial position

	Interest in Pandora joint venture	Interest in Dwaalkop joint venture	Interest in Trans Hex Group Limited	Interest in SSG Holdings Proprietary Limited	Total
	7.5%	50.0%	20.3%	20.0%	
	R'000	R'000	R'000	R'000	R'000
30 June 2016					
Non-current assets	57 892	–	–	6 170	64 062
Property, plant and equipment	57 892	–	–	3 583	61 475
Goodwill	–	–	–	1 000	1 000
Deferred tax asset	–	–	–	1 587	1 587
Current assets	24 401			10 427	34 828
Inventory	–	–	–	1 161	1 161
Trade and other receivables	8 418	–	–	8 948	17 366
Cash and cash equivalents	1 642	–	–	318	1 960
Profit share loans due from participants	14 341	–	–	–	14 341
Total assets	82 293	–	–	16 597	98 890
Total shareholders' interest	76 453	–	–	(349)	76 104
Non-current liabilities	1 072	–	–	3 329	4 401
Provision for environmental and rehabilitation obligations	1 072	–	–	–	1 072
Long term liabilities	–	–	–	3 329	3 329
Current liabilities	4 768	–	–	13 617	18 385
Royalties payable	6	–	–	–	6
Trade and other payables	4 762	–	–	10 619	15 381
Borrowings	–	–	–	2 998	2 998
Total equity and liabilities	82 293	–	–	16 597	98 890

Statement of financial position

	Interest in Pandora joint venture	Interest in Dwaalkop joint venture	Interest in Trans Hex Group Limited	Interest in SSG Holdings Proprietary Limited	Total
	7.5%	50.0%	20.3%	20.0%	
	R'000	R'000	R'000	R'000	R'000
30 June 2015					
Non-current assets	61 496	–	96 109	–	157 605
Property, plant and equipment	61 496	–	30 344	–	91 840
Financial assets	–	–	65 627	–	65 627
Deferred tax asset	–	–	138	–	138
Current assets	20 169	–	105 604	–	125 773
Inventory	–	–	26 866	–	26 866
Trade and other receivables	7 274	–	4 878	–	12 152
Prepayments	59	–	–	–	59
Cash and cash equivalents	1 466	–	73 860	–	75 326
Profit share loans due from participants	11 370	–	–	–	11 370
Total assets	81 665	–	201 713	–	283 378
Participants interest	75 553	–	24 633	–	100 186
Total shareholders' interest	–	–	131 374	–	131 374
Non-current liabilities	985	–	23 273	–	24 258
Provision for environmental and rehabilitation obligations	985	–	–	–	985
Deferred tax	–	–	925	–	925
Other provisions	–	–	22 348	–	22 348
Current liabilities	5 127	–	22 433	–	27 560
Royalties payable	6	–	–	–	6
Trade and other payables	5 121	–	22 062	–	27 183
Tax payable	–	–	371	–	371
Total equity and liabilities	81 665	–	201 713	–	283 378

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for the year ended 30 June 2016

8. INVESTMENT IN SUBSIDIARIES

Below is a list of the various subsidiaries included in the Northam Platinum Limited group of companies:

	Group		Company	
	2016	2015	2016	2015
	R'000	R'000	R'000	R'000
Khumama Platinum Proprietary Limited	–	–	10 166 000	10 166 000
Mining Technical Services Proprietary Limited	–	–	*	*
Mvelaphanda Resources Proprietary Limited	–	–	–	–
Norplats Properties Proprietary Limited	–	–	*	*
Northam Chrome Proprietary Limited	–	–	70 000	70 000
Windfall 38 Properties Proprietary Limited	–	–	*	*
Zambezi Platinum (RF) Limited	–	–	*	*
	–	–	10 236 000	10 236 000

** Represents an investment of less than R1 000.*

All companies, except for the investment in Zambezi Platinum (RF) Limited, are wholly owned and incorporated in the Republic of South Africa.

505 (2015: 505) ordinary shares are held in Khumama Platinum Proprietary Limited representing a 100% equity interest.
120 (2015: 120) ordinary shares are held in Mining Technical Services Proprietary Limited representing a 100% equity interest.
Northam Platinum Limited holds 217 881 101 ordinary shares representing a 100% equity interest in Mvelaphanda Resources Proprietary Limited. The investment was fully impaired during the previous financial year.
100 (2015: 100) ordinary shares are held in Norplats Properties Proprietary Limited, Northam Chrome Proprietary Limited and Windfall 38 Properties Proprietary Limited representing a 100% equity interest.

Northam Platinum Limited holds a single N share in Zambezi Platinum (RF) Limited as a protective right. Zambezi Platinum (RF) Limited was created and designed for the sole purpose of providing Northam Platinum Limited with BEE credentials and as a structure to hold the listed BEE preference shares. If Northam does not comply with the HDSA requirements in the Mining Charter they will not be able to retain their mining rights. Northam is able to direct the strategic direction of Zambezi and as per the subscription and relationship agreement between the two companies, Zambezi's memorandum of incorporation may not be amended or replaced without Northam's prior written consent.

Northam assumes full responsibility for the administration of Zambezi as well as any costs incurred by Zambezi up to a certain limit. Furthermore, Northam provides a guarantee for Zambezi's obligation in respect of the preference shares. All these points indicate that Northam has been involved from the inception of the transaction, to ensure that the design and operation of Zambezi achieves the purpose for which it was created. In terms of the transaction, an "N" share was issued to Northam, which gave them the right to implement mitigating action should Zambezi not comply with certain undertakings as per the transaction's agreements and in other limited instances aimed at maintaining the integrity of the transaction at all times. Zambezi can also not dispose of the Northam ordinary shares without the prior consent of Northam. Northam has significant exposure to the variable returns of Zambezi, through the creation and maintenance of the BEE credentials during the 10-year lock-in period as well as through the guarantee provided by Northam. The decision making power of Zambezi's board of directors is restricted to maintaining Northam's BEE credentials and funding arrangements.

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

Details of the subsidiaries are included in the related party note, which forms part of these notes.

9. UNLISTED INVESTMENT

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Investment in Rand Mutual Assurance Company Limited	6	6	6	6
	6	6	6	6

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

10. LAND AND TOWNSHIP DEVELOPMENT

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Balance at the beginning of the year	10 000	10 204	–	–
Construction in progress and refurbishments relating to Norplats Properties Proprietary Limited	12 984	–	–	–
Acquisitions				
Portion 22 of the Farm Leeukopje	1 908	–	1 908	–
Portion 4 & 9 of the Farm Koedoesdoorns	5 608	–	5 608	–
Phelobontle Mogwase	11 169	–	11 169	–
Lydenburg extension 78 – Booysendal Platinum Proprietary Limited	5 980	–	–	–
Lydenburg extension 79 – Booysendal Platinum Proprietary Limited	5 974	–	–	–
Norplats Properties Proprietary Limited	–	884	–	–
Disposals				
Phelobontle, Mogwase units	(467)	–	(467)	–
Norplats Properties Proprietary Limited units	(1 815)	(1 088)	–	–
Balance at end of year	51 341	10 000	18 218	–

These properties have been acquired in order to assist the group's employees to acquire affordable housing.

Below is a reconciliation of the number of houses available for sale relating to Norplats Properties Proprietary Limited:

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Number of properties developed available for sale	415	415	–	–
Houses sold to date	(398)	(391)	–	–
Properties surrendered/repurchased	37	27	–	–
Closing number of properties available	54	51	–	–

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for the year ended 30 June 2016

11. LONG TERM RECEIVABLES

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Long term receivables	95 334	99 692	–	–
Current portion of long term receivables included in trade and other receivables	(5 617)	(5 189)	–	–
	89 717	94 503	–	–

Long term receivables comprise balances due by employees in respect of Northam's employee home ownership scheme under suspensive sale agreements. The loans to the employees bear interest at prime, and repayable over 15 years. In terms of the agreements, employees enjoy the full benefits of home ownership, and at such time as the loan is paid off, the title to the houses will be transferred to the employees. As at 30 June 2016 there were no receivables (2015: R Nil) which were impaired and fully provided for. The group has pledged the instalment sales agreements as security for the loan secured from Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N V (FMO).

12. INVESTMENTS HELD BY NORTHAM PLATINUM RESTORATION TRUST FUND

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

The balance of the fund comprises:

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Balance at the beginning of the year	49 092	46 468	38 868	36 790
Contributions received with the acquisition of the Everest mineral reserves	33 900	–	–	–
Contributions received from Northam Platinum Limited	1 532	–	1 532	–
Contributions received from Booysendal Platinum Proprietary Limited	3 018	–	–	–
Other	18	–	10	–
Income earned during the year	6 087	2 624	2 794	2 078
Balance at the end of the year	93 647	49 092	43 204	38 868

The assets, which mainly consist of cash, of the Fund are separately administered and the group's right of access to these funds is restricted. This investment is managed by STANLIB Collective Investments (RF) Limited, and is made up of a fixed number of units which trades at specific values.

The Northam Platinum Restoration Trust Fund was established in 1996 to assist the group in making financial provision for the environmental rehabilitation of the mine, in terms of the Minerals and Petroleum Resources Development Act no 28 of 2002, upon cessation of its mining operations.

During the year the Northam Platinum Restoration Trust Fund, amended the trust deed. In future contributions relating to rehabilitation is no longer limited to contributions to the Northam Platinum Restoration Trust Fund. The group may make use of any approved financial vehicles in terms of regulations and legislation.

13. ENVIRONMENTAL GUARANTEE INVESTMENT

The investment held with regards to the environmental guarantee investment was issued in terms of the insurance guarantee of R157.9 million (2015: R157.9 million) relating to the group and R67.0 million (2015: R67.0 million) for the company. The investment as noted below has been provided as security for the insurance guarantees issued.

The balance of the fund comprises:

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Balance at the beginning of the year	52 122	51 024	44 137	42 281
Contributions made during the year	6 000	–	3 000	–
Income earned during the year (net of fees)	2 223	1 098	2 050	1 856
Balance at the end of the year	60 345	52 122	49 187	44 137

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

This investment is managed by Guardrisk Insurance Company Limited.

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for the year ended 30 June 2016

14. BUTTONSHOPE CONSERVANCY TRUST

The balance of the trust comprises:

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Balance at the beginning of the year	11 037	10 702	–	-
Contributions received from Booysendal Platinum Proprietary Limited	400	–		
Interest and fair value adjustments earned during the year	755	574	–	–
Funds utilised to acquire a property	(1 289)	–	–	–
Settlement of outstanding loan balances	(403)	–	–	–
Less expenditure incurred during the year	(55)	(239)	–	–
Balance at the end of the year	10 445	11 037	–	–

The trust was established as a conservancy trust by Northam Platinum Limited, with the principal objective of engaging in the conservation, rehabilitation and/or protection of the natural environment, including flora, fauna and the biosphere as well as promoting the establishment of, and education and training programmes relating to, environmental awareness, greening, clean-up and/or sustainable development projects in respect of Portion 1 of the Farm Buttonshope 51, Registration Division JT, Mpumalanga Province, and which may involve the participation by local communities. The aforementioned property is owned by Booysendal Platinum Proprietary Limited, an indirect subsidiary of Northam Platinum Limited. An initial contribution of R10.0 million was required by Booysendal Platinum Proprietary Limited in terms of the trust agreement.

Funds of R2.2 million (2015: R3.0 million) are invested with Standard Bank Limited in a call account and R8.2 million (2015: R8.0 million) is held in an Extra Income Fund with Stanlib Collective Investments Limited.

This investment is managed by STANLIB Collective Investments (RF) Limited, and is made up of a fixed number of units which trades at specific values. The assets, which mainly consist of cash, of the trust are separately administered and the group's right of access to these funds is restricted.

Ongoing contribution is made if the financial statements of Booysendal Platinum Proprietary Limited for any financial year reflects a profit, and the ratio which such profit bears to the revenue for the relevant financial year is more than 20% (twenty percent) (before taking into account any payment which Booysendal is obliged to make in terms of this clause 2.2 of the contribution agreement), then Booysendal shall pay to the Trust, not less than 7 (seven) business days after the audited annual financial statement of Booysendal for the relevant year have been approved by the board and signed by an authorised director of Booysendal, the rand equivalent of US$1.00 (one US dollar) for each ounce of Refined Platinum (in whatever form) sold by Booysendal during the financial year, which platinum has been derived, or deemed to have been derived from material mined at the Booysendal Mine, all as determined from the financial statements for that relevant year.

During the current year the trustees decided that the funding model should be changed and that Booysendal Platinum Proprietary Limited should donate a fixed amount of R400 000 per annum regardless of the operational performance with a fixed increase of R25 000 per annum.

In addition to the above, The Buttonshope Conservancy Trust acquired Portion 1 of Sheeprun 50 during the current year a property measuring 256.9596 hectares under Title deed T4813/2016.

15. SUBSIDIARY LOANS

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Long term subsidiary loans receivable				
Norplats Properties Proprietary Limited	–	–	24 456	24 456
	–	–	24 456	24 456

The loan between Northam Platinum Limited and Norplats Properties Proprietary Limited accrue interest at 2.0% below the South African prime interest rate and may only be repaid once the loan from the Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV has been repaid by Norplats Properties Proprietary Limited, which is no later than 30 September 2026.

During the year the outstanding interest was repaid in full.

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Short term subsidiary loans receivable				
Booysendal Platinum Proprietary Limited	–	–	2 262 163	4 159 333
Buttonshope Conservancy Trust	–	–	–	403
Mvelaphanda Resources Proprietary Limited	–	–	1 047	957
Norplats Properties Proprietary Limited	–	–	37 724	26 007
Windfall 38 Properties Proprietary Limited	–	–	14 590	14 862
Khumama Platinum Proprietary Limited	–	–	1	–
Mining Technical Services Proprietary Limited	–	–	15 002	1
	–	–	2 330 527	4 201 563

The loan between Northam Platinum Limited and Booysendal Platinum Proprietary Limited bears interest at JIBAR plus 3.75% from 1 January 2015 on the portion of the loan that relates to third party funding. The third party funding was however repaid in full during the current financial year and the outstanding loan balance does not accrue interest. Regular repayments are however made on the outstanding loan balance. The remaining balance of the loan is repayable on demand and therefore stated as current.

The loan between Northam Platinum Limited and Windfall 38 Properties Proprietary Limited bears interest at 2.0% below the South African prime interest rate, repayable on demand and therefore stated as current. During the year the accrued interest for the year was repaid in full.

All other loans are interest free, unsecured and repayable on demand.

Details of the subsidiaries are set out in the related party note, which forms part of these notes.

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16. INVENTORIES

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Metals on hand and in transit at net realisable value				
Platinum	858 412	673 216	875 758	632 029
Palladium	226 298	220 905	230 792	208 780
Rhodium	122 846	142 401	125 825	136 488
Gold	25 808	16 252	26 470	15 950
Total metal inventories	1 233 364	1 052 774	1 258 845	993 247
Chrome finished product at cost	387	222	–	–
Consumable stores at cost	96 519	73 554	49 411	52 106
Total inventories at the lower of cost and net realisable value	1 330 270	1 126 550	1 308 256	1 045 353

The cost of sales figure disclosed in the statement of profit or loss and other comprehensive income approximates the cost of inventory expensed.

Included in cost of sales are metals on hand that were written down by R360.8 million (2015: R273.0 million) to net realisable value. Inventory to the value of R927.7 million (2015: R648.6 million) is disclosed at net realisable value.

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Trade receivables	159 603	160 064	137 434	143 068
Accrued interest	24 700	22 056	8 025	3 543
Prepayments	7 306	3 827	6 618	3 516
Deposits	250	359	142	142
South African Revenue Service – Value added tax	114 364	244 497	87 656	70 343
South African Revenue Service – Mineral royalties	16 096	14 240	16 096	14 240
Current portion of long term receivables	5 617	5 189	–	–
Loan to SSG Holdings Proprietary Limited	5 000	–	–	–
Other	42 268	48 622	18 382	46 645
	375 204	498 854	274 353	281 497

Trade receivables are unsecured, non-interest bearing and are generally on either 30 or 60-day payment terms. Platinum group metal debtors have payment terms of between 2 to 5 days.

At 30 June 2016 R Nil was impaired, however as at 30 June 2015 a single receivable balance of R22.4 million was impaired which was previously included in other receivables. The table below summarises the maturity profile of the company and group's trade and other receivables:

Neither past due nor impaired	264 234	296 622	189 080	227 200
30 to 60 days	44 704	57 641	44 318	42 332
60 to 90 days	5 903	16 945	5 903	8 089
More than 90 days*	60 363	127 646	35 052	3 876
	375 204	498 854	274 353	281 497

** Management considers these amount to be fully recoverable.*

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016	2015	2016	2015
	R'000	R'000	R'000	R'000
Cash at bank and on hand	543 197	3 779	542 018	1 716
Restricted cash	109 521	104 936	23 000	23 000
Short term deposits	2 452 362	4 029 474	1 089 399	510 243
	3 105 080	4 138 189	1 654 417	534 959

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

At 30 June 2016 the group had R1.0 billion (2015: R1.0 billion) of undrawn committed borrowing facilities.

Included in restricted cash is R8.5 million (2015: R8.5 million) that has been pledged to the Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV by Norplats Properties Proprietary Limited as a debt service reserve account, as security for servicing of the loan from Nederlandse Financierings Maatschappij voor Ontwikkeingslanden NV. In accordance with the agreement, Norplats Properties Proprietary Limited shall maintain at all times a balance in the account equal to not less than the sum of all payments of principal and interest on the loan which will be due and payable during the next relevant period. Norplats Properties Proprietary Limited may withdraw amounts from the account only for the purpose of paying any principal and interest under the agreement. Norplats Properties Proprietary Limited shall not withdraw funds from the account for any other purpose without the written consent of Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV.

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

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

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

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for the year ended 30 June 2016

19. STATED CAPITAL

	Group		Company	
	2016 Number of shares	2015 Number of shares	2016 Number of shares	2015 Number of shares
Authorised share capital				
2 000 000 000 share capital at no par value				
Issued share capital				
Opening balance as at 1 July 2014	397 586 090	397 586 090	397 586 090	397 586 090
Share issued as part of the black economic empowerment transaction	112 195 122	112 195 122	112 195 122	112 195 122
At 30 June 2015 and 30 June 2016	509 781 212	509 781 212	509 781 212	509 781 212
Treasury shares	(159 905 453)	(159 905 453)	–	–
	349 875 759	349 875 759	509 781 212	509 781 212

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Issued share capital				
Opening balance as at 1 July 2014	9 178 688	9 178 688	9 178 688	9 178 688
Share issued as part of the black economic empowerment transaction	4 599 426	4 599 426	4 599 426	4 599 426
At 30 June 2015 and 30 June 2016	13 778 114	13 778 114	13 778 114	13 778 114
Treasury shares	(6 556 123)	(6 556 123)	–	–
	7 221 991	7 221 991	13 778 114	13 778 114

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

Treasury shares relates to the shares owned by Zambezi Platinum (RF) Limited. Zambezi Platinum (RF) Limited is a special purpose black economic empowerment vehicle established in October 2014 as a result of a R6.6 billion BEE transaction with Northam Platinum Limited. The transaction included the successful raising of R4.6 billion and was approved by Northam Platinum Limited shareholders on 19 March 2015.

In terms of the transaction, Northam Platinum Limited issued 112 195 122 new shares, (equivalent to 22% of the issued share capital). These shares were supplemented by 47 710 331 shares (equivalent to 9.4% of the issued share capital), sold to Zambezi Platinum (RF) Limited by the Public Investment Corporation SOC Limited (PIC), a long-standing Northam Platinum Limited shareholder.

Zambezi Platinum (RF) Limited comprises a range of historically disadvantaged South African stakeholders including an employee trust, two community trusts, a women's group and a core of strategic partners. Together they hold a 31.4% stake in Northam Platinum Limited.

20. EQUITY SETTLED SHARE BASED PAYMENT RESERVE

	Group		Company	
	2016	2015	2016	2015
	R'000	R'000	R'000	R'000
Opening balance at the beginning of the year	874 448	–	1 173 756	–
Creation of an equity compensation reserves as a result of the black economic empowerment transaction	–	874 448	–	1 173 756
	874 448	874 448	1 173 756	1 173 756

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

A Black-Scholes option model was used to determine the share based payment expense.

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

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for the year ended 30 June 2016

21. DEFERRED TAX ASSET AND LIABILITY

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

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Deferred tax liabilities				
Property, plant and equipment	(685 832)	(612 073)	(683 621)	(622 282)
Metal inventory	(2 049)	(4 755)	(13 984)	(4 755)
Restoration trust fund	(12 097)	(10 883)	(12 097)	(10 883)
Section 24C allowances in respect of long term receivables	(6 391)	(6 791)	–	–
	(706 369)	(634 502)	(709 702)	(637 920)
Deferred tax assets				
Employee benefits relating to leave pay and bonus provisions	52 343	49 128	52 343	48 324
Decommissioning and environmental restoration provisions	35 309	32 063	35 309	32 063
Share based payment liability	27 115	30 299	27 115	30 299
Calculated tax loss	965	1 560	–	–
	115 732	113 050	114 767	110 686
Net deferred tax liability	(590 637)	(521 452)	(594 935)	(527 234)
The charge in the deferred tax balance is reconciled as follows:				
Deferred tax liability at the beginning of the year	(521 452)	(502 097)	(527 234)	(506 818)
Charge for the year	(69 185)	(19 355)	(67 701)	(20 416)
Temporary differences in respect of property, plant and equipment	(73 759)	(26 889)	(61 339)	(25 470)
Depreciation component included in metals on hand and in transit	2 706	7 907	(9 229)	7 907
Temporary differences in respect of restoration trust fund	(1 214)	(582)	(1 214)	(582)
Section 24C allowance in respect of long term receivables	400	2 186	–	–
Calculated tax loss	(595)	(64)	–	–
Temporary difference in respect of employee benefits	3 215	5 687	4 019	5 288
Temporary difference in respect of decommissioning and environmental restoration provisions	3 246	4 908	3 246	4 949
Temporary difference in respect of share based payment liabilities	(3 184)	(12 508)	(3 184)	(12 508)
Net deferred tax liability	(590 637)	(521 452)	(594 935)	(527 234)

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

Booysendal Platinum Proprietary Limited deferred tax asset

A deferred tax asset has been raised for items included in Booysendal Platinum Proprietary Limited, as taxable profits will be generated in the foreseeable future against which the deferred tax asset can be utilised.

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

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Deferred tax liabilities				
Metal inventory	(337)	(947)		
Restoration trust fund	(14 124)	(2 863)		
	(14 461)	(3 810)		
Deferred tax assets				
Property, plant and equipment (Unredeemed capex)	102 023	144 666		
Employee benefits relating to leave pay and bonus provisions	7 225	5 160		
Decommissioning and environmental restoration provisions	37 158	20 358		
Share based payment liability	12 387	6 237		
	158 793	176 421		
Net deferred tax asset	144 332	172 611		
The charge in the deferred tax balance is reconciled as follows:				
Deferred tax asset at the beginning of the year	172 611	96 074		
Charge for the year	(28 279)	76 537		
Temporary differences in respect of property, plant and equipment	(42 643)	88 133		
Depreciation component included in metals on hand and in transit	610	20 118		
Temporary differences in respect of restoration trust fund	(11 261)	(153)		
Calculated tax loss	–	(50 823)		
Temporary difference in respect of employee benefits	2 065	7 674		
Temporary difference in respect of decommissioning and environmental restoration provisions	16 800	7 555		
Temporary difference in respect of share based payment liabilities	6 150	4 033		
Net deferred tax asset	144 332	172 611		

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22. LONG TERM PROVISIONS

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Rehabilitation provision	258 808	187 217	126 101	114 509
Long term portion of leave pay provisions (refer to note 30)	14 012	–	13 215	–
	272 820	187 217	139 316	114 509

Below is a breakdown of the rehabilitation provisions:

Provision for decommissioning costs				
Balance at the beginning of the year	149 968	113 000	95 145	80 402
Additional provision acquired with the acquisition of the Everest mineral reserves which was fully funded	22 327	–	–	–
Change in estimate and capitalisation of decommissioning costs	35 984	36 968	3 024	14 743
	208 279	149 968	98 169	95 145
Provision for restoration costs				
Balance at the beginning of the year	37 249	29 709	19 364	16 432
Additional provision acquired with the acquisition of the Everest mineral reserves which was fully funded	11 580	–	–	–
Change in estimate and unwinding of discount	1 700	7 540	8 568	2 932
	50 529	37 249	27 932	19 364
Total rehabilitation provision	258 808	187 217	126 101	114 509

In terms of, *inter alia*, the Mineral and Petroleum Resources Development Act no 28, of 2002, the company is required to make financial provision for its decommissioning and restoration costs that will be incurred upon the cessation of mining activities. The future value of the environmental obligation could either be paid over to Northam Platinum Restoration Trust fund (note 12) over the remaining life of the Zondereinde mine and over the remaining life of the Booysendal mine which is currently estimated at over 25 years (2015: 26 years). The group may also make use of any approved financial vehicles in terms regulations and legislation. Financial provision is not however required to be made for the decommissioning of certain structures, such as housing, which may have alternative use.

The present value of the environmental restoration obligation is determined by applying a pre-tax discount rate of 10.62% (2015: 8.0%) and a long term inflation rate of 8.71% (2015: 6.0%) over the remaining life of the mines. The decommissioning and restoration costs are reviewed on an annual basis, and at the reporting date the net unfunded future obligations were as follows:

Undiscounted decommissioning obligations	166 574	215 070	91 619	125 938
Undiscounted restoration obligations	81 184	54 706	49 102	25 631
Total rehabilitation obligations	247 758	269 776	140 721	151 569
Less funds held by Northam Platinum Restoration Trust Fund	(93 647)	(49 092)	(43 204)	(38 868)
Environmental insurance guarantee	(157 900)	(157 900)	(67 000)	(67 000)
Total (overfunded)/unfunded current rehabilitation obligation	(3 789)	62 784	30 517	45 701

The group has procured the issue of an insurance guarantee for R157.9 million (2015: R157.9 million) in respect of the unfunded decommissioning and restoration costs, of which R67.0 million (2015: R67.0 million) relates to the company.

The future value of the environmental rehabilitation obligation can either be paid over to the Northam Platinum Restoration Trust Fund over the remaining life of the mines, or through other financial provision insurance/financial products as approved by the Department of Mineral Resources in terms of legislation.

23. LONG TERM LOANS

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV	39 964	43 764	–	–
Heraeus Deutschland GmbH & Co. KG and Heraeus South Africa Proprietary Limited	248 750	–	248 750	–
Total long term loans	288 714	43 764	248 750	–
Current portion of Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV	(3 801)	(3 801)	–	–
Current portion of Heraeus South Africa Proprietary Limited	(9 400)	–	(9 400)	–
	275 513	39 963	239 350	–

The loan from Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV, which is repayable in equal bi-annual instalments over 15 years, bears interest at 3.5% above JIBAR, with the last payment due 30 September 2026. The group has pledged the instalment sales agreement as security for the loan as referred to in the long term receivable note.

Heraeus Deutschland GmbH & Co. KG contributed €10.0 million to the new 20MW furnace. The contribution received was recognised as a liability, as the company is obligated to refund the amount to Heraeus Deutschland GmbH & Co. KG if, and only if the company does not commission the furnace on time. Once the furnace is commissioned and the second €10.0 million is received, the €20.0 million will be deducted from the cost of the smelter as the value contributed is effectively considered a rebate in terms of IAS 16.16(a). The contribution of R163.3 million is included in the table above.

In terms of an agreement entered into by the company and Heraeus South Africa Proprietary Limited an annual payment of R9.4 million will be made for development and research costs for a period of 20 years. A liability was recognised at contract inception, being 16 April 2016. The liability was measured at the present value of the R9.4 million payments over 20 years using the prevailing prime interest rate. The contra side of the entry was included as an addition cost to the furnace. The reason for this is that the contract was entered into for the construction of the smelter and thus the liability is considered as a cost incurred in the construction of the furnace. The present value of these annual payments amounted to R85.5 million and is included in the table above.

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24. PREFERENCE SHARE LIABILITY

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Opening balance	6 656 891	–	–	–
Proceeds from the issue of redeemable shares	–	6 556 124	–	–
Accrued preference share dividends	918 806	100 767	–	–
	7 575 697	6 656 891	–	–
Liquidity fees paid	(164 236)	(164 236)	–	–
Amortisation of liquidity fee over the 10 year lock in period	18 088	–	–	–
	7 429 549	6 492 655	–	–

On 18 May 2015, 159 905 453 cumulative redeemable preference shares were issued by Zambezi Platinum (RF) Limited at an issue price of R41. The preference shares are redeemable in 10 years' time at R41 plus the cumulative preference dividends. The preference shareholders are entitled to receive a dividend equal to the issue price multiplied by the dividend rate of prime plus 3.5% calculated on a daily basis based on a 365-day year compounded annually and capitalised at the end of December of every year.

The preference rights, limitations and other terms associated with the Zambezi Platinum (RF) Limited preference shares are set out in the Zambezi Platinum (RF) Limited Memorandum of Incorporation.

The redeemable preference shares do not carry the right to vote.

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

The liquidity fee payable was of a capital nature and therefore not deductible for tax resulting in a permanent difference. This amount will be amortised over the 10-year lock-in period.

25. FINANCIAL GUARANTEE LIABILITY

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Zambezi Platinum (RF) Limited financial guarantee liability	–	–	7 535 944	7 535 944
	–	–	7 535 944	7 535 944

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

The inputs included to value to guarantee at the issue date of 18 May 2015 included the Northam Platinum Limited spot price, risk free rates, dividend yield, and volatility.

26. SHARE BASED PAYMENT LIABILITY

	Group		Company	
	2016	2015	2016	2015
	R'000	R'000	R'000	R'000
Total share based payment liability	141 077	130 485	96 838	108 210
Short term portion of share based payment liability	(56 704)	(61 019)	(44 197)	(49 974)
Long term share based payment liability	84 373	69 466	52 641	58 236
The movement in the share based payment liability is made up as follows:				
Opening balance	130 485	168 835	108 210	152 881
Share based payment expense during the year	64 175	36 037	35 629	22 994
Options/incentive shares cash settled during the year	(53 583)	(74 387)	(47 001)	(67 665)
Total share based payment liability	141 077	130 485	96 838	108 210

The short term portion is based on the options/shares which will expire in the next 12 months.

The group operates the Northam share option scheme (the scheme) as well as the Northam share incentive plan (the SIP). The scheme has been discontinued owing to its dilutionary nature although share options issued before its discontinuance will be allowed to run their course.

In March 2013, the Johannesburg Securities Exchange Limited approved a change to the rules of the scheme in terms of which option holders may elect to receive either the shares over which an option has been granted or a cash payment equivalent to the difference between the volume weighted average price at which the Northam Platinum Limited shares trade on the day preceding the exercise date and the exercise price. Options which are cash settled are regarded as having been exercised. All options exercised during the year were cash settled.

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

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

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for the year ended 30 June 2016

Below is an analysis of share options held as at 30 June 2016:

Grant date	**22 Oct 2007**	**27 Nov 2008**	**5 Nov 2009**	**1 July 2010**	**12 Oct 2010**	**15 Nov 2013**	
Expiry date	**21 Oct 2014**	**26 Nov 2015**	**4 Nov 2016**	**30 June 2017**	**11 Oct 2017**	**Claw back**	
Exercise price in ZAR	**48.00**	**32.38**	**36.95**	**45.59**	**46.57**	**40.00**	**Total**
Opening balance 1 July 2014	1 165 000	160 000	517 500	125 000	2 575 000	178 085	4 720 585
Options forfeited during the year	(1 165 000)	–	–	–	(25 000)	(46 648)	(1 236 648)
Options exercised during the year	–	(90 000)	(137 500)	–	(500 000)	(28 521)	(756 021)
July	–	–	–	–	–	–	–
August	–	–	–	–	–	–	–
September	–	–	–	–	–	–	–
October	–	–	–	–	–	–	–
November	–	–	–	–	–	–	–
December	–	–	–	–	–	–	–
January	–	–	–	–	–	–	–
February	–	(45 000)	(90 000)	–	(180 000)	(12 351)	(327 351)
March	–	–	(22 500)	–	(275 000)	(11 662)	(309 162)
April	–	(45 000)	–	–	(45 000)	(3 528)	(93 528)
May	–	–	(25 000)	–	–	(980)	(25 980)
June	–	–	–	–	–	–	–
Balance at 30 June 2015	-	70 000	380 000	125 000	2 050 000	102 916	2 727 916
Opening balance 1 July 2015	–	70 000	380 000	125 000	2 050 000	102 916	2 727 916
Options forfeited during the year	–	(70 000)	–		(255 000)	(12 740)	(337 740)
Options exercised during the year	–	–	(115 000)	(125 000)	–	(9 409)	(249 409)
July	–	–	–	–	–	–	–
August	–	–	(22 500)	–	–	(882)	(23 382)
September	–	–	–	–	–	–	–
October	–	–	–	–	–	–	–
November	–	–	–	–	–	–	–
December	–	–	–	–	–	–	–
January	–	–	–	–	–	–	–
February	–	–	–	–	–	–	–
March	–	–	–	–	–	–	–
April	–	–	(47 500)	(125 000)	–	(6 763)	(179 263)
May	–	–	(45 000)	–	–	(1 764)	(46 764)
June	–	–	–	–	–	–	–
Balance as at 30 June 2016	–	–	265 000	–	1 795 000	80 767	2 140 767

On 6 December 2013, qualifying shareholders were granted the right to subscribe for 3.92086 claw-back shares for every 100 existing shares held on the record date. The claw-back shares were issued at a discount of 2% to the 30-day VWAP and a premium of 5% to the 60-day VWAP, both calculated as at 18 September 2013 which amounted to R40.00.

Therefore, all outstanding share options held as at the record date were awarded claw back rights options at an exercise price of R40.00 which will expire on the same date as the original option expiry date.

The following table lists the inputs to the model used for the share option scheme for the year ended 30 June 2016:

Grant date	5 Nov 2009	12 Oct 2010
Dividend yield (%)	–	–
Expected volatility (%)	53.16	54.39
Risk free interest rate (%)	7.28	7.53
Expected life of share options (years)	0.35	0.30
Spot price (ZAR)	43.00	43.00
Model used	Market value	Market value

The following table lists the inputs to the model used for the share option scheme for the year ended 30 June 2015:

Grant date	27 Nov 2008	5 Nov 2009	1 July 2010	12 Oct 2010
Dividend yield (%)	–	–	–	–
Expected volatility (%)	31.71	31.71	31.71	31.71
Risk free interest rate (%)	6.13	6.68	6.96	7.06
Expected life of share options (years)	0.41	1.35	2.00	2.30
Spot price (ZAR)	40.26	40.26	40.26	40.26
Model used	Market value	Market value	Market value	Market value

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Below is an analysis of share incentives held as at 30 June 2016:

	22 Nov 2011 Share award	6 Nov 2012 Share award	15 Nov 2013 Share award	4 Nov 2014 Share award	11 Nov 2015 Share award	Total
Retention shares						
Balance 1 July 2014	58 000	711 000	697 000	–	–	1 466 000
Shares awarded during the year	–	–	–	750 500	–	750 500
Shares forfeited	–	(18 000)	(40 000)	(5 900)	–	(63 900)
Shares cash settled during the year	(58 000)	(693 000)	(30 000)	(26 400)	–	(807 400)
Balance at 30 June 2015	–	–	627 000	718 200	–	1 345 200
Balance 1 July 2015	–	–	627 000	718 200	–	1 345 200
Shares awarded during the year	–	–	–	–	890 300	890 300
Shares forfeited	–	–	(68 000)	(54 100)	(55 900)	(178 000)
Shares cash settled during the year	–	–	(559 000)	(63 900)	(22 600)	(645 500)
Balance at 30 June 2016	–	–	–	600 200	811 800	1 412 000

	22 Nov 2011 Share award	6 Nov 2012 Share award	15 Nov 2013 Share award	4 Nov 2014 Share award	11 Nov 2015 Share award	Total
Performance shares						
Balance 1 July 2014	968 000	1 237 000	1 212 000	–	–	3 417 000
Shares awarded during the year	–	–	–	2 220 500	–	2 220 500
Shares forfeited/adjusted for performance conditions met during the year	(287 280)	(46 000)	(69 000)	(17 500)	–	(419 780)
Shares cash settled during the year	(680 720)	(62 000)	(52 000)	(78 200)	–	(872 920)
Balance at 30 June 2015	–	1 129 000	1 091 000	2 124 800	–	4 344 800
Balance 1 July 2015	–	1 129 000	1 091 000	2 124 800	–	4 344 800
Shares awarded during the year	–	–	–	–	2 637 600	2 637 600
Shares forfeited/adjusted for performance conditions met during the year	–	(17 000)	(66 000)	(160 700)	(165 500)	(409 200)
Shares cash settled during the year	–	(1 112 000)	(128 000)	(189 000)	(66 800)	(1 495 800)
Balance at 30 June 2016	–	–	897 000	1 775 100	2 405 300	5 077 400

The shares awarded in terms of the rules of the share incentive plan (SIP) comprise: retention shares, which vest after three years from grant date with no performance criteria, and performance shares, which vest after three years from grant date. The final number of performance shares that an employee will receive will be subject to certain performance criteria being met. In November 2014 the JSE and shareholders approved a change to the rules of the SIP in terms of which, from then onwards retention shares also vest after three years.

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

All awards that had not yet vested but were cash-settled during the year relate to employees who retired.

The following table lists the inputs to the model used for the share incentive plan for the year ended 30 June 2016:

	6 Nov 2012 Performance shares	4 Nov 2014 Retention shares	4 Nov 2014 Performance shares	11 Nov 2015 Retention shares	11 Nov 2015 Performance shares
Dividend yield (%)	–	–	–	–	–
Forfeiture rate (%)	0.9	0.9	0.9	0.9	0.9
Expected life of share awards (years)	0.38	1.35	1.35	2.37	2.37
Spot price (ZAR)	43.00	43.00	43.00	43.00	43.00
Model used	Market value	Market value	Market value	Market value	Market value

The following table lists the inputs to the model used for the share incentive plan for the year ended 30 June 2015:

	6 Nov 2012 Performance shares	15 Nov 2013 Retention shares	15 Nov 2013 Performance shares	4 Nov 2014 Retention shares	4 Nov 2014 Performance shares
Dividend yield (%)	–	–	–	–	–
Forfeiture rate (%)	0.9	0.9	0.9	0.9	0.9
Expected life of share awards (years)	1.35	0.38	1.38	2.35	2.35
Spot price (ZAR)	40.26	40.26	40.26	40.26	40.26
Model used	Market value	Market value	Market value	Market value	Market value

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

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27. DOMESTIC MEDIUM TERM DEBT NOTES

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Opening balance	1 370 000	1 370 000	1 370 000	1 370 000
Domestic medium term notes repaid	(1 370 000)	–	(1 370 000)	–
Domestic medium term notes issued	175 000	–	175 000	–
Domestic medium term notes issued	250 000	–	250 000	–
	425 000	1 370 000	425 000	1 370 000
Transaction costs relating to the R175.0 million issue	(1 256)	–	(1 256)	–
Amortisation of transaction costs over 60 months	41	–	41	–
Transaction costs relating to the R250.0 million issue	(4 627)	–	(4 627)	–
Amortisation of transaction costs over 36 months	129	–	129	–
	419 287	1 370 000	419 287	1 370 000

The group raised term debt through the issue of R1.25 billion 3-year senior unsecured floating rate notes (notes) under its R2 billion domestic medium term note programme dated 3 August 2012. The notes attract a coupon of 350 basis points above three month JIBAR and interest payments are due quarterly. The notes matured on 4 September 2015.

On 11 July 2013, the company raised an additional amount of R120 million in the domestic capital market through a tap issue which matured on 4 September 2015. The interest rate for the tap issue notes was placed at a lower rate of JIBAR plus 330 basis points, which was accounted for in the issue price.

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

Due to the maturity date being 4 September 2015, the domestic medium term note was classified as current in the prior year and was repaid in full during the current year.

On 11 May 2016 five year notes to the value of R175.0 million were issued under the above mentioned notes programme (dated 3 August 2012) at a fixed coupon rate of 13.5%. Interest will be payable on a bi-annual basis in May and November of every year.

In addition, on 9 June 2016 a further R250.0 million notes were issued at a floating rate of the 3 month JIBAR plus 390 basis points. Interest is payable on a quarterly basis in August, November, February and May of every year for a three-year period.

The transaction costs and fees are classified as a transaction cost in terms of IAS 39. In terms of IAS 39.43 transaction costs will be included in the initial measurement of the financial liability and amortised over the period of the financial liability.

28. REVOLVING CREDIT FACILITY

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Revolving credit facility	–	–	–	–

Northam Platinum Limited entered into a facility agreement with Nedbank Limited in August 2011 regarding a R1.0 billion 5-year senior unsecured revolving credit facility (the facility). The facility is available to be utilised by way of periodic drawdown requests until the earlier of 1 month prior to final maturity and cancellation of the agreement. Interest is calculated at JIBAR plus 2.80% for each applicable interest period. The facility was not drawn at year-end (2015: R Nil).

The facility will come to an end November 2016 and subsequent to year end a new facility was negotiated with Nedbank Limited with relatively similar terms.

29. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Trade payables	362 996	206 830	155 558	149 687
Accrued interest on the domestic medium term notes (note 27)	4 782	9 762	4 782	9 762
Accrued interest on the *Nederlandse Financierings Maatschappij voor Ontwikkelingslanden* loan	1 136	1 209	–	–
Accruals	302 171	563 785	237 196	385 772
South African Revenue Service – Value added tax	13 278	15 186	–	–
South African Revenue Service – Mineral royalties	51	–	–	–
Amounts payable to Booysendal Platinum Proprietary Limited	–	–	363 618	–
Employee related accruals	142 289	140 306	111 168	123 121
Other	51 232	22 918	13 036	16 961
	877 935	959 996	885 358	685 303

Trade payables are unsecured, non-interest bearing and normally settled on 30 day terms. Amounts payable to Booysendal Platinum Proprietary Limited are mainly attributable to the purchase of concentrate.

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30. SHORT TERM PROVISIONS

Short term provisions consist of the provision for leave pay.

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Balance at the beginning of the year	127 270	118 955	120 464	111 995
Additional amounts raised	284 088	261 209	274 664	255 057
Provision for leave pay utilised	(271 558)	(252 894)	(264 113)	(246 588)
Total leave pay provision at the end of the year	139 800	127 270	131 015	120 464
Long term portion allocated to long term provisions (note 22)	(14 012)	–	(13 215)	–
Short term portion	125 788	127 270	117 800	120 464

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

31. OTHER LONG TERM EMPLOYEE BENEFITS

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

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Assets at fair market value as at 1 July 2015	97 635	92 234	97 635	92 234
Interest income	7 784	7 420	7 784	7 420
Employer contributions (note 34)	10 914	(28)	10 914	(28)
Benefits paid	(989)	(586)	(989)	(586)
Actuarial (loss)/gain	(2 565)	(3 405)	(2 565)	(3 405)
Administration costs	(352)	–	(352)	–
Assets at fair market value as at 30 June 2016	112 427	97 635	112 427	97 635
Unrecognised due to asset ceiling limit*	82 811	81 056	82 811	81 056
Other long term employee benefit as at 30 June 2016	29 616	16 579	29 616	16 579
Below is a breakdown of other long term employee benefits:				
Other long term employee benefit as at 1 July 2015	16 579	11 054	16 579	11 054
Service costs	10 320	14 252	10 320	14 252
Interest cost	1 980	1 976	1 980	1 976
Actuarial loss/(gain)	2 078	(10 177)	2 078	(10 177)
Benefits	(989)	(586)	(989)	(586)
Administration costs	(352)	–	(352)	–
Other long term employee benefit as at 30 June 2016	29 616	16 579	29 616	16 579
Asset/(liability) recognised on the statement of financial position	–	–	–	–

* The "asset ceiling limit" ensures the asset to be recognised on the company's statement of financial position is subject to the present value of any economic benefits available to the company in the form of refunds or reductions in future contributions.

The company is not entitled to any refund from the fund and hence the economic benefits available to the company are R Nil.

In terms of IAS 1 additional disclosure in company has been made to more accurately reflect the essence of the transaction. This had no impact on the company's financial position or results.

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32. REVENUE

Total revenue comprises

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Sales revenue (note 33)	6 097 070	6 035 535	5 740 467	4 230 121
Investment revenue (note 35)	265 258	72 043	109 480	220 904
Sundry revenue – dividends received (note 38)	–	–	127 024	112 143
Sundry revenue – treatment charges (note 38)	42 313	66 040	42 313	66 040
	6 404 641	6 173 618	6 019 284	4 629 208

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

33. SALES REVENUE

Sales revenue comprises revenue from the following metals:

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Platinum	3 731 417	3 613 649	3 731 417	2 621 288
Palladium	1 122 284	1 138 875	1 122 284	852 309
Rhodium	442 998	513 582	442 998	356 804
Gold	92 151	81 556	92 151	74 793
Chrome	354 653	289 791	–	–
Housing revenue	1 950	3 816	–	–
Other	351 617	394 266	351 617	324 927
	6 097 070	6 035 535	5 740 467	4 230 121

Revenue per metal and per segment

	Zondereinde segment* 2016 R'000	Booysendal segment 2016 R'000	Intercompany elimination 2016 R'000	Other 2016 R'000	Total 2016 R'000
Platinum	3 731 417	1 250 361	(1 250 361)	–	3 731 417
Palladium	1 122 284	355 758	(355 758)	–	1 122 284
Rhodium	442 998	146 098	(146 098)	–	442 998
Gold	92 151	16 976	(16 976)	–	92 151
Chrome	225 750	128 903	–	–	354 653
Housing revenue	–	–	–	1 950	1 950
Other	351 617	74 787	(74 787)	–	351 617
	5 966 217	1 972 883	(1 843 980)	1 950	6 097 070

** The Zondereinde segment includes the operations of Northam Chrome Proprietary Limited (formerly known as Northam Chrome Producers Proprietary Limited).*

	Zondereinde segment 2015 R'000	Booysendal segment 2015 R'000	Intercompany elimination 2015 R'000	Other 2015 R'000	Total 2015 R'000
Platinum	2 621 288	1 230 953	(238 592)	–	3 613 649
Palladium	852 309	353 819	(67 253)	–	1 138 875
Rhodium	356 804	190 895	(34 117)	–	513 582
Gold	74 793	7 924	(1 161)	–	81 556
Chrome	184 133	105 659	–	–	289 792
Housing revenue	–	–	–	3 816	3 816
Other	324 927	88 831	(19 493)	–	394 265
	4 414 254	1 978 081	(360 616)	3 816	6 035 535

Below is a summary of the revenue per region and per segment:

	Zondereinde segment 2016 R'000	Booysendal segment 2016 R'000	Other 2016 R'000	Total 2016 R'000
Europe	1 842 113	–	–	1 842 113
Japan	1 163 385	–	–	1 163 385
North America	1 361 323	–	–	1 361 323
Australia	6 139	–	–	6 139
South Africa	1 593 257	128 903	1 950	1 724 110
	5 966 217	128 903	1 950	6 097 070

	Zondereinde segment 2015 R'000	Booysendal segment 2015 R'000	Other 2015 R'000	Total 2015 R'000
Europe	1 270 346	455 607	–	1 725 953
Japan	754 109	298 645	–	1 052 754
North America	981 886	370 734	–	1 352 620
Australia	4 616	383	–	4 999
South Africa	1 403 297	492 096	3 816	1 899 209
	4 414 254	1 617 465	3 816	6 035 535

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

	2016 R'000	2015 R'000
Customer 1	1 170 826	1 313 631
Customer 2	1 153 243	1 030 323
Customer 3	826 262	612 354
Customer 4	793 239	786 498
Customer 5	725 989	763 003
	4 669 559	4 505 809

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34. OPERATING COSTS

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Labour	1 776 055	1 622 438	1 614 436	1 487 601
Stores	941 567	984 392	836 821	833 180
Utilities	638 304	544 217	512 683	447 313
Sundries and contractors	1 649 607	1 183 835	457 726	343 805
Rehabilitation costs	1 700	7 689	8 568	2 932
	5 007 233	4 342 571	3 430 234	3 114 831

Below are the operating costs per segment. The operating segment for Zondereinde includes the results of Northam Chrome Proprietary Limited, a wholly owned subsidiary of the company:

	Zondereinde segment 2016 R'000	Booysendal segment 2016 R'000	Other 2016 R'000	Total 2016 R'000
Labour	1 618 267	157 788	–	1 776 055
Stores	836 821	104 746	–	941 567
Utilities	515 223	123 081	–	638 304
Sundries and contractors	485 498	1 162 294	1 815	1 649 607
Rehabilitation costs	8 568	(6 868)	–	1 700
	3 464 377	1 541 041	1 815	5 007 233

	Zondereinde segment 2015 R'000	Booysendal segment 2015 R'000	Other 2015 R'000	Total 2015 R'000
Labour	1 499 013	123 425	–	1 622 438
Stores	833 180	151 212	–	984 392
Utilities	449 478	94 739	–	544 217
Sundries and contractors	362 419	818 035	3 381	1 183 835
Rehabilitation costs	2 933	4 756	–	7 689
	3 147 023	1 192 167	3 381	4 342 571

LABOUR COSTS INCLUDED IN OPERATING COSTS

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
The aggregate earnings and benefits of employees, including directors, amounted to:				
Salaries, wages and other benefits	1 504 405	1 405 790	1 381 047	1 292 544
Contributions to retirement benefit funds	123 964	114 565	115 853	107 479
Contributions to health care funds	68 831	66 074	67 227	64 612
Share based payment expense (Note 26)	64 175	36 037	35 629	22 994
Employee empowerment scheme (Note 31)	10 914	(28)	10 914	(28)
	1 772 289	1 622 438	1 610 670	1 487 601
Fees paid to non-executive directors	3 766	3 503	3 766	3 503
	1 776 055	1 625 941	1 614 436	1 491 104

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35. INVESTMENT REVENUE

Investment revenue consists of the following:

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Interest received on cash and cash equivalents	193 663	55 595	29 801	26 892
Dividend income received from short term investments	2 649	–	1 018	–
Interest received from subsidiaries	–	–	27 223	189 100
Interest received on instalment sales agreements	10 201	9 848	–	–
Interest received relating to the Northam Platinum Restoration Trust Fund	6 087	2 624	2 794	2 078
Interest received relating to the Buttonshope Conservancy Trust	755	574	–	–
Other financial instrument	51 903	3 402	48 644	2 834
	265 258	72 043	109 480	220 904

36. FINANCE CHARGES EXCLUDING PREFERENCE SHARE DIVIDENDS

Finance costs consist of the following:

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Finance costs relating to the domestic medium term debt notes	(28 283)	(132 869)	(28 283)	(132 869)
Finance costs and commitment fees	(5 014)	(7 473)	(5 014)	(7 473)
Interest on the loan from the Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV	(4 447)	(4 658)	–	–
Amortisation of the transaction costs relating to the domestic medium term debt notes	(170)	–	(170)	–
Other financial instruments	(1 720)	(170)	(48)	–
	(39 634)	(145 170)	(33 515)	(140 342)

Included in finance costs in the prior year were the accrued dividends of R100.8 million relating to the Zambezi Platinum (RF) Limited preference shares consolidated into the Northam group.

The accrued dividends are now being disclosed separately to enable shareholders to distinguish better between actual finance costs incurred by Northam and the accrued dividends relating to Zambezi Platinum (RF) Limited that are included in the group results on consolidation. In addition, a new sub-total, “profit/(loss) before preference share dividends” has been added to the face of the statement of comprehensive income.

The restatement has no impact on the financial performance or position of Northam Platinum Limited as reported for the year ended 30 June 2015.

This was accounted for as a reclassification in terms of IAS 1 Presentation of Financial Statements.

37. SUNDRY EXPENDITURE

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Loss on sale of property, plant and equipment	–	(139)	–	(139)
Amortisation of participation interest in the Pandora joint venture	(2 600)	(2 600)	(2 600)	(2 600)
Black Economic Empowerment lock in fee paid to the Zambezi Platinum (RF) Limited shareholders	–	(242 429)	–	(174 198)
Impairment of investments in associates	(20 512)	(239 054)	(20 512)	(161 620)
Impairment of accounts receivables	–	(22 434)	–	(22 434)
IFRS 2 share based payment expense relating to the Black Economic Empowerment transaction	–	(874 448)	–	(1 173 756)
Guarantee charge on Black Economic Empowerment transaction	–	–	–	(7 535 944)
Corporate action costs	(7 756)	(172 640)	(7 756)	(162 491)
Booysendal land management	(3 324)	(2 647)	–	–
Booysendal South rent paid to the community	(3 000)	–	–	–
Booysendal South care and maintenance	(25 084)	(9 659)	–	–
Loss on sale of investment in Trans Hex Group Limited	(21 024)	–	–	–
Other expenditure	(8 822)	(21 214)	(6 221)	(11 353)
	(92 122)	(1 587 264)	(37 089)	(9 244 535)

38. SUNDRY INCOME

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Dividends received	–	–	127 024	112 143
Treatment charges in respect of concentrate purchased	42 313	66 040	42 313	66 040
Rent received	5 981	5 847	5 950	5 803
Sale of scrap	4 677	2 028	3 041	1 935
Insurance claim/refund	59 595	183 774	59 030	183 774
Currency translation gain	26 163	6 151	26 163	6 151
Profit on sale of property, plant and equipment	57	1 031	57	–
Profit on sale of Trans Hex Group Limited shares	–	–	14 210	–
Write back of impairment of Trans Hex Group Limited shares	34 122	–	–	–
Other	8 020	3 379	4 757	1 644
	180 928	268 250	282 545	377 490

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39. TAXATION

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Current income tax				
Current income tax charge	148 505	210 884	49 035	92 682
Adjustment in respect of current income tax of previous years	(7 680)	(530)	(7 748)	2 146
Dividend withholding tax	–	12 447	–	–
	140 825	222 801	41 287	94 828
Deferred tax				
Relating to origination and reversal of temporary differences	96 069	(57 182)	67 701	20 416
	96 069	(57 182)	67 701	20 416
Income tax expense reported in profit or loss	236 894	165 619	108 988	115 244
Taxation comprises:				
Mining tax	–	51 350	–	51 350
Non mining tax	148 313	84 918	48 843	41 308
Tax on share of earnings from associate	–	24	–	24
Adjustment in respect of prior years	(7 680)	(530)	(7 748)	2 146
Temporary differences	96 069	(57 182)	67 701	20 416
Dividend withholding tax	–	12 447	–	–
Capital gains tax	192	74 592	192	–
	236 894	165 619	108 988	115 244
A reconciliation of the standard rate of South African tax compared with that charged in the statement of profit or loss and other comprehensive income is set out below:	%	%	%	%
South African normal tax	28.0	28.0	28.0	28.0
Dividend income received	–	–	9.3	0.4
Adjustments in respect of prior years	(2.8)	–	(2.1)	–
Tax on capital contributions from third party	(5.8)	–	(4.2)	–
Impairment of investment in joint venture	(2.1)	–	(1.5)	(0.5)
Expenditure incurred with is not deductible	(7.1)	–	(0.2)	(0.2)
Corporate action costs	(0.8)	(5.6)	(0.6)	(0.5)
IFRS 2 share based payment expense relating to the BEE transaction	–	(28.2)	–	(3.9)
Guarantee charge	–	–	–	(24.7)
Amortisation of liquidity fees paid on preference shares	(1.9)	–	–	–
Preference share dividends disallowable	(94.8)	(3.3)	–	–
Dividend withholding tax	–	(1.4)	–	–
Capital gains tax	–	(8.6)	(0.1)	–
Effective tax rate	(87.3)	(19.1)	28.6	(1.4)

The current rate of mining tax applicable to the company is 28% (2015: 28%). Non mining income is subject to a rate of 28% (2015: 28%). Deferred tax is provided at the statutory rate of 28% for all temporary differences. Dividend withholding tax is levied at 15% for local shareholders, who are not companies.

Capital gains tax at an effective rate of 22.4% (2015: 18.7%) is payable on any gains realised on the disposal of investments or mining properties.

40. LOSS AND DIVIDEND PER SHARE

Basic loss per share amounts are calculated by dividing the loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Headline loss per share is based on the headline loss and is reconciled to loss attributable to shareholders as follows:

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Loss attributable to shareholders	(508 263)	(1 035 649)		
Profit on the sale of property, plant and equipment	(57)	(892)		
Taxation impact	16	250		
Impairment of associate's assets	11 185	17 493		
Taxation impact	(3 132)	(4 898)		
Negative goodwill on assets acquired by associate's associate	–	(26 804)		
Taxation impact	–	–		
Profit on sale of associate's investment	–	(7 105)		
Taxation impact	–	–		
Foreign currency differences on repayment of long term receivables from associates foreign operations reclassified to profit or loss	–	(922)		
Taxation impact	–	258		
Impairment of property, plant and equipment	–	2 525		
Taxation impact	–	(707)		
Loss on sale of investment in associate	21 024	–		
Taxation impact	–	–		
(Reversal of impairment)/impairment of investments and receivable balance	(13 610)	261 488		
Taxation impact	–	–		
Headline loss	(492 837)	(794 963)		
Fully diluted earnings per share amounts are calculated by dividing the loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares				
Fully diluted earnings per share are based on the headline loss and the average number of potential diluted shares in issue.				
Dividends per share (cents)	–	–		
Average number of ordinary shares in issue during the year	349 875 759	391 834 708		
Average number of potentially diluted ordinary shares in issue	349 875 759	391 834 708		
Number of shares in issue	509 781 212	509 781 212		
Treasury shares in issue	159 905 453	159 905 453		
Shares in issue adjusted for treasury shares	349 875 759	349 875 759		
Loss per share in cents	(145.3)	(264.3)		
Fully diluted loss per share in cents	(145.3)	(264.3)		
Headline loss per share in cents	(140.9)	(202.9)		
Fully diluted headline loss per share in cents	(140.9)	(202.9)		

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41. CASH GENERATED FROM OPERATIONS

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
(Loss)/profit before taxation	(271 369)	(868 326)	381 606	(8 536 946)
Adjusted for non-cash items				
Profit on disposal of property, plant and equipment	(57)	(892)	(57)	139
Depreciation and write offs	403 545	339 949	187 966	165 091
Increase in long term provisions	51 703	44 508	24 807	17 675
Movement in financial guarantee	–	–	–	7 535 944
Movement in long term receivables	4 786	(456)	–	–
Movement in short term provisions	(1 482)	8 315	(2 664)	8 469
Equity settled share based payment expense	–	874 448	–	1 173 756
Share of losses/(earnings) from associates	32 253	(28 769)	–	–
Amortisation of participation interest in the Pandora joint venture	2 600	2 600	2 600	2 600
Loss/(profit) on sale of investment in associates	21 024	–	(14 210)	–
Finance charges on preference shares	918 806	100 767	–	–
Liquidity fees on the preference shares	18 088	–	–	–
(Reversal of impairment)/impairment of investment in associate	(13 610)	239 054	20 512	161 619
Other	1 395	–	–	–
Movement in cash settled share based payment	10 592	(38 350)	(11 372)	(44 671)
Interest paid	39 634	145 170	33 515	132 869
Interest received	(265 258)	(72 831)	(109 480)	(220 904)
Dividends received	–	–	(127 024)	(112 143)
	952 650	745 187	386 199	283 498

42. CHANGE IN WORKING CAPITAL

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Inventories	(203 720)	(49 697)	(262 903)	(344 370)
Trade and other receivables	123 650	(254 182)	7 144	(89 311)
Trade and other payables	(82 061)	82 631	200 055	(66 274)
	(162 131)	(221 248)	(55 704)	(499 955)

43. TAXATION PAID

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Balance owing at the beginning of the year	81 377	113 608	(11 624)	15 390
Profit or loss charge	140 825	222 801	41 287	94 828
Balance owing at the end of the year	(46 847)	(81 377)	45 716	11 624
	175 355	255 032	75 379	121 842

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's principal financial liabilities comprise loans and borrowings including preference shares, trade and other payables, and a financial guarantee contract (in the case of company only). The main purpose of these financial liabilities is to finance the group's operations and to provide guarantees to support its operations. The group has various financial assets such as trade receivables, investments, long term receivables and cash and cash equivalents, which arise directly from its operations.

The group may enter into derivative transactions, being forward currency contracts or metal hedging contracts. The purpose is to manage the currency risks arising from the group's operations and its sources of finance. The main risks arising from the group's financial instruments are interest rate risk, liquidity risk, foreign currency risk, commodity price risk and credit risk. The board of directors reviews and agrees policies for managing each of these risks which are summarised below:

Market risk

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

Foreign currency risk

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

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

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Weakening by 10% of US$	63 213	6 585	63 213	5 192
Strengthening by 10% of US$	(63 213)	(6 585)	(63 213)	(5 192)
Weakening by 10% of €	(18 352)	(1 393)	(18 352)	(1 393)
Strengthening by 10% of €	18 352	1 393	18 352	1 393
At year end the foreign currency value of items under their respective statement of financial position classifications were as follows:				
Accounts receivable: US$	6 351	5 415	6 351	5 415
Cash and cash equivalents: US$	36 636	–	36 636	–
Accounts payable: €	(1 241)	(1 023)	(1 241)	(1 023)
Long term loans: €	(10 000)	–	(10 000)	–
Exchange rates at year end				
ZAR/US$	14.71	12.16	14.71	12.16
ZAR/€	16.33	13.62	16.33	13.62

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Commodity price risk

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

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

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Increase of 10%	3 201	16 006	3 201	16 006
Decrease of 10%	(3 201)	(16 006)	(3 201)	(16 006)

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

Credit risk

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

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rate. The group's exposure to risk of changes in market interest rates relates primarily to the group's cash balances with floating interest rates and the long term loan.

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

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

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Cash and cash equivalents				
Increase of 1%	31 051	41 382	16 544	5 350
Decrease of 1%	(31 051)	(41 382)	(16 544)	(5 350)
Floating rate borrowings				
Increase of 1%	(78 888)	(79 064)	(4 193)	(13 700)
Decrease of 1%	78 888	79 064	4 193	13 700

Fair value

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

Management is of the opinion that the book value of financial instruments approximates fair value. The fair value is based on the net present value of the expected resources attributable to the realisation of the asset or the extinguishing of the liability.

Liquidity risk

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

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

The group has the following secured loans at the financial reporting date:

A loan secured from Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV (FMO) to Norplats Properties Proprietary Limited, a wholly owned subsidiary of the group. The loan is repayable in equal bi-annual instalments over 15 years and accrues interest at 3.5% above JIBAR, with the last payment due 30 September 2026. The group has pledged the instalment sales agreement as security for the loan.

Funding in the debt capital market through the issue of R1.25 billion three-year senior unsecured floating rate notes (the notes) under its R2.0 billion domestic medium term note programme dated 3 August 2012. The notes attracted a coupon of 350 basis points above three month JIBAR and interest payments were due quarterly. The notes matured on 4 September 2015. On 11 July 2013, the company raised an additional amount of R120.0 million in the domestic capital market through a tap issue which also matured on 4 September 2015 and was repaid in full.

Under the domestic medium term note programme (dated 3 August 2012), additional notes were issued on 11 May 2016 to the value of R175.0 million at a fixed coupon rate of 13.5% for a five-year period. Interest is payable on a bi-annual basis in May and November of every year. In addition, on 9 June 2016, a further R250.0 million notes were issued at a floating rate of the 3 month JIBAR plus 390 basis points. Interest is payable on a quarterly basis in August, November, February and May of every year for a three-year period.

The group had entered into a facility agreement with Nedbank Limited in August 2011 regarding a R1.0 billion five-year senior unsecured revolving credit facility (the facility). The facility is available to be utilised by way of periodic drawdown requests until the earlier of 1 month prior to final maturity and cancellation of the agreement. Interest is calculated at JIBAR plus 2.80% for each applicable interest period. At year end no amount of the Nedbank facility was utilised. Subsequent to year end the facility was renegotiated.

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

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The maturity profile of the group's financial liabilities is set out below:

Group	Payable on demand 30 June 2016 R'000	1 – 6 months 30 June 2016 R'000	More than 6 months 30 June 2016 R'000	More than a year 30 June 2016 R'000	Total 30 June 2016 R'000
Trade payables	362 996	–	–	–	362 996
Accrued interest on the domestic medium term notes	–	4 782		–	4 782
Accrued interest on the Nederlandse Financiering's Maatschappij voor Ontwikkelingslanden loan	–	1 136	–	–	1 136
Accruals	–	302 171	–	–	302 171
Other	–	–	–	51 232	51 232
Long term loans	–	13 584	4 064	235 464	253 112
Domestic medium term debt notes	–	25 825	25 825	575 550	627 200
Preference share liability*	–	–	–	24 575 615	24 575 615
	362 996	347 498	29 889	25 437 861	26 178 244

** The undiscounted cash flows relating to the preference share liability is also the maximum exposure to credit risk regarding the guarantee issued by Northam company.*

Group	Payable on demand 30 June 2015 R'000	1 – 6 months 30 June 2015 R'000	More than 6 months 30 June 2015 R'000	More than a year 30 June 2015 R'000	Total 30 June 2015 R'000
Trade payables	206 830	–	–	–	206 830
Accrued interest on the domestic medium term notes	–	9 762	–	–	9 762
Accrued interest on the Nederlandse Financiering's Maatschappij voor Ontwikkelingslanden loan	–	1 209	–	–	1 209
Accruals	–	563 785	–	–	563 785
Other	–	–	–	22 918	22 918
Long term loans	–	–	70 922	–	70 922
Domestic medium term debt notes	–	1 392 552	–	–	1 392 552
Preference share liability*	–	–	–	21 800 977	21 800 977
	206 830	1 967 308	70 922	21 823 895	24 068 955

** The undiscounted cash flow relating to the preference share liability is also the maximum exposure to credit risk regarding the guarantee issued by Northam company.*

Company	Payable on demand 30 June 2016 R'000	1 – 6 months 30 June 2016 R'000	More than 6 months 30 June 2016 R'000	More than a year 30 June 2016 R'000	Total 30 June 2016 R'000
Trade payables	155 558		–	–	155 558
Accrued interest on the domestic medium term notes	–	4 782	–	–	4 782
Accruals	–	237 196	–	–	237 196
Amounts payable to Booysendal Platinum Proprietary Limited	–	363 618	–	–	363 618
Other	–	–	–	13 036	13 036
Long term loans	–	9 400	–	178 600	188 000
Domestic medium term debt notes	–	25 825	25 825	575 550	627 200
	155 558	640 821	25 825	767 186	1 589 390

Company	Payable on demand 30 June 2015 R'000	1 – 6 months 30 June 2015 R'000	More than 6 months 30 June 2015 R'000	More than a year 30 June 2015 R'000	Total 30 June 2015 R'000
Trade payables	149 687	–	–	–	149 687
Accrued interest on the domestic medium term notes	–	9 762	–	–	9 762
Accruals	–	385 772	–	–	385 772
Other	–	–	–	16 961	16 961
Domestic medium term debt notes	–	1 392 552	–	–	1 392 552
	149 687	1 788 086	–	16 961	1 954 734

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for the year ended 30 June 2016

Capital management

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

The group manages its capital structure (which consists of equity) and makes adjustments to it, in light of changes in economic conditions.
To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended 30 June 2016 and 30 June 2015.

Categories of financial instruments

The various categories of financial instruments are set out below:

	Available for sale investment	Loans and receivables	Financial liabilities at amortised cost	Non-financial instruments	Total
	30 June 2016	30 June 2016	30 June 2016	30 June 2016	30 June 2016
Group	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Unlisted investment	6	–	–	–	6
Long term receivables	–	89 717	–	–	89 717
Investment in the Northam Platinum Restoration Trust Fund	–	93 647	–	–	93 647
Environmental Conservancy Trust	–	60 345	–	–	60 345
Buttonshope Conservancy Trust	–	10 445	–	–	10 445
Trade and other receivables	–	237 188	–	138 016	375 204
Cash and cash equivalents	–	3 105 080	–	–	3 105 080
Preference share liability		–	(7 429 549)	–	(7 429 549)
Long term loans	–	–	(275 513)	–	(275 513)
Domestic medium term debt notes	–	–	(419 287)	–	(419 287)
Current portion of long term loans	–	–	(13 201)	–	(13 201)
Trade and other payables	–	–	(864 606)	(13 329)	(877 935)

Group	Available for sale investment 30 June 2015 R'000	Loans and receivables 30 June 2015 R'000	Financial liabilities at amortised cost 30 June 2015 R'000	Non-financial instruments 30 June 2015 R'000	Total 30 June 2015 R'000
Unlisted investment	6	–	–	–	6
Long term receivables	–	94 503	–	–	94 503
Investment in the Northam Platinum Restoration Trust Fund	–	49 092	–	–	49 092
Environmental Conservancy Trust	–	52 122	–	–	52 122
Buttonshope Conservancy Trust	–	11 037	–	–	11 037
Trade and other receivables	–	250 411	–	248 443	498 854
Cash and cash equivalents	–	4 138 189	–	–	4 138 189
Preference share liability	–	–	(6 492 655)	–	(6 492 655)
Long term loans	–	–	(39 963)	–	(39 963)
Domestic medium term debt notes	–	–	(1 370 000)	–	(1 370 000)
Current portion of long term loans	–	–	(3 801)	–	(3 801)
Trade and other payables	–	–	(944 810)	(15 186)	(959 996)

Company	Available for sale investment 30 June 2016 R'000	Loans and receivables 30 June 2016 R'000	Financial liabilities at amortised cost 30 June 2016 R'000	Non-financial instruments 30 June 2016 R'000	Total 30 June 2016 R'000
Unlisted investment	6	–	–	–	6
Investment in the Northam Platinum Restoration Trust Fund	–	43 204	–	–	43 294
Environmental Conservancy Trust	–	49 187	–	–	49 187
Subsidiary loans receivable	–	2 354 983	–	–	2 354 983
Trade and other receivables	–	163 841	–	110 512	274 353
Cash and cash equivalents	–	1 654 417	–	–	1 654 417
Long term loans	–	–	(239 350)	–	(239 350)
Financial guarantee liability	–	–	(7 535 944)	–	(7 535 944)
Domestic medium term debt notes	–	–	(419 287)	–	(419 287)
Current portion of long term loans	–	–	(9 400)	–	(9 400)
Trade and other payables	–	–	(885 358)	–	(885 358)

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for the year ended 30 June 2016

	Available for sale investment	Loans and receivables	Financial liabilities at amortised cost	Non-financial instruments	Total
	30 June 2015	30 June 2015	30 June 2015	30 June 2015	30 June 2015
Company	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Unlisted investment	6	–	–	–	6
Investment in the Northam Platinum Restoration Trust Fund	–	38 868	–	–	38 868
Environmental Conservancy Trust	–	44 137	–	–	44 137
Subsidiary loans receivable	–	4 226 019	–	–	4 226 019
Trade and other receivables	–	207 638	–	73 859	281 497
Cash and cash equivalents	–	534 959	–	–	534 959
Financial guarantee liability	–	–	(7 535 944)	–	(7 535 944)
Domestic medium term debt notes	–	–	(1 370 000)	–	(1 370 000)
Trade and other payables	–	–	(685 303)	–	(685 303)

45. RELATED PARTIES

Related party relationships exist between the company and subsidiaries within the Northam Platinum Limited group of companies. Below is summary of the various subsidiaries and trusts included in the group:

	Effective holding	Share capital and premium	Investment	Indebtedness 2016	Indebtedness 2015
		R'000	R'000	R'000	R'000
Mining Technical Services Proprietary Limited	100.0	***	*	15 002	1
Khumama Platinum Proprietary Limited	100.0	7 106 126	10 166 000	1	-
Booysendal Platinum Proprietary Limited	100.0	4 600 000	**	2 262 163	4 159 333
Mvelaphanda Resources Proprietary Limited	100.0	4 358	–	1 047	957
Northam Chrome Proprietary Limited (previously Northam Chrome Producers Proprietary Limited)	100.0	1	70 000	–	–
Windfall 38 Properties Proprietary Limited	100.0	***	*	14 590	14 862
Norplats Properties Proprietary Limited	100.0	***	*	62 180	50 463
Zambezi Platinum (RF) Limited	–	–	–	–	–
Northam Zondereinde Community Trust	–	–	–	–	–
Northam Booysendal Community Trust	–	–	–	–	–
Northam Employee Trust	–	–	–	–	–
Buttonshope Conservancy Trust	100.0	–	–	–	403
Northam Restoration Trust Fund	100.0	–	–	–	–
			10 236 000	2 354 983	4 226 019

*** Issued capital is less than R1 000
** Indirectly held subsidiary through Khumama Platinum Proprietary Limited
* Investment less than R1 000

120 (2015: 120) ordinary shares are held in Mining Technical Services Proprietary Limited representing a 100% equity interest.
505 (2015: 505) ordinary shares are held in Khumama Platinum Proprietary Limited representing a 100% equity interest.
Northam Platinum Limited holds 217 881 101 ordinary shares representing a 100% equity interest in Mvelaphanda Resources Proprietary Limited. The investment was fully impaired during the previous financial year.
100 (2015: 100) ordinary shares are held in Norplats Properties Proprietary Limited, Northam Chrome Proprietary Limited and Windfall 38 Properties Proprietary Limited representing a 100% equity interest.

All companies are incorporated in the Republic of South Africa and all companies are wholly-owned.

In May 2015, the company acquired an additional 100 shares in Khumama Platinum Proprietary Limited (Khumama) for a consideration of R4.6 billion. This brings the company's total shareholding to 505 shares. Khumama is still a wholly owned subsidiary of the company.

The loan between Northam Platinum Limited and Norplats Properties Proprietary Limited amounting to R24.4 million (2015: R24.4 million) accrues interest at 2.0% below the South African prime interest rate and may only be repaid once the loan from the Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV has been repaid by Norplats Properties Proprietary Limited, which is no later than 30 September 2026.

The loan between Northam Platinum Limited and Booysendal Platinum Proprietary Limited bears interest at JIBAR plus 3.75% from 1 January 2015 on the portion of the loan that relates to third party funding. The third party funding was however repaid in full during the current financial year and the outstanding loan balance does not accrue interest. Regular repayments are however made on the outstanding loan balance. The remaining balance of the loan is repayable on demand and therefore stated as current.

The loan between Northam Platinum Limited and Windfall 38 Properties Proprietary Limited bears interest at 2.0% below the South African prime interest rate, repayable on demand and therefore stated as current. During the year the accrued interest for the year was repaid in full.

All other loans are interest free, unsecured and repayable on demand.

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Guarantees, subordination agreements and letters of support

Northam Platinum Limited currently has finance facilities available in the form of a revolving credit facility of R1.0 billion with Nedbank Limited, and has issued R425.0 million on the debt capital market. Booysendal (as well as the intermediate holding company, Khumama Platinum Proprietary Limited) has signed a letter of guarantee with regards to both these facilities. Management has renegoted the Nedbank revolving credit facility which will increase the facility to R1.5 billion over a five-year period.

In addition to the above Khumama Platinum Proprietary Limited is also a party to the guarantees that have been issued in terms of the Nedbank Limited revolving credit facility as well as the DMTN facility.

On 25 September 2014 Northam Platinum Limited provided a guarantee to ensure that Mvelaphanda Resources Proprietary Limited would meet its financial obligations as and when they fall due as the company's liabilities exceeded its assets. The guarantee will remain in full force and effect as long as the liabilities (including contingent liabilities) exceed its assets, fairly valued, and will lapse forthwith upon the date that the assets, so valued, exceed its labilities.

It is also important to note that Northam Platinum Limited has issued a letter of support (non-binding) stating that Northam Platinum Limited will not demand repayment of the intercompany loan within the next 12 months and will continue to provide the company with sufficient funds for it to meet its obligations as and when they fall due.

Zambezi Platinum (RF) Limited is consolidated in the Northam group

Zambezi was created and designed for the sole purpose of providing Northam with BEE credentials and as a structure to hold the listed BEE preference shares. If Northam does not comply with the HDSA requirements in the Mining Charter it will not be able to retain its mining rights. Northam is able to direct the strategic direction of Zambezi and as per the subscription and relationship agreement between the two companies, Zambezi's memorandum of incorporation may not be amended or replaced without Northam's prior written consent.

Northam assumes full responsibility for the administration of Zambezi as well as any costs incurred by Zambezi up to a certain limit. Furthermore, Northam provides a guarantee for Zambezi's obligation in respect of the preference shares. All these points indicate that Northam has been involved from the inception of the transaction, to ensure that the design and operation of Zambezi achieves the purpose for which it was created. In terms of the transaction, an "N" share was issued to Northam, which gave them the right to implement mitigating action should Zambezi not comply with certain undertakings as per the transaction's agreements and in other limited instances aimed at maintaining the integrity of the transaction at all times. Zambezi can also not dispose of the Northam ordinary shares without the prior consent of Northam. Northam has significant exposure to the variable returns of Zambezi, through the creation and maintenance of the BEE credentials during the 10-year lock-in period as well as through the guarantee provided by Northam. The decision making power of Zambezi's board of directors is restricted to maintaining Northam's BEE credentials and funding arrangements.

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

BEE Community and ESOP Trust

The manner in which the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and the Northam Employees' Trust was set up and the contracts governing the relationships between Northam and these Trusts, shows that their relevant activities had already been determined when these trusts were created and will continue to be carried out until such time as the 10-year lock-in period is over or the BEE credentials are no longer required by Northam. There is no scope for any other commercial activity outside of the maintenance of the BEE credentials, the allocation of returns on the Northam share to the beneficiaries of these trusts and the facilitation and maintenance of the external BEE Preference Share funding.

These trusts are therefore under the control of Northam and are therefore consolidated into the group.

Key management remuneration

The table below summarises the executive directors' remuneration:

	Fees	Remuneration package	Performance bonus	Benefits	Gain on share based payments	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Executive						
PA Dunne	–	6 165	4 353	834	–	11 352
AZ Khumalo	–	3 006	2 436	441	3 707	9 590
Non-executive						
PL Zim	412	–	–	–	–	412
R Havenstein	717	–	–	–	–	717
CK Chabedi	496	–	–	–	–	496
HH Hickey	209	–	–	–	–	209
TE Kgosi	609	–	–	–	–	609
AR Martin	565	–	–	–	–	565
KB Mosehla	357	–	–	–	–	357
TI Mvusi	154	–	–	–	–	154
ME Beckett	247	–	–	–	–	247
	3 766	9 171	6 789	1 275	3 707	24 708

The directors' remuneration for the year ended 30 June 2015 was as follows:

	Fees	Remuneration package	Performance bonus	Benefits	Gain on share based payments	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Executive						
PA Dunne	–	5 700	2 184	763	–	8 647
AZ Khumalo	–	2 708	1 686	347	4 740	9 481
Non-executive						
PL Zim	318	–	–	–	–	318
R Havenstein	744	–	–	–	–	744
CK Chabedi	413	–	–	–	–	413
TE Kgosi	579	–	–	–	–	579
AR Martin	557	–	–	–	–	557
ME Beckett	616	–	–	–	–	616
JAK Cochrane	276	–	–	–	–	276
	3 503	8 408	3 870	1 110	4 740	21 631

No individuals other than directors are considered to be prescribed officers.

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Details of share options granted to directors

A summary of the options held by executive directors at 30 June 2016 is as follows:

Earliest and latest exercise date	Price per share in R	Total number of options
PA Dunne	–	–
AZ Khumalo		
12 October 2012 and 11 October 2017	46.57	125 000
Claw back rights options	40.00	4 901
Number of options held at 30 June 2016		129 901

A summary of the options held by executive directors at 30 June 2015 is as follows:

Earliest and latest exercise date	Price per share in R	Total number of options
PA Dunne	–	–
AZ Khumalo		
1 July 2012 and 30 June 2017	45.59	125 000
12 October 2012 and 11 October 2017	46.57	125 000
Claw back rights options	40.00	9 802
Number of options held at 30 June 2016		259 802

Details of share incentives granted to directors

Below is an analysis of share incentives held as at 30 June 2016:

Retention shares and performance shares	22 Nov 2011 Share award	6 Nov 2012 Share award	15 Nov 2013 Share award	4 Nov 2014 Share award	11 Nov 2015 Share award	Total
PA Dunne						
Balance at 1 July 2014	–	–	–	–	–	–
Retention shares awarded during the year	–	–	–	37 900	–	37 900
Performance shares awarded during the year	–	–	–	112 400	–	112 400
Shares cash settled during the year	–	–	–	–	–	–
Balance at 30 June 2015	–	–	–	150 300	–	150 300
Balance at 1 July 2015	–	–	–	150 300	–	150 300
Retention shares awarded during the year	–	–	–	–	48 700	48 700
Performance shares awarded during the year	–	–	–	–	144 500	144 500
Shares cash settled during the year	–	–	–	–	–	–
Balance at 30 June 2016		–		150 300	193 200	343 500

	22 Nov 2011 Share award	6 Nov 2012 Share award	15 Nov 2013 Share award	4 Nov 2014 Share award	11 Nov 2015 Share award	Total
Retention shares and performance shares						
AZ Khumalo						
Balance at 1 July 2014	93 000	154 000	122 000	–	–	369 000
Retention shares awarded during the year	–	–	–	37 900	–	37 900
Performance shares awarded during the year	–	–	–	112 400	–	112 400
Shares forfeited/adjusted for performance conditions met during the year	(17 700)	–	–			(17 700)
Shares cash settled during the year	(75 300)	(56 000)	–	–	–	(131 300)
Balance at 30 June 2015	–	98 000	122 000	150 300	–	370 300
Balance at 1 July 2015	–	98 000	122 000	150 300	–	370 300
Retention shares awarded during the year	–	–	–	–	48 700	48 700
Performance shares awarded during the year	–	–	–	–	144 500	144 500
Shares forfeited/adjusted for performance conditions met during the year	–	(28 420)	–	–	–	(28 420)
Shares cash settled during the year	–	(69 580)	(44 000)	–	–	(113 580)
Balance at 30 June 2016	–	–	78 000	150 300	193 200	421 500

46. COMMITMENTS

	Group		Company	
	2016 R'000	2015 R'000	2016 R'000	2015 R'000
Capital expenditure – Booysendal mine				
Authorised but not contracted	404 054	367 584	–	–
Contracted	209 849	74 506	–	–
Capital expenditure – Zondereinde mine				
Authorised but not contracted	189 785	795 628	189 785	795 628
Contracted	660 939	42 376	660 939	42 376
Information Technology – outsource service provider				
Due within one year	20 903	26 675	15 458	20 986
Due within two to five years	2 441	18 403	2 016	13 785
Operating lease rentals – office equipment				
Due within one year	1 359	2 136	1 183	1 442
Due within two to five years	314	1 684	315	1 483
Operating lease rentals – premises				
Due within one year	5 307	5 599	2 352	2 797
Due within two to five years	21 186	27 324	9 269	12 545
The lease rental for the corporate office contains an option to renew the lease for an additional five years				
Employee housing development contracted for	207	4 800	–	–
Bank guarantee issued	50 717	73 266	50 717	73 266

These commitments will be funded from a combination of internal retentions and debt.

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47. EVENTS AFTER THE REPORTING PERIOD

Subsequent to year end, the group renegotiated a five year R1.5 billion revolving credit facility with Nedbank Limited to replace the existing R1.0 billion facility which will mature in November 2016. The group further increased its investment in SSG Holdings Proprietary Limited by 10% and now holds a total share of 30%. Apart from these events there have been no other events subsequent to the period end which require additional disclosure or adjustment to the financial results.