

Contents

Independent auditors' report	41
Directors' report	42
Accounting policies	49
Balance sheets	65
Income statements	66
Statements of changes in equity	67
Cash flow statements	68
Notes to the financial statements	69
Annexure 1 – analysis of financial instruments	88
Annexure 2 – investment in associate	90
Annexure 3 – subsidiaries	91
Annexure 4 – related party transactions	92
Annexure 5 – analysis of share options	94

Approval of annual financial statements

The financial statements set out on pages 42 to 94 were approved by the board of directors on 18 September 2009, and are signed on its behalf by:

PL Zim
Chairman

GT Lewis
Chief executive officer

Company secretary's confirmation

In terms of Section 268G (d) of the Companies Act, I confirm that, to the best of my knowledge, the company has lodged with the Registrar of Companies all such returns as are required by a public company in terms of the Companies Act and that all such returns are true, correct and up to date in respect of the financial year reported upon.

B Ngwenya
Company secretary
Johannesburg

18 September 2009

Independent auditors' report

To the members of Northam Platinum Limited

Report on the financial statements

We have audited the annual financial statements and group annual financial statements of Northam Platinum Limited, which comprise the directors' report, the balance sheet as at 30 June 2009, the income statement, the statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 42 to 94.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and group as of 30 June 2009, and of the financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Ernst & Young Inc.
Registered Auditor
Johannesburg

18 September 2009

Directors' report

The directors have pleasure in submitting their report for the year ended 30 June 2009. The review of the group's operational performance is set out in the business review on pages 10 to 13, whilst the nature of business is described in the corporate profile which appears on page 1.

Booysendal platinum project

As announced on 19 August 2008, the implementation of the Booysendal transaction commenced with 121 000 000 ordinary shares being allotted and issued to Mvelaphanda Equity (Proprietary) Limited, a wholly-owned subsidiary of Mvelaphanda Resources Limited on 20 August 2008, and Northam acquiring the entire issued share capital of Khumama Platinum (Proprietary) Limited (Khumama). The shares were issued at a price of R46.00 per share, resulting in a total consideration of R5 566 million for the project. The first 50% of the issued share capital of Micawber 278 (Proprietary) Limited (Micawber), which holds the Booysendal mining titles, was transferred to Khumama in August 2008, with 100% ownership being obtained in June 2009.

Pandora joint venture

Following the implementation of the various agreements relating to the acquisition of Booysendal, the group achieved recognition as an HDSA entity. Consequently it became entitled to acquire the 7.5% interest in the Pandora joint venture that had been warehoused by Mvelaphanda Resources Limited. The other parties to the joint venture are Rustenburg Platinum Mines Limited and Eastern Platinum Limited with an equal share of 42.5% and the Bapo Ba Mogale with a 7.5% interest. The joint venture exploits the UG2 reef on certain portions of the farms Hartbeespoort, Roodekopjes and Uitvalgrond near Marikana in the North West Province.

Northam, which accounts for Pandora as an associate, brought to account an investment of R65 million and income of R72 million, R68 million of which related to the periods prior to the group being entitled to account for Pandora. The investment was reduced by an amount of R7 million distributed by Pandora.

Corporate governance

The directors endorse the Code of Corporate Practices and Conduct set out in the second King Report on Corporate Governance (King 2) that was released in March 2002. The directors are also cognisant of the provisions of the draft third King Report on Corporate Governance (King 3) due to be released in September 2009. In addition the directors are aware of the promulgation of the new Companies Act that is expected to become effective in July 2010. Further details on the group's corporate governance practices are set out in the Corporate Governance Report on page 26.

Mining licences

The Northam mine's mining licences cover an area of approximately 7 625 hectares on the farms Aapieskraal 377 KQ, Amandelbult 383 KQ, Elandsfontein 386 KQ, Grootkuil 376 KQ, Kopje Alleen 422 KQ, Middeldrift 379 KQ, Vrugbaar 381 KQ and 387 KQ, Witvley 423 KQ and Zondereinde 384 KQ.

The Booysendal mine's mining licence, which is held through Micawber, covers an area of approximately 11 876 hectares on the farms Booysendal 43 JT, Buttonshope 51 JT, Der Brochen 7 JT, Draaikraal 48 JT, Hebron 5 JT, Kliprivier 73 JT, Pietersburg 44 JT and Uysedoorns 47 JT. In addition Micawber holds new order prospecting rights of approximately 1 968 hectares on the farms Johannesburg 45 JT and Sheeprun 50 JT.

Additional rights over an area of approximately 1 264 hectares on portions of the farms Der Brochen 7 JT, Hebron 5 JT and Hermansdal 3 JT will be ceded to Micawber once Rustenburg Platinum Mines Limited's application to convert its old order mining rights to new order mining rights has been completed.

Conversion of mining rights

The company submitted its application to the Department of Mineral Resources (DMR) for the conversion of its old order mining rights to new order mining rights in April 2006. The application was accepted by the DMR and is at the date hereof still being processed.

The DMR gave notice in May 2009 that the conversion of Booysendal's old order mining title covering nine of the 11 Booysendal farms had been approved. The conversion was executed on 10 September 2009. The application for mining rights over the remaining two farms presently held under new order prospecting rights is currently being processed.

Property

A register of land and buildings containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company during normal business hours.

Financial results

The accounting policies, balance sheets, income statements, statements of changes in equity, cash flow statements and notes to the financial statements, on pages 49 to 94, reflect the financial results and position of the company and the group.

Dividends

Dividends totalling 78 cents per share (2008: 330 cents per share) absorbing R280 729 410 (2008: R1 011 223 675) were declared. Details are as follows:

Interim dividend (No 20) – 38 cents per share	
Declaration date:	4 February 2009
Last day to trade <i>cum div</i> :	27 February 2009
Commencement of trading <i>ex div</i> :	2 March 2009
Record date:	6 March 2009
Payment date:	9 March 2009
Final dividend (No 21) – 40 cents per share	
Declaration date:	12 August 2009
Last day to trade <i>cum div</i> :	4 September 2009
Commencement of trading <i>ex div</i> :	7 September 2009
Record date:	11 September 2009
Payment date:	14 September 2009

Shareholders who have dematerialised their shares receive payment electronically as provided for by STRATE. For those shareholders who have not yet dematerialised their shares, or who intend not to do so, the company operates an electronic funds transmission service, whereby dividends may be electronically transferred to members' accounts. These shareholders are encouraged to mandate this method of payment for all future dividends.

Share capital

The authorised share capital of the company remains unchanged at R4 750 000 (2008: R4 750 000) divided into 475 000 000 (2008: 475 000 000) shares of one cent each. In order to cater for growth and a possible rights issue as part of the funding for the Booyendal mine, the directors consider it appropriate that the company increase its authorised share capital to R5 450 000 by the creation of an additional 70 000 000 shares of one cent each. Accordingly members will be asked at the forthcoming annual general meeting to approve special resolutions to create the additional shares and to amend the company's memorandum of association to reflect the newly created shares. The text of the resolutions appears in the notice of the annual general meeting on page 95, which forms part of this report.

During the year 121 000 000 shares were allotted and issued to Mvelaphanda Equity (Proprietary) Limited, a wholly owned subsidiary of Mvelaphanda Resources Limited, which together with the 222 000 shares that were allotted and issued to participants of the Northam Share Option Scheme, resulted in the issued share capital at 30 June 2009 being 359 909 500 (2008: 238 687 500) shares of one cent each and the share premium increasing from R2 050 807 000 to R7 619 369 000.

At the forthcoming annual general meeting members will be asked to place the authorised but unissued shares in the capital of the company (other than those shares that are reserved for purposes of the Northam Share Option Scheme), under the control of the directors in terms of Section 221(2) of the Companies Act, 1973 (Act 61 of 1973) (the Act), as amended, and the Listings Requirements of the JSE Limited (JSE). The text of the necessary resolution appears in the notice of annual general meeting on page 95, which forms part of this report.

Repayments of share premium

At the annual general meeting held on 6 November 2008 shareholders passed a resolution granting the directors of the company a general authority to distribute up to a maximum of 20% of the company's share premium in terms of the Listings Requirements of the JSE and subject to the requirements of Section 90 of the Companies Act, 1973. The company has a substantial share premium account, equivalent to R21.17 per share that has arisen from a combination of previous rights issues and the acquisition of the Booyendal Platinum Project. Should the company under prevailing market conditions generate cash funds that are surplus to its operational requirements, this general authority enables the directors to return some or all of these surplus funds to shareholders should they deem it to be in the best interests of the company. This general authority is valid until the company's next annual general

meeting or for 15 months from the date of the aforementioned resolution (being 6 November 2008) whichever period is the shorter. The directors have proposed that this general authority be renewed for a further period and accordingly the text of the necessary resolution appears in the notice of annual general meeting on page 95, which forms part of this report.

No payments were made during the year in terms of this general authority.

Acquisition of company's own shares

The Companies Act permits a company and its subsidiaries to acquire its own shares and for such subsidiaries to acquire shares of their holding company. Accordingly, at the annual general meeting held on 6 November 2008 shareholders passed a special resolution granting the company a general authority to repurchase its own shares. This general authority provides the directors, subject to certain terms and conditions as set out in the said special resolution, with the necessary flexibility to procure the repurchase of the company's shares from time to time should such repurchase, in view of prevailing market conditions, be opportune and be deemed to be in the best interests of the company. This general authority is valid until the company's next annual general meeting or for 15 months from the date of the aforementioned resolution (being 6 November 2008) whichever period is the shorter. The directors have proposed that this general authority be renewed for a further period and accordingly the text of the necessary special resolution, as well as the reasons therefor and the effects thereof, appears in the notice of annual general meeting on page 95, which forms part of this report.

During the year no acquisitions of shares were effected in terms of this general authority.

Borrowing powers

In terms of the articles of association, the directors may borrow for purposes of the company, such sums as they deem fit.

STRATE (Share Transactions Totally Electronic)

Shareholders are once again reminded that the company transferred to the STRATE environment during September 2001. Shareholders who have not already dematerialised their shares (certificated shareholders) are strongly urged to do so as soon as possible (unless it is their explicit intention not to do so) in order to enable them to trade in such shares. It is most important for certificated shareholders to note that their shares may not be traded on the JSE unless the shares have been dematerialised.

Northam Share Option Scheme (the Scheme)

The Scheme was established on 4 January 1995 with the objective of attracting and retaining employees with appropriate levels of ability and expertise who make a significant contribution to the operations of the company. Non-executive directors are not eligible to participate in the Scheme.

Directors' report (continued)

Options are offered at the 30-day volume weighted average price at which Northam shares traded on the JSE up to the trading day immediately preceding the offer date. In terms of the rules of the Scheme, option holders may exercise 50% of their options two years after the offer date and 100% of their options three years after the offer date. Options not exercised within five years of the offer date shall lapse.

At the forthcoming annual general meeting shareholders will be asked to consider and approve a change in the rules of the Scheme. The principal changes are as follows:

- 1) The rules currently provide that the exercise price is based on the 30-day volume weighted average price at which Northam shares traded on the JSE up to the trading day immediately preceding the offer date. It is proposed to amend this clause to provide that the exercise price will be the average price at which

Northam shares traded on the JSE on the trading day immediately preceding the offer date.

- 2) The rules currently provide that options that are not exercised within five years from the date of the offer shall lapse. It is also proposed to extend this period seven years.
- 3) In terms of the rules of the Scheme, 11 550 000 unissued shares are reserved for participants of the scheme. It is proposed to increase the number of unissued shares reserved for participants of the scheme to 25 000 000.
- 4) In terms of the rules of the Scheme the maximum number of options that any one participant may hold is limited to 0.4% of the issued share capital of the company prevailing from time to time. In order to comply with the requirements of the JSE Limited, it is proposed to amend this to 1 440 000 options.

A reconciliation of the shares held under option is as follows:

Earliest and latest exercise date	Price per share R	Total number of options
14 October 2006 and 13 October 2009	8.30	92 500
24 October 2007 and 23 October 2010	17.00	858 000
23 October 2008 and 21 October 2011	38.45	1 712 500
22 October 2009 and 21 October 2012	48.00	1 897 500
Number of options held at 30 June 2008		4 560 500
New options granted during the year at R32.38 per share		3 392 500
Number of options forfeited during the year		(455 000)
Number of options exercised during the year – refer Annexure 5 on page 94		(222 000)
Number of options held at 30 June 2009		7 276 000

At 30 June 2009 the outstanding options were exercisable as follows:

Earliest and latest exercise date	Price per share R	Total number of options	Options vested at 30 June 2009	Options exercisable in F2010	Options exercisable thereafter
14 October 2006 and 13 October 2009	8.30	92 500	92 500	–	–
24 October 2007 and 23 October 2010	17.00	636 000	636 000	–	–
23 October 2008 and 22 October 2011	38.45	1 597 500	798 750	798 750	–
22 October 2009 and 21 October 2012	48.00	1 737 500	–	868 750	868 750
27 November 2010 and 26 November 2013	32.38	3 212 500	–	–	3 212 500
		7 276 000	1 527 250	1 667 500	4 081 250

Full details of the options exercised during the year are set out in Annexure 5 on page 94, and are summarised as follows:

Grant date	Number of options exercised	Exercise price R	Consideration R000
24 October 2005	222 000	17.00	3 774
Total	222 000	17.00	3 774

Directorate

The following changes occurred since the date of the last annual report:

- Mr NB Mbazima resigned as a director on 20 August 2008;
- Mr AK Gupta was appointed alternate director to Mr PL Zim on 27 February 2009;
- Mr PC Pienaar resigned as a director on 4 June 2009;
- Messrs CK Chabedi, A R Martin and MSMM Xayiya were appointed directors on 22 June 2009, with Mr MJ Willcox being appointed alternate director to Mr MS MM Xayiya on the same date.

The board wishes to place on record its appreciation of the services rendered to the company by Messrs Mbazima and Pienaar.

The composition of the board of directors, as well as of board appointed committees, at the date of this report, is reflected on pages 28 to 30.

In terms of article 50 of the company's articles of association directors Messrs. CK Chabedi, AR Martin and MSMM Xayiya, having been appointed during the year, retire at the forthcoming annual general meeting, and being eligible and available, offer themselves for election. Accordingly at the forthcoming annual general meeting members will be requested to consider resolutions providing for the election and re-appointment of Messrs Chabedi, Martin and Xayiya as non-executive directors of the company.

Brief summaries of their curricula vitae appear on pages 34 to 37.

Further, in terms of article 57 of the company's articles of association directors ME Beckett, BR van Rooyen and PL Zim retire by rotation and, being eligible and available, offer themselves for re-election. Accordingly at the forthcoming annual general meeting members will be requested to consider resolutions providing for the election and re-appointment of Messrs Zim, van Rooyen and Beckett as non-executive directors of the company.

Brief summaries of their curricula vitae appear on pages 34 to 37.

Directors' fees

In terms of the articles of association the fees for services as directors are determined by the company in general meeting. The current level of fees paid to non-executive directors for their services is as follows:

Board fees

- Board chairman – R80 000 per annum.
- Board members – R40 000 per annum.
- Board meeting attendance fees – R26 000 per meeting.

Board appointed committees

- Committee chairmen – R30 000 per annum.
- Committee members – R15 000 per annum.
- Committee meeting attendance fees – R10 000 per meeting.

The above fees were set in 2008, and with the ever increasing responsibilities imposed on directors by the more stringent regulatory environment, it is considered appropriate that they be further revised to bring them more into line with market norms. Accordingly it is proposed that the fees be increased as follows:

Board fees

- Board chairman – R86 000 per annum.
- Board members – R43 000 per annum.
- Board meeting attendance fees – R28 000 per meeting.

Board appointed committees

- Committee chairmen – R32 400 per annum.
- Committee members – R16 200 per annum.
- Committee meeting attendance fees – R10 800 per meeting.

At the forthcoming annual general meeting members will accordingly be requested to consider a resolution providing for the increase in the fees as set out above.

Directors' report (continued)

Directors' remuneration

The directors' remuneration for the year ended 30 June 2009 was as follows:

2009						
	Fees R000	Remuneration package R000	Performance bonus R000	Benefits R000	Gain on exercise of options R000	Total R000
Executive						
GT Lewis	–	2 141	6 284*	284	–	8 709
Non-executive						
ME Beckett	223	–	–	–	–	223
CK Chabedi ²	27	–	–	–	–	27
NJ Dlamini ¹	280	–	–	–	–	280
R Havenstein ¹	225	–	–	–	–	225
ET Kgosi ¹	305	–	–	–	–	305
AR Martin ²	1	–	–	–	–	1
NM Mbazima ³	7	–	–	–	–	7
PC Pienaar ⁴	115	–	–	–	–	115
BR van Rooyen	275	–	–	–	–	275
MS Xayiya ²	1	–	–	–	–	1
PL Zim	184	–	–	–	–	184
	1 643	2 141	6 284	284	–	10 352

* Includes a special bonus of R5 750 000 in respect of the successful conclusion of the Booyesendal transaction in August 2008.

Directors' remuneration

The directors' remuneration for the year ended 30 June 2008 was as follows:

2008						
	Fees R000	Remuneration package R000	Performance bonus R000	Benefits R000	Gain on exercise of options R000	Total R000
Executive						
GT Lewis	–	1 785	235	236	–	2 256
Non-executive						
ME Beckett	246	–	–	–	–	246
NJ Dlamini	285	–	–	–	–	285
R Havenstein	158	–	–	–	–	158
ET Kgosi	333	–	–	–	–	333
NB Mbazima	102	–	–	–	–	102
RG Mills	57	–	–	–	–	57
PC Pienaar	104	–	–	–	–	104
BR van Rooyen	234	–	–	–	–	234
M J Willcox	5	–	–	–	–	5
PL Zim	160	–	–	–	–	160
	1 684	1 785	235	236	–	3 940

Note 1 Dr Dlamini, Ms Kgosi and Mr Havenstein were paid a special fee of R20 000 each in their capacity as members of the independent board committee to advise shareholders on the expression of interest made by Impala Platinum Holdings Limited to acquire the entire issued capital of Northam.

Note 2 Messrs Chabedi, Martin and Xayiya were appointed on 22 June 2009.

Note 3 Mr Mbazima resigned as a director with effect from 20 August 2008.

Note 4 Mr PC Pienaar resigned from the board with effect from 4 June 2009.

No options were exercised by directors during the year.

Service contracts

The chief executive officer, Mr G T Lewis, has a service contract with the company which is subject to a notice period of one year. None of the other directors has a service contract with the company.

Directors' interests

According to information available to the company after reasonable enquiry, the interests of the directors and their families in the shares of the company at 30 June 2009 were as follows:

30 June 2009				
	Direct beneficial holding	Indirect beneficial holding	Indirect non-beneficial holding	Total
ME Beckett	30 000	–	–	30 000
BR van Rooyen	–	37 462	–	37 462
MJ Willcox	–	2 116	8 934 255	8 936 371
MSMM Xayiya	–	–	2 978 085	2 978 085
PL Zim	–	–	15 226 615	15 226 615
	30 000	39 578	27 138 955	27 208 533

30 June 2008				
	Direct beneficial holding	Indirect beneficial holding	Indirect non-beneficial holding	Total
ME Beckett	30 000	–	–	30 000
BR van Rooyen	–	37 462	–	37 462
PL Zim	–	–	4 496 442	4 496 442
	30 000	37 462	4 496 442	4 563 904

As a consequence of the allotment and issue of the 121 000 000 Booyensdal consideration shares on 20 August 2008, the indirect non-beneficial shareholding of Mr PL Zim increased to 15 226 615. There have been no changes to the shareholdings of the other directors between 30 June 2008 and the date of this report.

Analysis of shareholders at 30 June 2009

Shareholding range	Number of holders	Total shareholding	Percentage holding
1 – 5 000	6 225	5 714 471	1.6
5 001 – 10 000	308	2 388 451	0.7
10 001 – 50 000	373	8 657 227	2.4
50 001 – 100 000	86	5 957 407	1.7
100 001 – 1 000 000	153	43 817 786	12.1
1 000 001 and over	22	293 374 158	81.5
Total	7 167	359 909 500	100.0

Category of shareholder	Number of holders	Total shareholding	Percentage holding
Individuals	6 901	13 376 231	3.7
Companies	1	225 980 981	62.8
Managed funds and other bodies	265	120 552 288	33.5
Total	7 167	359 909 500	100.0

Directors' report (continued)

Major shareholders at 30 June 2009

Owner	Number of shares	Percentage holding
Mvelaphanda Resources Limited	225 980 981	62.8
Fund manager	Number of shares	Percentage holding
Allan Gray Limited	23 544 300	6.5
M & G Investment Management Limited	11 200 000	3.1
Public Investment Commission	10 649 546	3.0
Foord Asset Management Limited	8 019 914	2.2
Helier Investments Limited	7 572 187	2.1

Shareholder spread at 30 June 2009

The company's shareholder spread is set out below.		
	Number of shareholders	Percentage holding
Public	7 163	29.1
Non-public		
– Directors	3	8.1
– Other (any who fall outside the scope of the above)	1	62.8
Total	7 167	100.0

Northam Platinum Restoration Trust Fund (the Fund)

The Northam Platinum Restoration Trust Fund was established in 1996 to assist the company in making financial provision for the environmental rehabilitation of the mine, in terms of the Minerals Act, 1991, upon cessation of its mining operations. Details of the contributions made and provisions raised are disclosed in notes 8 and 18 of the notes to the financial statements. In addition, the company has procured the issue of a guarantee for R24 million in respect of certain unfunded environmental restoration costs, as more fully disclosed in note 8 of the notes to the financial statements and has registered a bond over certain areas of its property in favour of the Fund in order to secure payment of its obligations.

Toro Employee Empowerment Trust Fund

The company has entered into an agreement with the representative unions at the Northam mine in terms of which the company contributes 4% of its after-tax profits to a registered trust fund (The Toro Employee Empowerment Fund), providing the Northam mine's unskilled and semi-skilled employees an opportunity to participate in the profits of the company. Eligible employees will receive payment at the end of each five year cycle, starting with effect from 2013.

The participation in the scheme of employees at the future Booyendal mine will be addressed in due course.

Subsidiaries

Details of Northam's subsidiaries at 30 June 2009 are set out in Annexure 3.

Special resolutions

Details of special resolutions passed by the company during the year are available upon request.

Going concern and impairment testing

Mining entities have a finite life that depends on geological and technical factors as well as commodity prices and other economic factors. Taking account of the outlook for these factors as contained in the chairman and chief executive's message, as well as the group's present financial resources, the directors believe that the group is a going concern. Details of the key assumptions made are set out in note 1 of the notes to the financial statements. The group annual financial statements have accordingly been prepared on this basis. In addition management has performed an impairment test on the Northam mine and the Booyendal project, and is satisfied that no impairment is necessary.

Company secretary

Mr. B Ngwenya continues in office as company secretary, having been appointed on 2 December 2008. Relevant details appear on the inside front cover of this report.

Listing

The company's shares are listed in the Basic Resources – Mining [Platinum and Precious Metals] sector of the JSE.

Post balance sheet events

No material changes, other than those highlighted in this report, have taken place in the affairs of the group between the end of the financial year and the date of this report.

Accounting policies

1. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that are fairly valued, in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and the South African Companies Act, 1973.

The consolidated financial statements incorporate the following accounting policies which have been applied on a basis consistent with the previous year, with the exception of the policies adopted during the year as more fully set out below in accounting policy Note 1.1.

The preparation of financial statements in conformity with IFRS requires that management and the board exercises their judgement in the process of applying the company's accounting policies. It also requires the use of certain critical economic and other estimates. The areas requiring a high degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in Note 1 to the financial statements.

1.1 New accounting policies adopted

The accounting policies adopted are consistent with those of the previous financial year except as follows. The group has adopted the following new and amended International Financial Reporting Standards and IFRIC interpretations during the year. Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the group.

- IAS 39 – Financial Instruments: Recognition and Measurement and IFRS 7 – Financial Instruments: Disclosures – Reclassification of Financial Instruments (Amendments)
- IAS 39 – Financial Instruments: Recognition and Measurement and IFRIC 9 – Reassessment of Embedded Derivatives (Amendments)
- IFRIC 12 – Service Concession Arrangements
- IFRIC 13 – Customer Loyalty Programmes
- IFRIC 14 / IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The effect of the adoption of these standards, interpretations and amendments in the current financial year is set out opposite:

IAS 39 – Financial Instruments: Recognition and Measurement and IFRS 7 – Financial Instruments: Disclosures – Reclassification of Financial Instruments (Amendments)

This amendment allows for the reclassification of financial instruments from held for trading and available for sale categories under certain circumstances.

IAS 39 – Financial Instruments: Recognition and Measurement and IFRIC 9 – Reassessment of Embedded Derivatives (Amendments)

This amendment requires the assessment of whether an embedded derivative is required to be separated from a host contract when the entity reclassifies a hybrid financial asset out of fair value through profit or loss category.

IFRIC 12 – Service Concession Arrangements

This interpretation applies to service concession operators and explains how to account for the obligations and rights received in service concession arrangements.

IFRIC 13 – Customer Loyalty Programmes

This interpretation requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value is of the consideration received is allocated to the award credits and deferred. This is then recognised over the period that the award credits are redeemed.

IFRIC 14 / IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

This interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 – Employee Benefits.

1.2 Statements and Interpretations issued and not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective. The effective date refers to periods beginning on or after, unless otherwise indicated.

Standard or Interpretation	Description	Impact	Effective date
IFRS 1	First-time Adoption of International Financial Reporting Standards (amendment)	This amendment restructured the layout of IFRS 1. The adoption of this amendment will have no material effect on the group's financial statements as the group previously adopted IFRS.	1 July 2009
IFRS 1	First-time Adoption of International Financial Reporting Standards – additional exemptions for first time adoption (amendment)	This amendment provides relief from full retrospective application of IFRS for the measurement of oil and gas assets and leases. The adoption of this amendment will have no material effect on the group's financial statements as the group adopted IFRS in 2006.	1 January 2010

Accounting policies (continued)

Standard or Interpretation	Description	Impact	Effective date
IFRS 1/ IAS 27	IFRS 1: First-time Adoption of International Financial Reporting Standards and IAS 27: Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (amendment)	This amendment provides guidance on the measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting IFRS for the first time, and removes the obligation to distinguish between pre- and post-acquisition dividends. However, the entity must now consider if the receipt of such a dividend is a possible indicator of impairment. The adoption of this amendment will impact future dividends received from subsidiaries.	1 January 2009
IFRS 2	Share-based Payments – Vesting Conditions and Cancellations (amendment)	This amendment restricts the definition of “vesting condition” to a condition that includes an explicit or implicit requirement to provide service. The adoption of this amendment will have no material effect on the group's financial statements as the group's share-based payment plan does not include any non-vesting conditions.	1 January 2009
IFRS 2	Share-based payments – Group Cash Settled Share-based Payment Arrangements (amendment)	This amendment provides guidance on how to account for cash-settled share-based payment transactions in the separate financial statements of an entity. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have any cash settled share-based payment plans.	1 January 2010
IFRS 2	Scope of IFRS 2: Share-based payments (amendment)	This amendment clarifies that the contribution of a business on formation of a joint venture and combination under common control are not within the scope of IFRS 2 even though they are out of the scope of IFRS 3. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have any Joint Ventures or common control business combinations.	1 July 2009
IFRS 3	Business Combinations (revised)	This revision impacts the amount of goodwill recognised in accounting for business combinations, the reporting of results in the period that an acquisition occurs and future reported results. This revision, which will be applied prospectively, will affect future business combinations.	1 July 2009
IFRS 5	Non-current Assets (or Disposal Groups) Held for Sale and Discontinued Operations (amendment)	This amendment requires that when a subsidiary is held for sale, all its assets and liabilities shall be classified as held for sale, even when the entity will retain a non-controlling interest in the subsidiary held for sale. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have any plans to dispose of a subsidiary.	1 July 2009

Standard or Interpretation	Description	Impact	Effective date
IFRS 5	Non-current Assets (or Disposal Groups) Held for Sale and Discontinued Operations (amendment)	This amendment clarifies that the disclosure requirements in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations. The adoption of this amendment, which will be applied prospectively, will require additional disclosures regarding non-current assets or disposal groups held for sale.	1 January 2010
IFRS 7	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments (amendment)	This amendment deals with improving disclosures about financial instruments as well as enhancing the disclosures about fair value and liquidity. The adoption of this amendment, which will be applied prospectively, will require additional disclosures regarding financial instruments.	1 January 2009
IFRS 8	Operating Segments	This standard requires that the reporting of operating segments should be based on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. The adoption of this standard will affect the manner in which the group reports segmental performance.	1 January 2009
IFRS 8	Operating Segments (amendment)	This amendment clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker. The adoption of this amendment will have no material effect on the group's financial statements as the group intends reporting segment assets and liabilities as required by IFRS 8.	1 January 2010
IAS 1	Presentation of Financial Statements (revision)	This revision requires owner and non-owner changes in equity to be reported separately and introduces a statement of comprehensive income which presents all items of income and expense together with all other items of recognised income and expense, either in one single statement or in two linked statements. The adoption of this revision will affect the manner in which the group reports its income and expenses.	1 January 2009
IAS 1	Presentation of Financial Statements (amendment)	This amendment stipulates that assets and liabilities classified as held for trading in accordance with IAS 39 are not automatically classified as current assets or liabilities. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have any assets or liabilities held for trading.	1 January 2009

Accounting policies (continued)

Standard or Interpretation	Description	Impact	Effective date
IAS 1	Presentation of Financial Statements (amendment)	This amendment deals with the classification of convertible instruments between current and non-current. The adoption of this amendment will have no material effect on the group's financial statements as the group has not issued any convertible instruments.	1 January 2010
IAS 7	Statements of Cash Flows (amendment)	This amendment explicitly states that only expenditure that results in a recognised asset can be recognised as a cash flow from investing activities. The adoption of this amendment will have no material effect on the group's financial statements as the group did not classify any non-assets as investing activities.	1 January 2010
IAS 16	Property, Plant and Equipment (amendment)	This amendment replaces the term "net selling price" with "fair value less costs to sell", to be consistent with IFRS 5 and IAS 36. The adoption of this amendment will have no material effect on the group's financial statements as this principal was already applied. The amendment also requires that items of Property, Plant and Equipment held for rental that are routinely sold in the ordinary course of business after rental are to be transferred to inventory when rental ceases and they are held for sale. Proceeds on sale are subsequently shown as revenue. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have any such rental and sale transactions.	1 January 2009
IAS 17	Leases (amendment)	This amendment deals with the classification of leases of land and buildings so that only the general guidance remains. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have any leases of land and buildings classified as finance leases.	1 January 2010
IAS 18	Revenue (amendment)	This amendment provides guidance in determining whether an entity is acting as a principal or as an agent. The adoption of this amendment will have no material effect on the group's financial statements as the group has already applied these principles in assessing agent relationships.	1 January 2009
IAS 19	Employee Benefits (amendment)	This amendment deals with curtailments and negative past service costs, plan administration costs as well as guidance on contingent liabilities. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have any defined benefit plans.	1 January 2009

Standard or Interpretation	Description	Impact	Effective date
IAS 19	Employee Benefits (amendment)	This amendment revises the definition of short-term and “other long-term” employee benefits to focus on the point in time at which the benefit is due to be settled. The adoption of this amendment will have no material effect on the group's financial statements as the group interpreted this principle consistently.	1 January 2009
IAS 20	Accounting for Government Grants and Disclosure of Government assistance (amendment)	This amendment deals with Government loans with a below-market rate of interest and changes certain terminology to be consistent with other IFRS Statements. The adoption of this amendment will have no material effect on the group's financial statements as the group does not receive any such loans.	1 January 2009
IAS 23	Borrowing Costs (revision)	The revision to this standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The adoption of this revision will have no material effect on the group's financial statements as the group's policy currently requires that such costs be capitalised.	1 January 2009
IAS 23	Borrowing Costs (amendment)	This amendment revises the definition of borrowing costs to consolidate the types of items that can be considered components of “borrowing costs” into one, with the interest expense being calculated using the effective interest rate method. The adoption of this amendment will have no material effect on the group's financial statements as the group already applied this principle.	1 January 2009
IAS 27	Consolidated and Separate Financial Statements (amendment)	This amendment requires that when a parent accounts for a subsidiary at fair value as per IAS 39 in its separate financial statements, the treatment continues when the subsidiary is subsequently classified as held for sale. The adoption of this amendment will have no material effect on the group's financial statements as the group does not carry such investments at fair value.	1 January 2009
IAS 27	Consolidated and Separate Financial Statements (amendment)	This amendment deals with consequential amendments from changes in IFRS 3 – Business Combinations, and also requires that a change of ownership interest in a subsidiary is accounted for as an equity transaction, and changes the accounting for losses incurred by a subsidiary as well as loss of control of a subsidiary. The adoption of this amendment will impact the manner in which the group reports losses incurred by subsidiaries as well as the effect of changes in ownership interest in a subsidiary.	1 July 2009

Accounting policies (continued)

Standard or Interpretation	Description	Impact	Effective date
IAS 28	Investments in Associates (amendment)	This amendment deals with the disclosures when investments in associates are accounted for at fair value through profit and loss, and also deals with impairments in associates by treating the investment as a single asset. The adoption of this amendment will have no material effect on the group's financial statements as the group does not carry any associates at fair value and already tested the investment in associates as being a single asset.	1 January 2009
IAS 29	Reporting in Hyperinflationary Economies (amendment)	This amendment deals with the measurement basis in financial statements and also changes certain terminology to be consistent with other IFRS Statements. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have any interests in a hyperinflationary economy.	1 January 2009
IAS 31	Interests in Joint Ventures (amendment)	This amendment deals with the disclosures when investments in joint ventures are accounted for at fair value through profit and loss. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have any investments in joint ventures.	1 January 2009
IAS 32 and IAS 1	IAS 32: Financial Instruments: Presentation and IAS 1: Presentation of Financial Statements -Puttable Financial Instruments and Obligations Arising on Liquidation (amendment)	The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment and IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The adoption of this amendment will have no material effect on the group's financial statements as the group did not issue any puttable instruments.	1 January 2009
IAS 36	Impairment of Assets (amendment)	This amendment stipulates that when discounted cash flows are used to determine "fair value less costs to sell", the same disclosure is required as when discounted cash flows are used to estimate "value in use". The adoption of this amendment will have no material effect on the group's financial statements as such valuations were not used.	1 January 2009
IAS 36	Impairment of Assets – unit of accounting for goodwill impairment test (amendment)	This amendment clarifies that the largest unit permitted for allocating goodwill acquired in terms of a business combination is the operating segment, as defined in IFRS 8, before aggregation for accounting purposes. The adoption of this amendment will have no material effect on the group's financial statements as the group has already adopted these principles in impairment testing.	1 January 2010

Standard or Interpretation	Description	Impact	Effective date
IAS 38	Intangible Assets – advertising and promotional expenditure (amendment)	In terms of this amendment expenditure on advertising and promotional activities is recognised as an expense when the entity either has the right to access the goods or receive the services. The adoption of this amendment will have no material effect on the group's financial statements as such expenses are not incurred.	1 January 2009
IAS 38	Intangible Assets – unit of production for amortisation purposes (amendment)	This amendment clarifies that the unit of production method may be used in amortising intangible assets. The group intends adopting a suitable method of amortising mineral rights.	1 January 2009
IAS 38	Intangible Assets – amendment consequent upon amendments to IFRS 3 (amendment)	This amendment, which is as a consequence of amendments to IFRS 3, clarifies that if an intangible asset acquired in a business combination is identifiable only with another intangible asset, the acquirer may recognise the group of intangible assets as a single asset provided the individual assets have similar useful lives. The adoption of this amendment, which will be applied prospectively, will affect future acquisitions of intangible assets.	1 July 2009
IAS 38	Intangible Assets – measuring the fair value of an intangible asset acquired in a business combination (amendment)	This amendment clarifies that the valuation techniques presented for determining the fair value of intangible assets acquired in a business combination that are not traded in active markets are examples and are not restrictive on the methods that can be used. The adoption of this amendment, which will be applied prospectively, will affect future acquisitions of intangible assets.	1 July 2009
IAS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items (amendment)	The amendment clarifies the designation of a one-sided risk in a hedged item and the designation of inflation as a hedged risk or portion in particular situations. The adoption of this amendment will have no material effect on the group's financial statements as the group does not apply hedge accounting.	1 July 2009
IAS 39	Financial Instruments: Recognition and Measurement – reclassification of derivatives (amendment)	The amendment provides additional guidance on the reclassification of derivatives, documentation of hedges and the cessation of fair value hedge accounting. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have such instruments.	1 January 2009
IAS 39	Financial Instruments: Recognition and Measurement – assessment of loan repayment penalties as embedded derivatives (amendment)	This amendment clarifies that a repayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest on the remaining term of the host contract. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have such instruments.	1 January 2010

Accounting policies (continued)

Standard or Interpretation	Description	Impact	Effective date
IAS 39	Financial Instruments: Recognition and Measurement – contracts between an acquirer and a vendor to buy or sell acquire at a future date (amendment)	This amendment clarifies that the scope exemption of contracts between an acquirer and a vendor in a business combination to buy or sell acquire at a future date applies only to binding forward contracts, and not derivative contracts where further actions by either party are still to be taken. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have such instruments.	1 January 2010
IAS 39	Financial Instruments: Recognition and Measurement – cash flow hedge accounting (amendment)	This amendment clarifies that gains or losses on cash flow hedges of a forecast transaction that subsequently results in the recognition of a financial instrument or on cash flow hedges of recognised financial instruments should be reclassified in the period that the hedged forecast cash flows affect profit or loss. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have such instruments.	1 January 2010
IAS 40	Investment Properties (amendment)	This amendment revises the scope such that a property that is being constructed or developed for future use as an investment property is classified as an investment property. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have such properties.	1 January 2009
IAS 41	Agriculture (amendment)	This amendment provides clarification on the discount rate for fair value calculations and cash flows resulting from additional transformations when estimating fair value. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have any biological assets.	1 January 2009
IFRIC 9	Reassessment of embedded derivatives (amendment)	The amendment to this interpretation clarifies that it does not apply to possible reassessment, at the date of acquisition, of embedded derivatives in contracts acquired in a business combination between entities or businesses under common control or the formation of a joint venture. The adoption of this interpretation will have no material effect on the group's financial statements as the group does not have such instruments.	1 July 2009
IFRIC 15	Agreements for the construction of real estate	Determining whether an agreement for construction is within scope of IAS 11 or IAS 18 depends on the terms of the agreement and all the surrounding facts and circumstances. Such a determination requires judgment with respect to each agreement and IAS11 is applied when the definition of a construction contract is met. The adoption of this interpretation will have no material effect on the group's financial statements as the group does not provide construction services.	1 January 2009

Standard or Interpretation	Description	Impact	Effective date
IFRIC 16	Hedges of a net investment in a foreign operation	IAS 39 allows an entity to hedge foreign currency gains or losses on its investment in a foreign operation. IAS 39 provided minimal guidance on the accounting for a hedge of net investment and IFRIC 16 was issued to provide such guidance. The adoption of this interpretation will have no material effect on the group's financial statements as the group does not apply hedge accounting.	1 October 2008
IFRIC 16	Hedges of a net investment in a foreign operation-amendment to the restriction on an entity that can hold hedging instruments	The amendment to this interpretation states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied. The adoption of this interpretation will have no material effect on the group's financial statements as the group does not apply hedge accounting.	1 July 2009
IFRIC 17	Distribution of Non-cash Assets to Owners	This interpretation provides guidance on distributions of non-cash assets to owners at fair value. The adoption of this interpretation will impact future distributions insofar as they comprise non-cash assets.	1 July 2009
IFRIC 18	Transfer of Assets from Customers	This interpretation details the accounting for receipts of items of Property, Plant and Equipment from their customers or cash to acquire or construct specific assets that are then used to connect customers to a network and/or provide them with ongoing access to a supply of goods or services. The adoption of this interpretation will impact future receipts.	1 July 2009
AC 503	Amendment to AC 503 – Accounting for Black Economic Empowerment (BEE) Transactions	This amendment gives guidance on accounting for BEE transactions. The adoption of this interpretation will have no material effect on the group's financial statements as the group has not entered into any arrangements within the scope of AC 503.	1 January 2009
AC 504	IAS 19 (AC 116) – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction in a South African Pension Fund Environment	AC 504 provides guidance on the application of IFRIC 14 in the South African context. The adoption of this interpretation will have no material effect on the group's financial statements as the group does not have any defined benefit plans.	1 April 2009

The group does not intend early adopting any of the above amendments, standards and interpretations.

Accounting policies (continued)

2. Consolidation

The consolidated financial statements include the results, financial position and cash flows of Northam Platinum Limited and its subsidiaries. A subsidiary is an entity that is controlled due to the company having the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of any subsidiary acquired or disposed of during the year are included from the date control was obtained and up to the date control ceased to exist. Where an acquisition of a subsidiary is made during the financial year, any excess or deficit of the purchase price compared to the fair value of the attributable net identifiable assets is recognised respectively as goodwill or in profit or loss and accounted for as described in the goodwill accounting policy Note 4.

The financial statements of the subsidiaries are prepared for the same reporting period as Northam Platinum Limited, using consistent accounting policies, and all intra-group transactions and balances are eliminated on consolidation.

Minority interests represent the portion of profit or loss and net assets not held by the group and are presented separately in profit or loss and within equity in the consolidated balance sheet, separately from parent shareholders equity.

Investments in subsidiaries in the accounts of the company are recognised at cost, less accumulated impairment losses.

3. Associates

The group has an interest in a joint venture which is classified as an associate. The group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the group has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post acquisition changes in the group's share of net assets of the associate. The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of associates is shown on the face of the income statement. This is the profit attributable to equity holders of the associate.

The financial statements of the associate are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the group.

After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on the group's investment in its associates. The group determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the group calculates the amount of impairment as the difference between the

recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

4. Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the date of acquisition. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Goodwill is tested for impairment annually or more frequently if events or circumstances suggest that it might be impaired and an impairment loss recognised is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

5 Property, plant and equipment

5.1 Mining assets

Mining assets are recorded at cost of acquisition less accumulated depreciation and accumulated impairment losses.

5.2 Mine development costs

Capitalised mine development costs include expenditure incurred to develop new ore bodies, to define further mineralisation in existing ore bodies and to expand the capacity of the mine. Costs include interest capitalised during the construction period until commercial production is reached where development is financed by borrowings, and the net present value of future decommissioning costs. Depreciation is first charged on new mining ventures from the date on which the mining venture reaches commercial production levels. Development costs to maintain production are recognised as an expense when incurred. Mine development costs are depreciated on a straight-line basis, over the estimated economic life of the mine (currently estimated at 18 years), based on measured and indicated resources which are revised annually.

5.3 Mining plant and equipment

Mining plant and equipment, including the decommissioning asset, is depreciated on a straight-line basis over the lesser of the estimated economic life of the mine (currently estimated at 18 years), based on measured and indicated resources, which are revised annually, or their expected useful lives.

Where items of plant and equipment comprise separate, identifiable components that have differing lives, such components are depreciated according to their individual useful lives.

Research costs associated with the design of new items of plant and equipment, or improvements to existing items of plant and equipment, are expensed when incurred, unless the recognition criteria are met.

Items of property, plant and equipment that are withdrawn from use, or have no reasonable prospect of being recovered through use or sale, are regularly identified and written off.

5.4 Decommissioning asset

The decommissioning asset is depreciated on a straight-line basis over the estimated economic life of the mine (currently estimated at 18 years), based on measured and indicated resources which are revised annually.

The decommissioning asset is recognised as set out in the decommissioning provision accounting policy Note 11.1.1.

5.5 Intangible assets comprising mining properties

Mining properties, comprising mineral rights and mineral leases are recorded at cost of acquisition. Depreciation is first charged on new mining properties from the date on which the mining in respect of the mining property reaches commercial production levels. Mining properties are depreciated on a straight-line basis over the estimated economic life of the mine (currently estimated at 16 years), based on measured and indicated resources which are revised annually.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as

changes in accounting estimates. The amortisation expense of intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

5.6 Plant and equipment

Office equipment, furniture and vehicles are depreciated using varying rates, ranging between 10% and 20% on a straight-line basis over their expected useful lives.

5.7 Land

Land is recorded at cost of acquisition less accumulated impairment losses and is not depreciated.

5.8 Impairment

At each reporting date, the company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the group makes a formal estimate of the asset or cash generating unit's recoverable amount. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount and the difference is recognised in the profit or loss. The recoverable amount is the higher of value in use and fair value less cost to sell.

The value in use of mining assets is determined by applying a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset to the anticipated pre-tax cash flow for the remaining useful life of the assets.

The fair value less costs to sell of non-mining assets is determined with reference to market values.

The revised carrying amounts are depreciated on a systematic basis over the remaining useful lives of such affected assets.

5.9 Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Accounting policies (continued)

5.10 Annual review of residual values, depreciation method and useful lives

The asset's residual value, depreciation method and useful life is reviewed, and adjusted prospectively, if appropriate, at each financial year end.

5.11 Subsequent expenditure

Subsequent expenditure relating to an item of property, plant, equipment and mining properties is added to the carrying value of the asset when it is probable that future economic benefits will flow to the group. All other subsequent expenditure is recognised as an expense and included in profit before tax.

6. Township land and development

Township land and development, which is an initiative in order to assist the group's employees to acquire their own affordable housing, is initially recognised at cost, being the fair value of the consideration given and including acquisition charges. Where the recoverable amount is less than the carrying value, an impairment loss is recognised. Cost is determined on the basis of land acquisition, development and housing construction cost.

7. Financial instruments

Financial instruments recognised on the balance sheet include investments, cash and cash equivalents, trade accounts receivable and trade accounts payable. These are recognised when the group becomes party to the contractual agreements. All financial instruments are initially recorded at fair value and in the case of financial instruments not at fair value through profit or loss, directly attributable transaction costs.

7.1 Investments

Investments are initially recognised at the fair value of the consideration given plus, in the case of investments not at fair value through profit or loss, acquisition charges associated with the investment. Investments acquired for the purpose of selling in the near term are classified as held for trading and is part of at fair value through profit or loss class of financial assets. Other investments are classified as available-for-sale.

After initial recognition, investments, which are classified as available-for-sale, are re-measured at fair value with Unrealized gains or losses recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired when it is recognised in profit or loss.

Gains or losses on investments held for trading are recognised in profit or loss.

7.2 Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement receivables are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in

profit or loss when the receivables are derecognised or impaired, as well as through the amortisation process.

7.3 Cash and cash equivalents

Cash and cash equivalents comprise demand and time deposits with banking institutions and money market instruments readily convertible to known amounts of cash subject to insignificant risk of changes in value. Current account balances are only netted off when set-off would apply or when the balances are with the same banking institution. Cash and cash equivalents are subsequently carried at amortised cost.

Negotiable instruments are recorded initially at the fair value of the consideration given and marked to market at reporting intervals. Any gain or loss arising from the mark to market or a change from book value to fair value is included in the determination of investment income.

7.4 Trade and other payables

Trade and other payables are stated at the recognised obligation less payments made and adjustments made to reflect the fair value of the expected outflow of economic resources and are subsequently carried at amortised cost.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

7.5 Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

7.6 Derivative instruments

In the ordinary course of its operations, the group is exposed to fluctuations in metal prices, exchange rates and changes in interest rates. The group engages in a number of activities to manage these risks. These activities include economic hedging of a portion of these exposures through the use of derivative financial instruments. Forward sales contracts and option contracts are utilised to manage metal price and exchange rate exposures. The group does not speculate, acquire, hold or issue derivative instruments for trading purposes, and does not apply hedge accounting.

Derivatives are initially measured at fair value and associated transaction costs are charged to profit or loss when incurred. Subsequently these instruments are measured as set out below:

- All forward and option contracts outstanding at financial reporting dates are marked to market and any changes in their fair value is included in net sundry income/ (expenditure).

- Gains and losses on all contracts not spanning a financial reporting date are recognised and included in net sundry income at the time that the contracts expire.

7.7 Impairment of financial instruments

The group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on trade and other receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss.

The group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

In relation to trade and other receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Available-for-sale investments

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available for sale are not recognised in profit or loss. Reversals of impairment losses on debt instruments are reversed through profit or loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

7.8 Derecognition of financial instruments

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the group has transferred its rights to receive cash flows from the asset or has assumed an obligation to apply the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either: (a) the group has transferred substantially all the risks and rewards of the asset or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

8. Commodity contracts

Contracts that are entered into and continue to meet the group's expected purchase, sale or usage requirements that were designated for that purpose at their inception and are expected to be settled by delivery are recognised in the financial period when the risks and rewards of ownership of such items have passed.

9. Inventories

9.1 Consumable stores

Consumable stores consist of consumable and maintenance stores and are valued at the lower of cost or net realisable value. Cost is determined on the weighted average cost basis. Consumable stores are under continual review and are written down in regard to age, condition and utility.

9.2 Metal on hand

Stocks of the three major platinum group elements and gold (3PGE+Au), either in refined or concentrate form, are valued at the lower of cost of production (including the value of any purchased concentrate) or net realisable value. Production costs include an appropriate portion of overhead expenses. Cost is determined on the first-in, first-out basis. No account is taken of the value of metal in the process of production prior to the production of flotation concentrate.

Other metals are accounted for as by-products and are not valued.

10. Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax based of assets and liabilities and their carrying amounts for financial reporting purposes.

Accounting policies (continued)

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affect neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profits will be available, against which the deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilised in the foreseeable future except:

- where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

Deferred income tax assets and liabilities are offset, if a legal enforceable right exists to set off current tax assets against current income tax liabilities, when they relate to income taxes levied by the same taxation authority and taxable entity.

11. Provisions

11.1 Environmental rehabilitation provisions

11.1.1 Decommissioning provision

Provision is made for the present value of the estimated future decommissioning costs at the end of the mine's life. When this provision gives rise to future economic benefits, a decommissioning asset is recognised, otherwise the costs are charged to profit or loss.

The estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money.

The increase in the decommissioning provision due to the passage of time is recognised as a borrowing cost in profit or loss. Other changes in the carrying value of the provision subsequent to initial recognition are included in the determination of the carrying value of the decommissioning asset.

11.1.2 Environmental restoration provision

Provision is made for the estimated cost to be incurred on long-term environmental obligations, comprising expenditure on pollution control and closure over the estimated life of the mine.

The estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money.

The increase in the restoration provision due to the passage of time is recognised as a borrowing cost in profit or loss.

In assessing the future liability, no account is taken of the potential proceeds from the sale of assets and metals from the plant clean-up. The future liability is reviewed regularly and adjusted as appropriate for new facts and changes in legislation.

The cost of ongoing programmes to prevent and control pollution and rehabilitate the environment is recognised as an expense when incurred.

11.1.3 Environmental rehabilitation fund

The group makes annual contributions to a dedicated trust fund, the Northam Platinum Restoration Trust Fund ("the Fund"), to fund the expenditure on future decommissioning and restoration. Income earned by the fund is credited to the group's income statement in the period to which it relates.

In terms of IFRIC 5 – Rights to Interests arising from Decommissioning, Restoration and

Environmental Rehabilitation Funds, the Fund is consolidated.

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

11.2 Other provisions

Provisions are recognised where the group has a present legal or constructive obligation as a result of a past event, a reliable estimate of the obligation can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

12. Foreign currencies

The functional and presentation currency of the group is the South African rand. Transactions in foreign currencies are translated into South African rand at the rates of exchange ruling at the transaction date. Monetary assets or liabilities denominated in foreign currencies are translated at rates prevailing at the balance sheet date. Profits and losses arising on the translation of foreign currencies, whether realised or Unrealized, are credited to or charged to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

13. Revenue recognition

Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the group and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the amounts received or receivable net of Value-Added Tax, cash discounts and rebates.

13.1 Metal sales

Revenue from the sale of metal is accounted for when the risks and rewards of ownership have passed. Adjustments, in respect of final assayed quantities and/or prices, arising between the date of recognition of the revenue and the date of settlement are recognised in the period in which the adjustment arises.

13.2 Revenue from the sale of township land

Revenue from the sale of township land which is sold under suspensive sale agreements is recognised when the substantial risks and rewards of ownership have been assigned to the purchaser.

13.3 Interest income

Interest income is recognised on a time proportional basis that takes into account the effective yield and an appropriate accrual is made at each accounting date.

13.4 Dividends

Dividend income is recognised when the right to receive payment has been established.

13.5 Rent received

Rental income from mining properties is recognised on a straight-line basis over the term of the lease.

13.6 Sundry income

Sundry income is recognised when the right to receive payment has been established.

14. Leased metal

When metal is leased to fulfil marketing commitments, the equivalent cost of production is charged to cost of sales in profit or loss and is reflected in the balance sheet as a liability. On the maturity of the lease the liability is credited to metal inventories.

The leasing transaction costs associated with the borrowed metal are charged to other costs in net sundry revenue on a time:proportional basis.

15. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or development of qualifying assets that require a substantial period of time to prepare for their intended use are capitalised. Capitalisation is suspended when the active development is interrupted and ceases when the activities necessary to prepare the asset for its use are complete. Other borrowing costs are recognised as an expense when incurred.

16. Employee benefits

16.1 Short-term employee benefits

Remuneration to employees in respect of services rendered during a reporting period is recognised as an expense in that reporting period. Provision is made for accumulated leave.

16.2 Equity compensation plans

Options granted to employees in terms of the rules of the Northam Share Option Scheme ("the Scheme") are valued at the grant date using the Binomial Model. The value so determined is recognised as an expense within operating costs, together with a corresponding increase in the equity compensation reserve, evenly over the period between the grant date and the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for these options at each reporting date until the vesting date reflects the best estimate of the value attributable to the number of options that will ultimately vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Where employees exercise options in terms of the rules of the Scheme, shares are issued to them as beneficial owners. In exchange, employees pay in cash a consideration equal to the price specified in the option allocated to them. The nominal value of the shares is credited to share capital and the difference between the nominal value and the price of the cash consideration credited to share premium.

The directors procure a listing of these shares on the stock exchange where the company's shares are listed and quoted.

The accumulated credit to the equity compensation reserve in respect of options that have lapsed or been forfeited after their vesting date is transferred to retained earnings/ (accumulated loss).

16.3 Retirement benefits

Eligible employees are members of various defined contribution schemes.

Employer contributions are recognised as an expense during the period in which the employees' services are rendered.

Accounting policies (continued)

16.4 Medical benefits

Employer contributions in respect of current medical benefits are recognised as an expense during the period in which the employees' services are rendered.

16.5 Post-retirement medical costs

Eligible employees are members of a defined contribution scheme established to assist those employees to meet post retirement medical costs.

Employer contributions are recognised as an expense during the period in which the employees' services are rendered. These contributions cease when the employees' service terminates.

17. Leases

17.1 Group as lessee

A finance lease transfers substantially all the risks and rewards of ownership of an asset to the group.

Assets subject to finance leases are capitalised as property, plant and equipment at the lower of the fair value of the leased asset at inception of the lease or the present value of the minimum lease payments with the related lease obligation recognised at the same amount. Capitalised leased assets are depreciated over the estimated useful lives. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Finance lease payments are allocated between finance costs and the capital repayment so as to achieve a constant rate of interest on the remaining balance of the liability.

Leases in respect of which the lessor retains substantially all the risks and rewards of ownership of an asset are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the period of the lease.

17.2 Group as lessor

Leases in respect of which the group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Operating lease payments received are recognised as revenue in profit or loss on a straight-line basis over the period of the lease.

18. Taxation

18.1 Current tax

The charge for current tax is based on the results for the year, as adjusted for by items that are exempt or disallowed, and is calculated using the enacted or substantially enacted tax rates, at the balance sheet date.

Where items are credited or charged directly to equity the tax effect is also recognised within equity.

18.2 Deferred tax

Deferred tax is provided at enacted or substantially enacted tax rates, as more fully set out in Note 10 – Deferred tax, of the accounting policies.

18.3 Secondary tax on companies

Secondary tax on companies, which is levied at enacted or substantially enacted tax rates at balance sheet date, on net dividends declared, is charged to net income in the period in which the relevant dividend is declared.

18.4 Value added tax

Revenue, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authorities, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item where applicable; and
- receivables and payables that are stated with the amount of value added tax included.

19. Dividends declared

Dividends declared are charged to equity in the period in which the dividend is declared.

Balance sheets

at 30 June 2009

	Note	2009 R000 Group	2008 R000 Group	2009 R000 Company	2008 R000 Company
Assets					
Non current assets					
Property, plant and equipment	2	1 737 109	1 523 093	1 700 932	1 523 093
Mining properties and mineral reserves	3	5 718 387	160 808	152 387	160 808
Interest in associate	4	130 106	–	55 333	–
Investment in subsidiaries	5			5 566 000	–
Unlisted investments	6	6	8	6	8
Township development	7	59 345	36 905	–	–
Investments held by Northam Platinum Restoration Trust Fund	8	24 893	21 820	24 893	21 820
Environmental Guarantee Investment	9	15 895	12 900	15 895	12 900
Toro Employee Empowerment Trust	10	46 602	–	–	–
		7 732 343	1 755 534	7 515 446	1 718 629
Current assets					
		1 616 007	2 363 992	1 698 026	2 401 237
Subsidiary loans	11			264 154	37 553
Inventories	12	468 254	504 980	468 254	504 980
Trade and other receivables	13	226 850	359 264	223 559	359 193
Cash and cash equivalents	14	920 903	1 499 748	742 059	1 499 511
Total assets		9 348 350	4 119 526	9 213 472	4 119 866
Equity and liabilities					
Share capital and share premium	15	7 622 968	2 053 194	7 622 968	2 053 194
Retained earnings		654 041	823 093	568 481	823 507
Equity compensation reserve	16	55 177	27 584	55 177	27 584
Shareholders equity		8 332 186	2 903 871	8 246 626	2 904 285
Non-current liabilities					
		529 261	443 913	482 659	443 913
Deferred tax liability	17	428 821	388 055	428 821	388 055
Long term provisions	18	100 440	55 858	53 838	55 858
Current liabilities		486 903	771 742	484 187	771 668
Receiver of Revenue		432	449 110	460	449 110
Trade and other payables	19	417 649	229 449	414 905	229 375
Short term provision	20	68 822	93 183	68 822	93 183
Total equity and liabilities		9 348 350	4 119 526	9 213 472	4 119 866

Income statements

for the year ended 30 June 2009

	Note	2009 R000 Group	2008 R000 Group	2009 R000 Company	2008 R000 Company
Total revenue	21	3 336 223	3 995 514	3 321 620	3 995 514
Sales revenue		3 186 042	3 886 137	3 186 042	3 886 137
Cost of sales		2 368 129	1 608 648	2 368 129	1 608 648
– operating costs	22	1 905 889	1 626 610	1 905 889	1 626 610
– purchase of concentrate		140 192	–	140 192	–
– refining and other costs		120 917	75 540	120 917	75 540
– depreciation and impairments	23	160 907	149 325	160 907	149 325
– change in metal inventories		40 224	(242 827)	40 224	(242 827)
Operating profit		817 913	2 277 489	817 913	2 277 489
Share of earnings from associate	24	72 606	–	–	–
Investment income	25	130 417	97 507	115 814	97 507
Sundry (expenditure)/income	26	(6 430)	1 824	(9 598)	2 088
Expenditure incurred on the Booyssendal Project	27	–	(17 969)	–	(17 969)
Profit before tax		1 014 506	2 358 851	924 129	2 359 115
Taxation	28	384 024	866 040	379 621	865 997
Profit attributable to shareholders		630 482	1 492 811	544 508	1 493 118
		Cents	Cents	Cents	Cents
Earnings per share	29	183.7	627.2	158.7	560.2
Fully diluted earnings per share	29	183.5	620.7	158.5	620.8
Headlines earnings per share	29	172.2	627.2	147.1	627.3
Fully diluted headline earnings per share	29	171.9	620.7	146.9	620.8
Dividend per share		78.0	425.0	78.0	425.0

Statements of changes in equity

for the year ended 30 June 2009

	Share capital R000	Share premium R000	Equity compen- sation reserve R000	Retained earnings R000	Total R000
Group					
Balance at 1 July 2007	2 372	2 028 542	29 777	320 755	2 381 446
Credit in respect of share based payments	–	–	17 402	–	17 402
Profit attributable to shareholders	–	–	–	1 492 811	1 492 811
Dividends	–	–	–	(1 010 068)	(1 010 068)
Transfer of equity compensation reserve to retained earnings	–	–	(19 595)	19 595	–
Issue of new shares	15	22 265	–	–	22 280
Balance at 30 June 2008	2 387	2 050 807	27 584	823 093	2 903 871
Credit in respect of share based payments	–	–	30 181	–	30 181
Profit attributable to shareholders	–	–	–	630 482	630 482
Dividends	–	–	–	(802 122)	(802 122)
Transfer of equity compensation reserve to retained earnings	–	–	(2 588)	2 588	–
Issue of new shares	1 212	5 568 562	–	–	5 569 774
Balance at 30 June 2009	3 599	7 619 369	55 177	654 041	8 332 186
Note	15	15	16		

Equity compensation reserve

The equity compensation reserve represents the value of equity-settled share-based payments provided to employees as part of their remuneration. Refer to note 16 for further details.

	Share capital R000	Share premium R000	Equity compen- sation reserve R000	Retained earnings R000	Total R000
Company					
Balance at 1 July 2007	2 372	2 028 542	29 777	320 862	2 381 553
Credit in respect of share based payments	–	–	17 402	–	17 402
Profit attributable to shareholders	–	–	–	1 493 118	1 493 118
Dividends	–	–	–	(1 010 068)	(1 010 068)
Transfer of equity compensation reserve to retained earnings	–	–	(19 595)	19 595	–
Issue of new shares	15	22 265	–	–	22 280
Balance at 30 June 2008	2 387	2 050 807	27 584	823 507	2 904 285
Credit in respect of share based payments	–	–	30 181	–	30 181
Profit attributable to shareholders	–	–	–	544 508	544 508
Transfer of equity compensation reserve to retained earnings	–	–	(2 588)	2 588	–
Dividends	–	–	–	(802 122)	(802 122)
Issue of new shares	1 212	5 568 562	–	–	5 569 774
Balance at 30 June 2009	3 599	7 619 369	55 177	568 481	8 246 626
Note	15	15	16		

Equity compensation reserve

The equity compensation reserve represents the value of equity-settled share-based payments provided to employees as part of their remuneration. Refer to note 16 for further details.

Cash flow statements

for the year ended 30 June 2009

	Note	2009 R000 Group	2008 R000 Group	2009 R000 Company	2008 R000 Company
Cash flows from operating activities		717 838	1 546 908	660 613	1 547 292
Cash generated from operations	30	1 049 056	2 429 382	1 001 453	2 429 646
Interest income		127 739	95 454	113 136	95 454
Change in working capital	31	357 340	(265 004)	357 890	(264 883)
Change in provisions		(24 361)	35 305	(24 361)	35 305
Taxation	32	(791 936)	(748 229)	(787 505)	(748 230)
Cash flows utilised in investing activities		(445 665)	(263 795)	(613 649)	(262 582)
Property plant and equipment					
– additions to maintain operations		(331 267)	(264 976)	(331 267)	(264 976)
– additions to expand operations		(36 177)	–	–	–
– disposals proceeds		1 717	2 890	1 717	2 890
Additions to township development		(22 440)	(1 707)	–	–
Investment in associate					
– acquisition of participation interest		(65 000)	–	(65 000)	–
– cash distribution received		7 500	–	7 500	–
Increase in subsidiary loans				(226 601)	(494)
Increase in available for sale investment		2	(2)	2	(2)
Cash flows utilised in financing activities		(851 018)	(993 277)	(804 416)	(993 277)
Proceeds from issue of shares		3 774	22 280	3 774	22 280
Dividends paid		(802 122)	(1 010 068)	(802 122)	(1 010 068)
Increase in investments held by Northam Platinum Restoration Trust Fund		(3 073)	(2 900)	(3 073)	(2 900)
Increase in investments held by Environmental Contingency Fund		(2 995)	(2 589)	(2 995)	(2 589)
Increase in investments held by Toro Employee Empowerment Trust		(46 602)	–	–	–
(Decrease)/increase in cash and cash equivalents		(578 845)	289 836	(757 452)	291 433
Cash and cash equivalents at beginning of year		1 499 748	1 209 912	1 499 511	1 208 078
Cash and cash equivalents at end of year		920 903	1 499 748	742 059	1 499 511

Notes to the annual financial statements

for the year ended 30 June 2009

1. Key accounting estimates assumptions and judgments

The preparation of the Company and Group's Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date.

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

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

1.1 Impairment of assets

The Group assesses each cash generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. Management has assessed its cash generating units as being an individual mine site, which is the lowest level for which cash flows are largely independent of other assets.

In assessing the recoverable amount the following key estimates and judgements were made by management, which are based on management interpretation of market forecast.

	2009	2008	2009	2008
	Group	Group	Company	Company
The main assumptions include:				
– long term real platinum price – US\$/oz	1 050	1 845	1 050	1 845
– long term real exchange rate – US\$ = R	9.00	7.80	9.00	7.80
– long term real discount rate – %	8.18	11.50	8.18	11.50
1.2 Provisions				
The net present value of current decommissioning and restoration costs are based on the following assumptions:				
– long term inflation rate for South Africa – %	6.00	9.50	6.00	9.50
– long term real discount rate – % (based on long bond yield rates)	8.18	11.50	8.18	11.50

The group assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at balance date represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the balance sheet by adjusting the rehabilitation asset and liability. If, for mature mines, the revised mine assets net of rehabilitation provisions exceed the carrying value, that portion of the increase is charged directly to expense.

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

The group estimates the useful life of its assets by taking into account the age of the asset, its physical condition and technical obsolescence as well as the life of the mine.

As residual values are the expected values at the end of and assets useful life, a process of estimation is required to determine the residual values at year end.

Notes to the annual financial statements (continued)

for the year ended 30 June 2009

1. Key accounting estimates assumptions and judgments (continued)

1.4 Life of mine and estimation of reserves

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

2. Property, plant and equipment

		Pre- production mine deve- lopment expenditure	Decommis- sioning asset	Motor vehicles	Total
	Plant and equipment R000	R000	R000	R000	R000
Group					
30 June 2009					
Property, plant and equipment					
– at cost	3 421 608	35 868	47 918	12 068	3 517 462
– accumulated depreciation	(1 767 063)	–	(9 044)	(4 246)	(1 780 353)
	1 654 545	35 868	38 874	7 822	1 737 109
Reconciliation of movement in property, plant and equipment					
– balance at beginning of year	1 475 161	–	40 196	7 736	1 523 093
– additions	328 071	35 868	–	3 505	367 444
– present value of decommissioning asset capitalised (note 18)	–	–	816	–	816
– disposals	(1 370)	–	–	(2 348)	(3 718)
– depreciation charged for the year (note 23)	(131 976)	–	(2 138)	(1 661)	(135 775)
– impairment of assets (note 23)	(16 711)	–	–	–	(16 711)
– depreciation on disposals during the year	1 370	–	–	590	1 960
– balance at end of year	1 654 545	35 868	38 874	7 822	1 737 109
30 June 2008					
Property, plant and equipment					
– at cost	3 094 907	–	47 102	10 912	3 152 921
– accumulated depreciation	(1 619 746)	–	(6 906)	(3 176)	(1 629 828)
	1 475 161	–	40 196	7 736	1 523 093
Reconciliation of movement in property, plant and equipment					
– balance at beginning of year	1 347 532	–	8 280	8 240	1 364 052
– additions	260 960	–	–	4 016	264 976
– present value of decommissioning asset capitalised (note 18)	–	–	34 873	–	34 873
– disposals	(250)	–	–	(3 828)	(4 078)
– depreciation charged for the year (note 23)	(133 308)	–	(2 957)	(1 631)	(137 896)
– depreciation on disposals during the year	227	–	–	939	1 166
– balance at end of year	1 475 161	–	40 196	7 736	1 523 093

A register containing the information required by paragraph 22(3) of Schedule to the Companies Act is available for inspection at the registered address of the company.

Certain mining property has been secured by a notarial bond in favour of Northam Platinum Restoration Trust Fund to meet future decommissioning and restoration costs (see note 8).

2. Property, plant and equipment

		Pre- production mine deve- lopment expenditure R000	Decommis- sioning asset R000	Motor vehicles R000	Total R000
Company					
30 June 2009					
Property, plant and equipment					
– at cost	3 421 608	–	47 918	11 759	3 481 285
– accumulated depreciation	(1 767 063)	–	(9 044)	(4 246)	(1 780 353)
	1 654 545	–	38 874	7 513	1 700 932
Reconciliation of movement in property, plant and equipment					
– balance at beginning of year	1 475 161	–	40 196	7 736	1 523 093
– additions	328 071	–	–	3 196	331 267
– present value of decommissioning asset capitalised (note 18)	–	–	816	–	816
– disposals	(1 370)	–	–	(2 348)	(3 718)
– depreciation charged for the year (note 23)	(131 976)	–	(2 138)	(1 661)	(135 775)
– impairment of assets (note 23)	(16 711)	–	–	–	(16 711)
– depreciation on disposals during the year	1 370	–	–	590	1 960
– balance at end of year	1 654 545	–	38 874	7 513	1 700 932
30 June 2008					
Property, plant and equipment					
– at cost	3 094 907	–	47 102	10 912	3 152 921
– accumulated depreciation	(1 619 746)	–	(6 906)	(3 176)	(1 629 828)
	1 475 161	–	40 196	7 736	1 523 093
Reconciliation of movement in property, plant and equipment					
– balance at beginning of year	1 347 532	–	8 280	8 240	1 364 052
– additions	260 960	–	–	4 016	264 976
– present value of decommissioning asset capitalised (note 18)	–	–	34 873	–	34 873
– disposals	(250)	–	–	(3 828)	(4 078)
– depreciation charged for the year (note 23)	(133 308)	–	(2 957)	(1 631)	(137 896)
– depreciation on disposals during the year	227	–	–	939	1 166
– balance at end of year	1 475 161	–	40 196	7 736	1 523 093

A register containing the information required by paragraph 22(3) of Schedule to the Companies Act is available for inspection at the registered address of the company.

Certain mining property has been secured by a notarial bond in favour of Northam Platinum Restoration Trust Fund to meet future decommissioning and restoration costs (see note 8).

Notes to the annual financial statements (continued)

for the year ended 30 June 2009

	Mining properties R000	Mineral reserves R000	Total R000
3. Mining properties and mineral reserves			
Group			
30 June 2009			
– at cost	263 004	5 566 000	5 829 004
– accumulated depreciation	(110 617)	–	(110 617)
	152 387	5 566 000	5 718 387
Reconciliation of movement in mining properties			
– balance at beginning of year	160 808	–	160 808
– additions	–	5 566 000	5 566 000
– depreciation charged for the year	(8 421)	–	(8 421)
– balance at end of year	152 387	5 566 000	5 718 387
30 June 2008			
– at cost	263 004	–	263 004
– accumulated depreciation	(102 196)	–	(102 196)
	160 808	–	160 808
Reconciliation of movement in mining properties			
– balance at beginning of year	172 237	–	172 237
– depreciation charged for the year	(11 429)	–	(11 429)
– balance at end of year	160 808	–	160 808
The mineral reserve relates to the mining titles that were acquired from Mvelaphanda Resources with the Booyensdal transaction.			
Company			
30 June 2009			
– at cost	263 004	–	263 004
– accumulated depreciation	(110 617)	–	(110 617)
	152 387	–	152 387
Reconciliation of movement in mining properties			
– balance at beginning of year	160 808	–	160 808
– depreciation charged for the year	(8 421)	–	(8 421)
– balance at end of year	152 387	–	152 387
30 June 2008			
– at cost	263 004	–	263 004
– accumulated depreciation	(102 196)	–	(102 196)
	160 808	–	160 808
Reconciliation of movement in mining properties			
– balance at beginning of year	172 237	–	172 237
– additions	–	–	–
– depreciation charged for the year	(11 429)	–	(11 429)
– balance at end of year	160 808	–	160 808

A register containing the information required by paragraph 22(3) of Schedule to the Companies Act is available for inspection at the registered address of the company.

	2009	2008	2009	2008
	R000	R000	R000	R000
	Group	Group	Company	Company
4. Interest in associate				
Investment in associate comprises a 7.5% (2008: Nil%) interest in the Pandora Joint venture – see annexure 2	130 106	–	55 333	–
5. Investment in subsidiaries				
Norplats Properties (Proprietary) Limited			*	*
Khumama Platinum (Proprietary) Limited			5 566 000	–
			5 566 000	–
* Investment R100 (2008: R100) Both companies are wholly-owned and incorporated in the Republic of South Africa. Khumama Platinum (Proprietary) Limited was acquired during the year as part of the Booyensdal transaction. Also refer annexure 3.				
6. Unlisted investments				
Available for sale investments	6	8	6	8
The investments comprise equity investments in various mining industry service organisations, and are valued by the directors at R5 880 (2008: R8 280). The fair value of the unquoted shares has been estimated as the latest transaction value.				
7. Township development				
Opening balance	36 905	35 198	–	–
Construction in progress	6 440	1 707	–	–
Acquisitions	16 000	–	–	–
Closing balance	59 345	36 905	–	–
Township development comprising 382 residential erven with houses erected thereon in Northam, District of Thabazimbi, as well as 1 757 undeveloped erven in Northam. These properties have been acquired in order to assist the Group's employees to acquire affordable housing. The 382 erven are registered in the name of the company's subsidiary, Norplats Properties (Proprietary) Limited, whilst the 1 757 erven, which were acquired during the year, are registered in the name of Broad Brush Investments 2 (Proprietary) Limited, a wholly-owned subsidiary of Norplats Properties (Proprietary) Limited.				
8. Investments held by Northam Platinum Restoration Trust Fund				
The company contributes to a dedicated environmental restoration trust fund to provide for the estimated decommissioning and environmental restoration costs at the end of the mine's life. The balance of the fund comprises:				
– balance at beginning of year	21 820	18 920	21 820	18 920
– contributions made during the year	740	847	740	847
– income earned during the year (note 25)	2 333	2 053	2 333	2 053
– balance at end of year	24 893	21 820	24 893	21 820
The assets of the Fund are separately administered and the group's right of access to these funds are restricted. In addition, the company has passed a notarial bond for R27.3 million (2008: R27.3 million) over certain of of the mine's freehold property in favour of the fund to ensure that the fund will be able to meet future rehabilitation obligations.				

Notes to the annual financial statements (continued)

for the year ended 30 June 2009

	2009	2008	2009	2008
	R000	R000	R000	R000
	Group	Group	Company	Company
9. Environmental Guarantee Investment				
The balance of the fund comprises:				
– balance at beginning of year	12 900	10 311	12 900	10 311
– contributions made during the year	3 000	3 000	3 000	3 000
– management fees	(350)	(411)	(350)	(411)
– income earned during the year (note 25)	345	–	345	–
– balance at end of year	15 895	12 900	15 895	12 900
The Environmental Guarantee Investment policy was issued in terms of the insurance guarantee for R24.0 million (2008: R24.0 million).				
10. Toro Employee Empowerment Trust				
The balance of the fund comprises:				
– balance at beginning of year	–	–		
– contributions made during the year	45 044	–		
– net income earned during the year	1 558	–		
– balance at end of year	46 602	–		
The company has entered into an agreement with the representative unions at the Northam mine in terms of which the company has undertaken to contribute 4% of its after tax profits to the Toro Employee Empowerment Trust, providing the Northam mine's unskilled and semi-skilled employees an opportunity to participate in the profits of the company. Eligible employees will receive payment at the end of each five year cycle, starting with effect from 2013.				
11. Subsidiary loans				
Norplats Properties (Proprietary) Limited			58 178	37 553
Micawber 278 (Proprietary) Limited			205 976	–
			264 154	37 553
The loans are unsecured and interest free, repayable on demand and therefore stated as current.				
Also refer annexure 3.				
12. Inventories				
Inventories comprise:				
Metals on hand and in transit – at cost	413 567	453 791	413 567	453 791
Consumable stores – at cost	54 687	51 189	54 687	51 189
Total inventories at the lower of cost and net realisable value	468 254	504 980	468 254	504 980
The cost of sales figure disclosed in the income statement approximates the cost of inventory expensed.				
The amount of write-downs of consumable stores recognised as an expense in cost of sales:	1 014	935	1 014	935
13. Trade and other receivables				
Trade and other receivables comprise:				
Trade receivables	161 900	303 351	161 900	303 351
Prepayments	2 183	1 376	2 183	1 376
Receiver of Revenue – value added tax	35 189	33 872	35 189	33 872
Other	27 578	20 665	24 287	20 594
	226 850	359 264	223 559	359 193

Trade receivables are unsecured, non-interest-bearing and are generally on 30 day terms. As at June 2009 there were no receivables (2008: RNil) which were impaired and fully provided for. There is no provision for doubtful debts (2008: RNil).

The age analysis of trade and other receivables as at 30 June 2009 is set out in Annexure 1, which forms part of these notes.

	2009	2008	2009	2008
	R000	R000	R000	R000
	Group	Group	Company	Company
14. Cash and cash equivalents				
Cash and cash equivalents comprise:				
Cash at banks and on hand	230 119	128 409	51 275	128 172
Short term deposits	690 784	1 371 339	690 784	1 371 339
	920 903	1 499 748	742 059	1 499 511

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Short term deposits earned interest during the year at rates varying between 8% and 12% (2008: 10% and 14%), whilst cash at bank earned interest at rates varying between 6% and 8% (2008: 8% and 10%).

	2009	2009	2008	2008
	R000	Number of shares	R000	Number of shares
	Group	Group	Company	Company
15. Share capital and share premium				
Authorised	4 750	475 000 000	4 750	475 000 000
Issued				
At 1 July 2007	2 372	237 226 000	2 372	237 226 000
Shares issued during the year for cash on the exercise of share options	15	1 461 500	15	1 461 500
At 1 July 2008	2 387	238 687 500	2 387	238 687 500
Shares were allotted and issued to Mvelaphanda Resources Limited pursuant to the acquisition of Booyseendal	1 210	121 000 000	1 210	121 000 000
Shares issued during the year for cash on the exercise of share options	2	222 000	2	222 000
At 30 June 2009	3 599	359 909 500	3 599	359 909 500
Share premium	7 619 369		7 619 369	
	7 622 968	359 909 500	7 622 968	359 909 500

During the year 121 000 000 shares were allotted and issued to Mvelaphanda Resources Limited pursuant to the acquisition of Booyseendal. These shares, together with 222 000 shares allotted and issued in terms of the rules of Northam Share Option Scheme resulted in issued share capital increasing to 359 909 500.

The unissued shares, other than those reserved for the Northam Platinum Share Option Scheme, are under the control of the directors until the date of the next annual general meeting.

Shares of the company have a par value of one cent each.

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

	2009	2008	2009	2008
	R000	R000	R000	R000
	Group	Group	Company	Company
16. Equity compensation reserve				
Opening balance	27 584	29 777	27 584	29 777
Increase in equity compensation reserve	30 181	17 402	30 181	17 402
Transfer to retained earnings	(2 588)	(19 595)	(2 588)	(19 595)
Closing balance	55 177	27 584	55 177	27 584

Options are offered at the 30-day volume weighted average price at which Northam shares traded on the JSE up to the trading day immediately preceding the offer date. In terms of the rules of the Northam Share Option Scheme, option holders may exercise 50% of their options two years after the offer date and 100% of their options three years after the offer date. Options not exercised within five years of the offer date shall lapse. (See annexure 5).

Notes to the annual financial statements (continued)

for the year ended 30 June 2009

	2009	2008	2009	2008
	R000	R000	R000	R000
	Group	Group	Company	Company
17. Deferred tax liability				
The principal components of the deferred tax are as follows:				
Deferred tax liabilities				
– property, plant and equipment	457 389	413 178	457 389	413 178
– metal inventory	2 187	13 225	2 187	13 225
	459 576	426 403	459 576	426 403
Deferred tax assets				
– employee benefits relating to leave pay provisions	(19 270)	(26 091)	(19 270)	(26 091)
– decommissioning and environmental restoration provisions	(11 485)	(12 257)	(11 485)	(12 257)
	(30 755)	(38 348)	(30 755)	(38 348)
Net deferred tax liability	428 821	388 055	428 821	388 055
The charge in the deferred tax balance is reconciled as follows:				
Deferred tax liability at beginning of year	388 055	376 163	388 055	376 207
– charge for the year (per note 28)	40 766	11 892	40 766	11 848
– temporary differences in respect of property, plant and equipment	44 211	26 535	44 211	26 535
– depreciation component included in metals on hand and in transit	(11 038)	3 827	(11 038)	3 827
– estimated tax losses available for set-off against future income reversed	–	44	–	–
– temporary difference in respect of employee benefits	6 821	(9 306)	6 821	(9 306)
– temporary difference in respect of long-term provisions	772	(9 208)	772	(9 208)
Deferred tax liability at end of year	428 821	388 055	428 821	388 055
18. Long-term provisions				
Provision for decommissioning costs				
– balance at beginning of year	49 583	19 305	49 583	19 305
– present value of decommissioning asset capitalised (note 2)	816	34 873	816	34 873
– unwinding of discount and revisions (note 22)	(2 518)	(4 595)	(2 518)	(4 595)
– balance at end of year	47 881	49 583	47 881	49 583
Provision for restoration costs				
– balance at beginning of year	6 275	2 444	6 275	2 444
– unwinding of discount and revisions (note 22)	(318)	3 831	(318)	3 831
– balance at end of year	5 957	6 275	5 957	6 275
Provisions at year end	53 838	55 858	53 838	55 858
Provisions before funding	53 838	55 858	53 838	55 858
Less: Northam Platinum Restoration Trust Fund (note 8)	(24 893)	(21 820)	(24 893)	(21 820)
Net present value of unfunded environmental rehabilitation obligations	28 945	34 038	28 945	34 038
The future value of the environmental rehabilitation obligation will be paid over to the Northam Platinum Restoration Trust Fund (note 8) over the remaining life of the mine, which is currently estimated at 18 years.				
The present value of the environmental restoration obligation is determined by applying a pre-tax discount rate of 8.18% (2008: 11.50%) over the remaining life of the mine.				

	2009	2008	2009	2008
	R000	R000	R000	R000
	Group	Group	Company	Company
18. Long-term provisions (continued)				
Provision for Toro Employee Empowerment Trust				
– transfer from short-term provision	30 000	–	–	–
– provided for during the year	15 044	–	–	–
– net income earned during the year	1 558	–	–	–
– balance at end of year	46 602	–	–	–
The company has entered into an agreement with the representative unions at the Northam mine in terms of which the company has undertaken to contribute 4% of its after tax profits to the Toro Employee Empowerment Trust, providing the Northam mine's unskilled and semi-skilled employees an opportunity to participate in the profits of the company. Eligible employees will receive payment at the end of each five year cycle, starting with effect from 2013.				
Total long-term provisions	100 440	55 858	53 838	55 858
In terms of, <i>inter alia</i> , the Minerals Act, 1991, the company is required to make financial provision for its decommissioning and restoration costs that will be incurred upon the cessation of mining activities. The future value of the environmental obligation will be paid over to the Northam Platinum Restoration Trust Fund (note 8) over the remaining life of the mine, which is currently estimated at 18 years. Financial provision is not, however, required to be made for the decommissioning of certain structures, such as housing, which may have alternative use.				
The decommissioning and restoration costs are reviewed on an annual basis, and at the balance sheet date the net unfunded future obligations were as follows:				
Undiscounted decommissioning obligations	69 072	66 239	69 072	66 239
Undiscounted restoration obligations	8 593	8 383	8 693	8 383
Total decommissioning and restoration obligation	77 665	74 622	77 665	74 622
Less: Obligation not requiring financial provision	30 066	28 185	30 066	28 185
	47 599	46 437	47 599	46 437
Less: Funds held by Northam Platinum Restoration Trust Fund (note 8)	24 893	21 820	24 893	21 820
Less: Environmental Guarantee Investment (note 9)	15 895	12 900	15 895	12 900
Total unfunded future rehabilitation obligations	6 811	11 717	6 811	11 717
The company has procured the issue of an insurance guarantee for R24.0 million (2008: R24.0 million) in respect of the unfunded decommissioning and restoration costs.				

Notes to the annual financial statements (continued)

for the year ended 30 June 2009

	2009 R000 Group	2008 R000 Group	2009 R000 Company	2008 R000 Company
19. Trade and other payables				
Trade and other payables comprise:				
Trade payables	207 893	127 366	207 893	127 366
Accruals	68 489	87 362	68 489	87 362
Accrual for acquisition of participating interest in Pandora joint venture	65 000	–	65 000	–
Other	76 267	14 721	73 523	14 647
	417 649	229 449	414 905	229 375
Trade payables are unsecured, non-interest bearing and are normally settled on 30 day terms.				
20. Short-term provisions				
Provision for leave pay				
– balance at beginning of year	63 183	57 878	63 183	57 878
– provided for during the year	52 941	80 770	52 941	80 770
– utilised	(47 302)	(75 465)	(47 302)	(75 465)
– balance at end of year	68 822	63 183	68 822	63 183
A provision for leave pay is recognised for the employer's liability for annual leave and associated costs.				
The provision for compensated absences is recognised when the employee renders service. The provision is updated on a monthly basis.				
Provision for Toro Employee Empowerment Trust				
– balance at beginning of year	30 000	–	30 000	–
– provided for during the year	–	30 000	–	30 000
– utilised	–	–	(30 000)	–
– transfer to long-term provisions	(30 000)	–	–	–
– balance at end of year	–	30 000	–	30 000
Total short-term provisions	68 822	93 183	68 822	93 183
The company has entered into an agreement with the representative unions at the Northam mine in terms of which the company has undertaken to contribute 4% of its after tax profits to the Toro Employee Empowerment Trust, providing the Northam mine's unskilled and semi-skilled employees an opportunity to participate in the profits of the company. Eligible employees will receive payment at the end of each five year cycle, starting with effect from 2013.				
21. Total revenue and sales revenue				
Total revenue comprises:				
– sales revenue (note 36)	3 186 042	3 886 137	3 186 042	3 886 137
– investment income (note 25)	130 417	97 507	115 814	97 507
– sundry revenue (note 26)	19 764	11 870	19 764	11 870
	3 336 223	3 995 514	3 321 620	3 995 514

Sales revenue comprises the turnover of platinum, palladium, rhodium and gold, net of value added tax and trade discounts.

	2009	2008	2009	2008
	R000	R000	R000	R000
	Group	Group	Company	Company
22. Operating costs				
Operating costs comprise mining and concentrating costs, excluding depreciation, and consist of the following principal categories:				
– labour	824 278	716 717	824 278	716 717
– stores	599 636	502 569	599 636	502 569
– utilities	140 577	110 226	140 577	110 226
– sundries	344 234	297 862	344 234	297 862
– provision for decommissioning costs (note 18)	(2 518)	(4 595)	(2 518)	(4 595)
– provision for restoration costs (note 18)	(318)	3 831	(318)	3 831
	1 905 889	1 626 610	1 905 889	1 626 610
Operating costs include the following:				
External auditors' remuneration				
– current year	1 570	1 384	1 570	1 325
– prior year adjustment	212	38	212	35
Internal audit fees				
– current year	2 001	1 885	2 001	1 885
– prior year adjustment	–	(702)	–	(702)
Directors' remuneration				
– non executive fees	8 709	1 684	8 709	1 684
– executive remuneration	1 643	2 256	1 643	2 256
Share based payment expense (note 16)	30 181	17 402	30 181	17 402
Operating lease payments				
– office equipment	244	437	244	437
– premises	597	465	597	465
Details of directors' remuneration are contained in the directors' report on page 46.				
23. Depreciation and impairments				
Depreciation of mining properties, plant and equipment consists of the following:				
– mining property	8 421	11 429	8 421	11 429
– plant and equipment	131 976	133 308	131 976	133 308
– decommissioning asset	2 138	2 957	2 138	2 957
– vehicles	1 661	1 631	1 661	1 631
– impairment of assets	16 711	–	16 711	–
	160 907	149 325	160 907	149 325

The rebuild of the smelter, which was some five years earlier than originally anticipated, resulted in an impairment charge of R16 711 000 (2008: RNil).

Notes to the annual financial statements (continued)

for the year ended 30 June 2009

	2009	2008	2009	2008
	R000	R000	R000	R000
	Group	Group	Company	Company
24. Share of earnings from associate				
Income received from Pandora joint venture – see annexure 2	72 606	–	–	–
Following the implementation of various agreements relating to the acquisition of Booyssendal, the group achieved recognition as a HDSA entity. Consequently it became entitled to acquire the 7.5% interest in Pandora joint venture that had been warehoused in Mvelaphanda Resources Limited. The group brought into account income of R72 million, R68 million of which relate to periods prior to the group being entitled to account for their interest in the Pandora joint venture.				
25. Investment income				
Investment income consists of the following:				
– interest received on cash and cash equivalents	127 739	95 454	113 136	95 454
– growth in Northam Platinum Restoration Trust Fund (note 8)	2 333	2 053	2 333	2 053
– growth in Environmental Contingency Fund (note 9)	345	–	345	–
	130 417	97 507	115 814	97 507
26. Sundry (expenditure)/income				
Net sundry (expenditure)/income is arrived at as follows:				
– foreign currency hedging profit	5 476	–	5 476	–
– metal hedging loss	(9 454)	–	(9 454)	–
– loss on sale of property, plant and equipment	(41)	(22)	(41)	(22)
– currency translation profit/(loss)	2 128	(9 527)	2 128	(9 527)
– cost incurred in relation to expression of interest by Impala Platinum Holdings Limited	(16 108)	–	(16 108)	–
– cost incurred in relation to the implementation of Booyssendal transaction	(7 309)	–	(7 309)	–
– depreciation of participation interest	–	–	(2 167)	–
– other expenditure	(886)	(497)	(1 887)	(233)
– sundry revenue	19 764	11 870	19 764	11 870
– rent received	1 218	804	1 218	804
– royalties received from chrome recovery plant	14 836	6 262	14 836	6 262
– sale of scrap	2 656	2 438	2 656	2 438
– other income	365	–	365	–
– toll treatment revenue	689	48	689	48
– dividends received	–	2 318	–	2 318
	(6 430)	1 824	(9 598)	2 088

	2009	2008	2009	2008
	R000	R000	R000	R000
	Group	Group	Company	Company
27. Expenditure incurred on Booyssendal Project				
Total expenditure incurred				
– project cost	–	9 678	–	9 678
– transaction cost	–	8 291	–	8 291
	–	17 969	–	17 969
The majority of the expenditure incurred for the Booyssendal Project was on the feasibility study that was conducted during the prior year before the acquisition of Booyssendal.				
28. Taxation				
Current	343 258	854 148	338 855	854 149
Deferred (note 17)	40 766	24 863	40 766	24 821
Current year's tax charge	384 024	879 011	379 621	878 970
Adjustment to deferred tax liability arising from the change in tax rate	–	(12 971)	–	(12 973)
	384 024	866 040	379 621	865 997
Taxation comprises:				
– mining tax	247 750	610 115	243 347	610 115
– non mining tax	31 037	26 843	31 037	26 845
– state's share of profits	7 580	124 629	7 580	124 629
– tax on share of earnings from associate – current year	1 357	–	1 357	–
– tax on share of earnings from associate – prior years	16 088	–	16 088	–
– adjustment in respect of previous years	–	43	–	–
– adjustment in respect of change in tax rate	–	(12 971)	–	(12 973)
– secondary tax on companies	80 212	117 381	80 212	117 381
	384 024	866 040	379 621	865 997
A reconciliation of the standard rate of South African tax compared with that charged in the income statement is set out below:				
	%	%	%	%
– South African normal tax	28.0	28.0	28.0	28.0
– state's share of profits	0.7	5.3	0.8	5.3
– secondary tax on companies	7.9	5.0	8.7	5.0
	36.6	38.3	37.5	38.3
– expenditure disallowed	1.3	0.4	1.7	0.4
– other	–	(1.4)	1.9	(1.4)
– effective tax rate	37.9	36.7	41.1	36.7

28.1 State's share of profit

The formula for determining the state's share of profit is:

$$Y = 15 - 120 / X$$

where Y = the percentage of divisible profit payable to the state, and X = the ratio of mining profit (after deduction of redeemable capital expenditure) to mining revenue expressed as a percentage.

The amount as determined by the above formula is subject to a surcharge of 1.25%.

Notes to the annual financial statements (continued)

for the year ended 30 June 2009

28. Taxation (continued)

28.2 Mining tax

The current rate of mining tax applicable to the company is 28% (2008: 28%)

28.3 Non-mining tax

Non-mining income is subject to a rate of 28% (2008: 28%)

28.4 Deferred tax

Deferred tax is provided at the statutory rate of 28% (2008: 28%) for all temporary differences.

28.5 Secondary tax on companies

Secondary tax on companies is levied at the rate of 10% (2008: 10%) of net dividends declared.

29. Earnings per share

Basic earnings per share amounts are calculated dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares of 343 162 299 (2008: 238 006 682) outstanding during the year. Headline earnings per share are based on headline earnings and are reconciled to profit attributable to shareholders as follows:

	2009	2008	2009	2008
	R000	R000	R000	R000
	Group	Group	Company	Company
Profit attributable to shareholders/earnings	630 482	1 492 811	544 508	1 493 118
Loss on sale of property, plant and equipment	41	22	41	22
Income from joint venture in prior periods/negative goodwill	(67 847)	–	(67 847)	–
Impairment effect	16 711	–	16 711	–
Tax effect	11 370	(6)	11 370	(6)
Headline earnings	590 757	1 492 827	504 783	1 493 134
Fully diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.				
Fully diluted headline earnings per share are based on the profit attributable to shareholders and the average number of potential diluted shares in issue.				
The number of potential diluted shares are calculated as follows:				
Average number of ordinary shares in issue during the year	343 162 299	238 006 682	343 162 299	238 006 682
Average number of Northam Share Option Scheme options outstanding during the year	416 980	2 515 744	416 980	2 515 744
Average number of potential diluted ordinary shares in issue	343 579 279	240 522 426	343 579 279	240 522 426

The company's authorised ordinary share capital did not change during the year.

	2009	2008	2009	2008
	R000	R000	R000	R000
	Group	Group	Company	Company
30. Cash generated from operations				
Profit before taxation	1 014 506	2 358 851	924 129	2 359 115
Adjusted for non-cash items				
– loss on disposal of property, plant and equipment	41	22	41	22
– depreciation and impairment	160 907	149 325	160 907	149 325
– increase/(decrease) in long-term provisions	43 766	(764)	(2 836)	(764)
– share based payment expense	30 181	17 402	30 181	17 402
– share of profit from associate	(72 606)	–	–	–
– depreciation of participation interest	–	–	2 167	–
Interest received	(127 739)	(95 454)	(113 136)	(95 454)
	1 049 056	2 429 382	1 001 453	2 429 646
31. Change in working capital				
Inventories	36 726	(250 490)	36 726	(250 490)
Trade and other receivables	132 414	(90 402)	135 634	(90 463)
Trade and other payables	188 200	75 888	185 530	76 070
	357 340	(265 004)	357 890	(264 883)
32. Tax paid				
Balance owing at beginning of year	449 110	343 191	449 110	343 191
Charge per income statement, excluding deferred tax	343 258	854 148	338 855	854 149
Balance owing at end of year	(432)	(449 110)	(460)	(449 110)
	791 936	748 229	787 505	748 230
33. Commitments and contingencies				
Capital Expenditure – plant and equipment				
Authorised but not contracted	191 504	248 699	191 504	248 699
Contracted	45 046	91 466	45 046	91 466
Information Technology Outsource Service Providers				
Due within one year	10 933	1 889	10 933	1 889
Due within two to five years	29 353	–	29 353	–
Operating lease rentals – office equipment				
Due within one year	300	270	300	270
Due within two to five years	176	191	176	191
Operating lease – premises				
Due within one year	651	598	651	598
Due within two to five years	459	1 110	459	1 110
Housing development				
Contracted	–	16 000	–	–
Unutilised loan facility granted to subsidiary			270 000	18 000
These commitments will be financed out of operating cash flows.				
Bank guarantees in respect of Eskom	33 284	5 062	33 284	5 062

Notes to the annual financial statements (continued)

for the year ended 30 June 2009

	2009 R000 Group	2008 R000 Group	2009 R000 Company	2008 R000 Company
34. Employee benefits				
The aggregate earnings and benefits of employees, including directors, were				
– salaries, wages and other benefits	692 426	610 781	692 246	610 781
– contributions to retirement benefit funds	61 042	53 564	61 042	53 564
– contributions to health-care funds	37 417	34 970	37 417	34 970
– share based payment expense (note 16)	30 181	17 402	30 181	17 402
– employee empowerment scheme (note 18)	15 044	30 000	15 044	30 000
	836 110	746 717	836 110	746 717
– fees paid to non-executive directors (note 22)	1 643	1 684	1 643	1 684
	837 753	748 401	837 753	748 401
– Included in salaries, wages and other benefits are the following amounts in respect of retrenchment benefits and termination costs.	729	151	729	151
35. Related parties				
The group, in the ordinary course of business, enters into various sale, purchase and lease transactions with a large number of entities, some of whom are related parties. All transactions were concluded on an arms length basis apart from an interest free loan provided by the company to Micawber 278 (Proprietary) Limited and Norplats Properties (Proprietary) Limited.				
Details of transactions and period end balances with those entities identified as related parties are contained in Annexure 3 and 4.				
36. Segmental reporting				
The company's primary segment reporting format is by business segment and it's secondary reporting format by geographical location of customers. This reflects the predominant risks and rates of return that affect the company.				
Business segment: The directors consider that there is only one business segment and accordingly the disclosures required by IAS 14, Segment Reporting, are given in the income statement, balance sheet and notes thereto. An analysis of sales revenue per metal is contained in the financial review on page 14.				
Geographic segment: By location of customers:				
Segment revenue				
Europe	1 400 735	1 464 514	1 400 735	1 464 514
Japan	604 789	1 055 075	604 789	1 055 075
North America	916 996	972 583	916 996	972 583
South Africa	263 522	393 965	263 522	393 965
	3 186 042	3 886 137	3 186 042	3 886 137
Segment accounts receivable				
Europe	71 245	81 593	71 245	81 593
Japan	–	120 980	–	120 980
North America	41 276	44 268	41 276	44 268
South Africa	114 329	112 423	111 038	112 352
	226 850	359 264	223 559	359 193

Trade receivables are non-interest bearing and no provision has been made for doubtful debts (2008: RNil).

37. Financial risk management objectives and policies

The group's principal financial liabilities comprise trade payables and loans received. The main purpose of these financial liabilities are to raise finance for the group's operations. The group has various financial assets such as trade receivables, investment and cash and short-term deposits, 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 group is exposed to market, credit and liquidity risk.

The main risks arising from the group's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk, commodity price risk and credit risk. The board of directors reviews and agrees policies for managing each of these risks which are summarised below:

(a) Market risk

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because changes in market prices. Market prices comprise three types of risk: interest rate, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits and available for sale investments.

(b) Foreign currency risk

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

The company does not have a formal policy with regards to foreign currency risk.

The following table demonstrates the sensitivity to a possible change in the US dollar exchange rate 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.

	2009 R000 Group	2008 R000 Group	2009 R000 Company	2008 R000 Company
– weakening by 10%	33 716	35 982	33 716	35 982
– strengthening by 10%	(33 716)	(35 982)	(33 716)	(35 982)
At year end the foreign currency value of items under their respective balance sheet classifications were as follows:				
– accounts receivable – US\$	14 670	30 940	14 670	30 940
– cash and cash equivalents – US\$	29 289	14 422	29 289	14 422
– accounts payable – €	–	748	–	748
Exchange rates at year end				
Rand/Dollar	7.67	7.83	7.67	7.83
Rand/Euro	10.77	12.33	10.77	12.33

During the year, in anticipation of a strengthening of the Rand, the group hedged minor volumes of currency. The table below summarises the contracts that were entered into.

Volumes hedged (US\$000)	Type of contract	Contract rates US\$1.00 = R	Gain realised (R000)
4 000	Zero cost collars	R9.9000 to R12.0810	5 476

There were no contracts outstanding at year end.

Notes to the annual financial statements (continued)

37. Financial risk management objectives and policies (continued)

	2009 R000 Group	2008 R000 Group	2009 R000 Company	2008 R000 Company
(c) Commodity price risk				
The company 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 company does not have a formal policy with regards to commodity price risk.				
The following is an indication of the effect that changes in the commodity prices would have on the profit before tax:				
– increase of 10%	11 252	35 982	11 252	35 982
– decrease of 10%	(11 252)	(35 982)	(11 252)	(35 982)

During the year, in anticipation of a decline in the prices of platinum and palladium, the group entered into contracts to hedge both platinum and palladium. The table below summarises the contracts that were entered into.

Metal	Volumes hedged (ounces)	Type of contract	Contract prices	Loss realised (R000)
Platinum	28 000	Zero cost collars	950.00 to 1 131.00	5 476
Palladium	14 000	Zero cost collars	180.00 to 200.00	3 978

(d) Credit risk

Credit risk is the risk that a counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities and from its financing activities, including deposits 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. There are no significant concentration of credit risk within the group.

With respect to credit risk arising from other financial assets of the group, which comprise cash and cash equivalents, available-for-sale investments and loans, the group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as per Annexure 1.

(e) Interest rate risk

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

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. At the year end there were no borrowings.

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). There is no impact on the group's equity.

	2009 R000 Group	2008 R000 Group	2009 R000 Company	2008 R000 Company
– increase of 1%	9 209	14 997	7 421	14 997
– decrease of 1%	(9 209)	(14 997)	(7 421)	(14 997)

(f) Fair value

Management is of the opinion that the book value of financial instruments approximates fair value, except for the loan to subsidiary which is stated at cost.

37. Financial risk management objectives and policies (continued)

(g) Liquidity risk

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

They assist the group in monitoring its risk to a shortage of funds by only depositing its surplus cash funds with major banks of high credit standing. They consider and monitor the maturity and returns of all financial investments. Management performs regular projected cash flow forecasts for the group. The group does not have any borrowings and all trade accounts payable are due within 30 days. The following table summarises the maturity profile of the group's financial liabilities.

	On demand R000	1 to 6 months R000	More than six months R000	Total R000
Group				
2009				
Trade payables	207 893	–	–	207 893
Accruals	–	68 489	–	68 489
Accrual for the acquisition of the interest in the Pandora Joint Venture	–	–	65 000	65 000
Other	–	76 267	–	76 267
	207 893	144 756	65 000	417 649
2008				
Trade payables	127 366	–	–	127 366
Accruals	–	87 362	–	87 362
Other	–	14 721	–	14 721
	127 366	102 083	–	229 449
Company				
2009				
Trade payables	207 893	–	–	207 893
Accruals	–	68 489	–	68 489
Accrual for the acquisition of the interest in the Pandora Joint Venture	–	–	65 000	65 000
Other	–	73 523	–	73 523
	207 893	142 012	65 000	414 905
2008				
Trade payables	127 366	–	–	127 366
Accruals	–	87 362	–	87 362
Other	–	14 647	–	14 647
	207 893	102 009	–	229 375

(h) Capital management

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

The group manages its capital structure 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 2009 and 30 June 2008.

The group regards shareholders' equity as capital and is not exposed to any externally imposed capital requirements.

(i) Categories of financial instruments

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

Annexure 1

Analysis of financial instruments

at 30 June 2009

	Available for sale		Loans and receivables	
	Year ended	Year ended	Year ended	Year ended
	30 June	30 June	30 June	30 June
	2009	2008	2009	2008
	R000	R000	R000	R000
a) Categories of financial instruments – group				
Available for sale investments	6	8	–	–
Investments held by Northam Platinum Restoration Trust Fund	–	–	–	–
Environmental Guarantee Investment	–	–	–	–
Trade and other receivables	–	–	189 478	324 016
Cash and cash equivalents	–	–	920 903	1 499 748
Trade and other payables	–	–	–	–
	6	8	1 110 381	1 823 764
Categories of financial instruments – company				
Available for sale investments	6	8	–	–
Investments held by Northam Platinum Restoration Trust Fund	–	–	–	–
Environmental Guarantee Investment	–	–	–	–
Trade and other receivables	–	–	186 187	323 945
Cash and cash equivalents	–	–	742 059	1 499 511
Trade and other payables	–	–	–	–
	6	8	928 246	1 823 456

b) Trade receivables – group and company

The table below summarises the maturity profile of the company and group's trade and other receivables

	Neither past due nor impaired		< 30 days	
	Year ended	Year ended	Year ended	Year ended
	30 June	30 June	30 June	30 June
	2009	2008	2009	2008
	R000	R000	R000	R000
Group	112 521	358 553	69 153	655
Company	112 521	358 482	65 862	655

		Assets designated at fair value through profit or loss		Financial liabilities at		Non-financial instruments		Total	
		Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
		30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
		2009	2008	2009	2008	2009	2008	2009	2008
		R000	R000	R000	R000	R000	R000	R000	R000
		–	–	–	–	–	–	6	8
		24 893	21 820	–	–	–	–	24 893	21 820
		15 895	12 900	–	–	–	–	15 895	12 900
		–	–	–	–	37 372	35 248	226 850	359 264
		–	–	–	–	–	–	920 903	1 499 748
		–	–	(417 649)	(229 375)	–	–	(417 649)	(229 449)
		40 788	34 720	(417 649)	(229 375)	37 372	35 248	770 898	1 664 291
		–	–	–	–	–	–	6	8
		24 893	21 820	–	–	–	–	24 893	21 820
		15 895	12 900	–	–	–	–	15 895	12 900
		–	–	–	–	37 372	35 248	223 559	359 193
		–	–	–	–	–	–	742 059	1 499 511
		–	–	(414 905)	(229 375)	–	–	(414 905)	(229 375)
		40 788	34 720	(414 905)	(229 375)	37 372	35 248	591 507	1 664 057

	30 – 60 days		60 – 90 days		> 90 days		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2009	2008	2009	2008	2009	2008	2009	2008
	R000	R000	R000	R000	R000	R000	R000	R000
	25 822	53	19 354	3	–	–	226 850	359 264
	25 822	53	19 354	3	–	–	223 559	359 193

Annexure 2

Investment in associate

at 30 June 2009

	Interest of Northam 7.50% Group R'000	Interest of Northam 7.50% Company R'000
Reconciliation of Northam's interest in Pandora Joint Venture		
Cost of investment	65 000	65 000
Accumulated depreciation	(2 167)	(2 167)
Investment in associate	62 833	62 833
Participants interest	67 273	(7 500)
Pre-acquisition profits/negative goodwill	67 847	–
Post acquisition profits	6 926	–
Profit before depreciation	74 773	–
Cash distribution received	(7 500)	(7 500)
Carrying value in investment in associate	130 106	55 333
Income statement		
Revenue	25 195	–
Cost of sales	23 508	–
Operating profit	1 687	–
Investment revenue	5 363	–
Finance costs	(124)	–
Post acquisition profits	6 926	–
Pre-acquisition profits/negative goodwill	67 847	–
Profit before depreciation	74 773	–
Depreciation	(2 167)	–
Profit before tax	72 606	–
Balance sheet		
Non-current assets		
Property, plant and equipment	17 267	–
Cost	21 153	–
Accumulated depreciation	3 886	–
Current assets	62 579	–
Trade and other receivables	8 246	–
Cash and cash equivalents	54 333	–
Total assets	79 846	–
Participants interest	67 273	–
Non-current liabilities	5 264	–
Capital loans from participants	3 480	–
Provision for environmental and rehabilitation obligations	1 784	–
Current liabilities	7 309	–
Royalties payable	450	–
Trade and other payables	6 859	–
Total equity and liabilities	79 846	–

Annexure 3

Subsidiaries

at 30 June 2009

Name of company	Effective holding		Share capital and premium R000	Interest in holding company				Nature of business
	2009 %	2008 %		Shares 2009 R000	2008 R000	Indebtedness 2009 R000	2008 R000	
Khumama Platinum (Proprietary) Limited	100	–	2 506 125	5 566 000	–	–	–	Khumama owns 100% of the issued capital of Micawber 278 (Proprietary) Limited.
Micawber 278 (Proprietary) Limited	100	–	**	–	–	205 976	–	Micawber owns the mining titles in respect of Booyensdal.
Norplats Properties (Proprietary) Limited	100	100	**	–	–	58 178	37 553	Norplats Properties (Proprietary) Limited owns residential erven in the town of Northam, and has erected houses thereon as part of an initiative to assist Northam employees in acquiring their own affordable houses. In addition, Norplats Properties owns 100% of the issued capital of Broad Brush Investments 2 (Proprietary) Limited.
Broad Brush Investments 2 (Proprietary) Limited	100	–	**	–	–	–	–	Broad Brush owns certain property in the town of Northam, and will develop a residential township as a further part the initiative to assist Northam employees in acquiring their own affordable houses.
Interest in subsidiaries				5 566 000	–	264 154	37 553	

** issued capital is less than R1 000.

All companies are incorporated in the Republic of South Africa.

The loans are unsecured, interest free and are payable on demand and are therefore stated as current.

Khumama Platinum (Proprietary) Limited and Micawber 278 (Proprietary) Limited were acquired as part of the Booyensdal transaction.

Annexure 4

Related party transactions

for the year ended 30 June 2009

Name of entity	Basis of identification as a related party	Related director	Nature of service provided
Anglo Platinum Limited	Major shareholder		Sales of by-products – nickel and cobalt Purchase of concentrates Supply of internal audit services
Barnard Jacobs Mellett Holdings Limited	Common directorship	AR Martin ⁽¹⁾	JSE Limited sponsor services
GijimaAst Group Limited	Common directorship	NJ Dlamini	Maintenance of computer systems
Gold Fields Training Services (Proprietary) Limited	Common directorship	TMG Sexwale, director of holding company ⁽²⁾	Supply of training services
Mvelaphanda Resources Limited	Major shareholder and common directors	ME Beckett, CK Chabedi, BR van Rooyen, MJ Willcox and PL Zim ⁽³⁾	Reimbursement of expenses
Protea Aviation Services (Proprietary) Limited	Common directorship	MJ Willcox ⁽³⁾	Transport of products
Protea Security Services (2000) (Proprietary) Limited	Common directorship	MJ Willcox ⁽³⁾	Supply of security services
Trollope Mining Services (2000) (Proprietary) Limited	Common directorship	MJ Willcox ⁽³⁾	Transport of waste and hire of plant

Key management personnel

Non-executive directors' fees

Executive directors remuneration

GT Lewis

See Directors' Report page 42

Remuneration
Performance bonus
Contribution to retirement fund
Other benefits
See Directors' Report page 42
Equity compensation charge

Senior management remuneration

Remuneration
Performance bonus
Contribution to retirement fund
Other benefits
Equity compensation charge

The subsidiaries referred to in Annexure 3 are also related parties.

Notes

Note 1. Mr AR Martin was appointed a director on 22 June 2009.

Note 2. Mr TMG Sexwale resigned as a director of the company on 20 April 2007.

Note 3. Mr MJ Willcox was appointed an alternate director on 22 June 2009.

Where charged/(credited) in income statement	Charged/(credited) to income statement		Year end balance		Year end balance included in
	2009	2008	2009	2008	
	R000	R000	R000	R000	
Sales revenue	(8 510)	(13 254)	–	14 861	Trade and other receivables
Concentrates purchased	97 306	–	93 863	–	Trade and other payables
Operating costs – sundries	–	194	–	–	Trade and other payables
Operating costs – sundries	11	–	–	–	Trade and other payables
Operating costs – sundries	450	425	36	2 313	Trade and other payables
Operating costs – sundries	2 459	3 211	48	–	Trade and other payables
Operating costs – sundries	54	108	–	–	n/a
Refining and other costs	880	156	219	–	Trade and other payables
Operating costs – sundries	9 070	1 166	–	–	Trade and other payables
Operating costs – sundries	27 523	2 544	4 029	–	Trade and other payables
Operating costs – sundries	1 643	1 684			
Operating costs – labour	2 140	1 785			
Operating costs – labour	6 284	235			
Operating costs – labour	268	223			
Operating costs – labour	17	13			
	8 709	2 256			
Operating costs – labour	2 723	1 987			
	11 432	4 243			
Operating costs – labour	10 214	7 499			
Operating costs – labour	6 085	945			
Operating costs – labour	1 277	937			
Operating costs – labour	903	506			
Operating costs – labour	10 918	7 504			
	29 397	17 391			

Annexure 5

Analysis of share options

as at 30 June 2009

						Total
Grant date	14 Oct 2004	24 Oct 2005	23 Oct 2006	22 Oct 2007	27 Nov 2008	
Earliest exercise date	14 Oct 2006	24 Oct 2007	23 Oct 2008	22 Oct 2009	27 Nov 2010	
Expiry date	13 Oct 2009	23 Oct 2010	22 Oct 2011	21 Oct 2012	26 Nov 2013	
Exercise price – pence	8.30	17.00	38.45	48.00	32.38	
Balance at 30 June 2008	92 500	858 000	1 712 500	1 897 500	–	4 560 500
New options granted during the year	–	–	–	–	3 392 500	3 392 500
Options forfeited during the year	–	–	(115 000)	(160 000)	(180 000)	(455 000)
Options exercised during the year	–	(222 000)	–	–	–	(222 000)
Month						
July	–	–	–	–	–	–
August	–	–	–	–	–	–
September	–	–	–	–	–	–
October	–	–	–	–	–	–
November	–	(22 000)	–	–	–	(22 000)
December	–	(6 000)	–	–	–	(6 000)
January	–	–	–	–	–	–
February	–	–	–	–	–	–
March	–	(45 000)	–	–	–	(45 000)
April	–	(45 000)	–	–	–	(45 000)
May	–	(72 500)	–	–	–	(72 500)
June	–	(31 500)	–	–	–	(31 500)
Balance at 30 June 2009	92 500	636 000	1 597 500	1 737 500	3 212 500	7 276 000
Total consideration received R000	–	3 774	–	–	–	3 774
Details of options granted to directors – GT Lewis						
Balance at 30 June 2008	75 000	187 500	187 500	187 500	–	637 500
New options granted during the year	–	–	–	–	187 500	187 500
Balance at 30 June 2009	75 000	187 500	187 500	187 500	187 500	825 000
No options were exercised by directors during the year.						
Options currently exercisable	92 500	636 000	798 750	–	–	1 527 250