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Approval of annual financial statements

Upon the recommendation by the Audit Committee the annual financial statements for the year ended 30 June 2010, which appear on pages 48 to 113 were approved by the Board of directors on 16 September 2010. The directors are responsible for the fair presentation to shareholders of the affairs of the company and of the group as at the end of the financial year, and of the results for the period, as set out in the annual financial statements. The directors are responsible for the overall co-ordination of the preparation and presentation, and approval of the financial statements. Responsibility for the initial preparation of these statements has been delegated to the officers of the company and the group.

The independent auditors are responsible for auditing and reporting on the financial statements in the course of executing their statutory duties. The financial statements have been prepared on a going concern basis, conform with applicable accounting standards and are presented applying consistent accounting policies supported by reasonable and prudent judgements and estimates. To discharge this responsibility, the group maintains accounting and administrative control systems designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded in accordance with sound and ethical business practices and procedures. The accounting policies of the group are set out on pages 59 to 84 of this report.

GT Lewis
Chief executive

AR Martin
Chairman: Audit Committee

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

16 September 2010

Independent auditors' report

To the members of Northam Platinum Limited

Report on the consolidated financial statements

We have audited the group annual financial statements and annual financial statements of Northam Platinum Limited, which comprise the consolidated and separate statements of financial position as at 30 June 2010, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 48 to 113.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Northam Platinum Limited as at 30 June 2010 and its consolidated and separate financial performance and consolidated and separate 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

16 September 2010

Directors' report

The directors have pleasure in submitting their report for the year ended 30 June 2010. The review of the group's operational performance is set out in the operational review on pages 11 to 17, whilst the nature of business is described in the corporate profile which appears on the inside front cover.

Booysendal mine

The board has given its approval for the development of the mine to proceed. This follows from the results of an optimisation study on the project which concluded that the project could support a run of mine production rate of 187 500 tonnes per month and that the capital requirement for the mining complex including a concentrator plant would be approximately R3.6 billion in March 2010 money terms.

In February 2010 the board approved initial capital expenditure (pending the outcome of the optimisation exercise) of R340 million to fund an early works programme to establish infrastructural facilities. This work is in progress and an amount of R181.7 million has been spent on the project to date. The primary construction activities will start as soon as certain outstanding environmental regulatory approvals have been received.

The board has agreed in principle that the project will be funded from a combination of internal resources in the short term, with convertible bonds and senior bank debt in the longer term. Further details are contained on page 52 in the paragraph dealing with borrowing powers.

Pandora joint venture

The group's share of earnings from the Pandora joint venture amounted to R12.4 million. The figure reported for the previous year of R72.6 million included profits in respect of that year of R4.8 million and R67.8 million for the prior years. The investment of R130.1 million at 30 June 2009 was increased by profit of R12.4 million and offset by an amount of R10.2 million distributed by Pandora and a depreciation charge of R2.6 million in respect of the cost of the group's investment. Further details of the group's interest in Pandora are set out in Annexure 2 on page 116.

Corporate governance

The board of directors of the company seeks to ensure that all deliberations, decisions and actions of the company's business and operational structures are based on good corporate governance and fundamentally sound values including but not limited to integrity, responsibility, accountability, fairness and transparency. The pursuit of good corporate governance is guided by the Company's Articles of Association, the Board Charter, the Listings Requirements of the JSE Limited, the South African Companies Act of 1973, the second King Report on Corporate Governance in South Africa (King II) and the third King Report on Corporate Governance in South Africa (the King III Report) and the Global Reporting Initiative (GRI) and any other applicable laws and regulations.

Further details on the group's corporate governance practices are set out in the corporate governance report on page 34 to 45.

Mining licences

Zondereinde

The Zondereinde mine's mining licences (8/98 and 1/2000) 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 company submitted its application for the conversion of the two old order mining rights to the Department of Mineral Resources (DMR) in April 2006. The application was accepted by the DMR and in May 2010 we received notification that the conversion of one of the two licences had been granted. Clarification of the status of the second application has been sought so that the execution of both converted mining rights can take place simultaneously.

Booysendal

The Booysendal mine's mining licence, which is held through Micawber 278 (Proprietary) Limited, covers an area of approximately 11 902 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 2 068 hectares on the farms Johannesburg 45 JT and Sheeprun 50 JT.

The conversion of Booysendal mine's old order mining right was executed in September 2009. Registration of the new order mining right in the Mining Titles Registration Office (MTRO) is in process.

The application for mining rights over the remaining two farms presently held under new order prospecting rights is being processed.

Additional mining rights over an area of approximately 1 264 hectares on the farms Der Brochen 7 JT, Hebron 5 JT and Hermansdal 3 JT known as the Booysendal extension farms were to be ceded to Micawber pending the conversion of Rustenburg Platinum Mines Limited's Der Brochen Project old order mining right to a new order mining right.

The conversion of the Der Brochen mining right has been granted and executed and the applications to transfer the mining rights area known as the Booysendal extension farms have been lodged in terms of the relevant legislation.

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, statement of financial position, statement of comprehensive income, statements of cash flows, statements of changes in equity, and notes to the financial statements, on pages 59 to 113, reflect the financial results and position of the company and the group.

Dividends

Dividends totalling – 40 cents per share (2009: 78 cents per share) absorbing R144 211 100 (2009: R280 775 240) were declared. Details are as follows:

Interim dividend (No 22) – 20 cents per share

Declaration date:	19 February 2010
Last day to trade *cum* div:	18 March 2010
Commencement of trading *ex* div:	19 March 2010
Record date:	26 March 2010
Payment date:	29 March 2010

Final dividend (No 23) – 20 cents per share

Declaration date:	20 August 2010
Last day to trade cum div:	10 September 2010
Commencement of trading ex div:	13 September 2010
Record date:	17 September 2010
Payment date:	20 September 2010

Shareholders who have dematerialised their shares receive payment electronically. Shareholders who have not yet dematerialised their shares, or who have not yet given a dividend payment mandate to the company's transfer secretaries and are therefore still receiving their dividends by cheque, need to note that the incidence of cheque fraud is increasing, and there have been several attempts to fraudulently cash dividend cheques issued by the company.

Accordingly shareholders will be asked, at the forthcoming annual general meeting, to consider and approve an amendment to article 84 of the company's articles of association to provide that dividend and other payments to shareholders be paid by means of electronic funds transfer into a bank account designated for such purposes by members, with payments by cheque no longer being permissible.

Share capital

At the annual general meeting of shareholders which was held on 5 November 2009 the necessary approval was given to increase the authorised share capital of the company from R4 750 000 divided into 475 000 000 shares of one cent each to R5 450 000 divided into 545 000 000 shares of one cent each.

During the year 732 500 shares that were allotted and issued to participants of the Northam Share Option Scheme, resulting in the issued share capital at 30 June 2010 being 360 642 000 (2009: 359 909 500) shares of one cent each and the share premium increasing from R7 619 369 000 to R7 634 880 000.

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 accompanying notice of annual general meeting.

Repayments of share premium

At the annual general meeting held on 5 November 2009 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 Booysendal 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 5 November 2009) whichever period is the shorter. The directors have proposed that this general authority be renewed for a further period once again and accordingly the details of the necessary resolution appears in the accompanying notice of annual general meeting.

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 5 November 2009 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 5 November 2009) whichever period is the shorter. The directors have proposed that this general authority be renewed for a further period once again and accordingly the details of the necessary special resolution, as well as the reasons therefor and the effects thereof, appears in the notice of annual general meeting.

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. The board is considering various funding options for the group for purposes of developing the Booysendal mine. The group estimates that it will require facilities of up to R2.5 billion over the next 4 years, with the bulk of the funding being required from June 2011 onwards. In view of this, the board has resolved in principle that it would be in the best interests of the company and shareholders to issue convertible bonds as part of the funding requirements of the company. A convertible bond combines a standard corporate bond with a call option on the equity of the company. The convertibility feature allows the holder of the bond to convert the bond into a pre-determined number of underlying shares in the future. The option component subsidises the cost of the bond, reducing the coupon cost. The conversion price is the price at which the underlying shares are indirectly purchased assuming conversion takes place. The conversion premium refers to the difference between the conversion price and the price of the shares at the time the convertible bond is placed. A convertible bond allows the issuer to subsidise its debt cost using the value of the embedded call option. Potential equity issuance is deferred over the life of the bond typically five years. A convertible bond may be issued by the company itself or through a wholly owned subsidiary. A general authority to issue a convertible bond is therefore required in order to allow the company to issue such a bond. This would necessitate the amendment of the company's articles of association to expand the Board's borrowing powers accordingly. The text of the resolution is contained in the notice of meeting.

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.

Options are offered at the weighted average price at which Northam shares traded on the JSE on 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 seven years of the offer date shall lapse.

A summary 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 2011	8.30	92 500
24 October 2007 and 23 October 2012	17.00	636 000
23 October 2008 and 21 October 2013	38.45	1 597 500
22 October 2009 and 21 October 2014	48.00	1 737 500
27 November 2010 and 26 November 2015	32.38	3 212 500
Number of options held at 30 June 2009		7 276 000
New options granted during the year at R36.95 per share		3 662 500
Number of options forfeited during the year		(185 000)
Number of options exercised during the year – refer Annexure 5 on page 120		(732 500)
Number of options held at 30 June 2010		**10 021 000**

At 30 June 2010 the outstanding options were exercisable as follows:

	Price per share R	Total number of options	Options exercisable 30 June 2010	Options exercisable in F2011	Options exercisable thereafter
14 October 2006 and 13 October 2011	8.30	–	–	–	–
24 October 2007 and 23 October 2012	17.00	183 500	183 500	–	–
23 October 2008 and 22 October 2013	38.45	1 435 000	1 435 000	–	–
22 October 2009 and 21 October 2014	48.00	1 737 500	868 750	868 750	–
27 November 2010 and 26 November 2015	32.38	3 047 500	–	1 523 750	1 523 750
5 November 2011 and 4 November 2016	36.95	3 617 500	–	–	3 617 500
		10 021 000	**2 487 250**	**2 392 500**	**5 141 250**

Full details of the options exercised during the year are set out in Annexure 5 on page 120, and are summarised as follows:

Grant date	Number of options exercised	Exercise price R	Consideration R000
14 October 2004	92 500	8.30	768
24 October 2005	452 500	17.00	7 692
23 October 2006	162 500	38.45	6 248
27 November 2008	25 000	32.38	810
Total	732 500		15 518

Directorate

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

- Mr DR Wolstenholme was appointed an executive director on 4 November 2009 and resigned from the board with effect from 1 July 2010;
- Mr AZ Khumalo was appointed an executive director on 1 July 2010;

The composition of the board of directors, as well as of board appointed committees, at the date of this report, is reflected on pages 46 to 47.

In terms of article 50 of the company's articles of association any person appointed to the board during the year shall hold office only until the next following annual general meeting of the company and shall then retire and be eligible for re-election. Mr AZ Khumalo was appointed financial director on the 1st July 2010 and, in accordance with the provisions of article 50, retires from office and, being eligible and available, has offered himself for re-election and appointment. Accordingly at the forthcoming annual general meeting members will be requested to consider a resolution providing for the election and re-appointment of Mr AZ Khumalo as an executive director of the company.

A brief summary of his *curriculum vitae* appears on page 46.

Further, in terms of article 57 of the company's articles of association directors one third of the non-executive directors, being those longest in office, must retire from office at each annual general meeting. A retiring director who is eligible and available may offer himself or herself for re-election and appointment.

Mr R Havenstein, Mrs ET Kgosi and Dr NJ Dlamini 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 Mr R Havenstein, Mrs ET Kgosi and Dr NJ Dlamini as non-executive directors of the company

Brief summaries of their curricula vitae appear on pages 46 and 47.

In addition, in terms of article 60 of the company's articles of association any person appointed to the board as an executive director shall hold office for a period of five years. Mr GT Lewis was appointed to the board as chief executive officer on 1 March 2005 and in accordance with the provisions of article 60, retires from office and, being eligible and available, has offered himself for re-election and appointment.

His curriculum vitae details appear on page 46.

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 – 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.

The above fees were set in 2009, 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 – R93 000 per annum.
- Board members – R46 500 per annum.
- Board meeting attendance fees – R30 000 per meeting.

Board appointed committees fees

- Committee chairmen – R34 800 per annum.
- Committee members – R17 400 per annum.
- Committee meeting attendance fees – R11 600 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' remuneration

The directors' remuneration for the year ended 30 June 2010 was as follows:

	Fees R000	Remuneration package R000	Performance bonus R000	Benefits R000	Gain on exercise of options R000	Total R000
Executive						
G T Lewis	–	2 354	782	309	6 559	10 004
D R Wolstenholme (note 1)	–	1 084	286	136	–	1 506
Non-executive						
M E Beckett	248	–	–	–	–	248
C K Chabedi	242	–	–	–	–	242
N J Dlamini	345	–	–	–	–	345
R Havenstein	345	–	–	–	–	345
E T Kgosi	372	–	–	–	–	372
A R Martin	285	–	–	–	–	285
B R van Rooyen	350	–	–	–	–	350
M S Xayiya	127	–	–	–	–	127
P L Zim	226	–	–	–	–	226
	2 540	3 438	1 068	445	6 559	14 050

Note 1 – Mr D R Wolstenholme was appointed a director on 4 November 2009 and resigned with effect from 1 July 2010.

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

	Fees R000	package R000	bonus R000	Benefits R000	of options R000	Total R000
Executive						
GT Lewis	–	2 141	6 284*	284	–	8 709
Non-executive						
ME Beckett	223	–	–	–	–	223
CK Chabedi (note 2)	27	–	–	–	–	27
NJ Dlamini (note 1)	280	–	–	–	–	280
RHavenstein (note 1)	225	–	–	–	–	225
ET Kgosi (note 1)	305	–	–	–	–	305
AR Martin (note 2)	1	–	–	–	–	1
NM Mbazima (note 3)	7	–	–	–	–	7
PC Pienaar (note 4)	115	–	–	–	–	115
BR van Rooyen	275	–	–	–	–	275
MS Xayiya (note 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 Booysendal transaction in August 2008.*
Note 1. Dr Dlamini, Ms Kgosi and Mr Havenstein were paid a special fee of R20 000 each in their capacity as members 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 Pienaar resigned from the board with effect from 4 June 2009.

Details of gains made by directors on the exercise of options are disclosed in Annexure 5 on page 120.

Service contracts

The executive directors have service contracts with the company which is subject to a notice period of one year. None of the other directors have 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 2010 were as follows:

	Direct beneficial holding	Indirect beneficial holding	Indirect non-beneficial holding	Total R000
M E Beckett	30 000	–	–	30 000
B R van Rooyen	–	37 462	211 881	249 343
M J Willcox	–	–	7 133 185	7 133 185
D R Wolstenholme	–	82 500	–	82 500
M S M M Xayiya	–	–	2 723 776	2 723 776
P L Zim	–	–	7 302 881	7 302 881
	30 000	119 962	17 371 723	17 521 685

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:

	Direct beneficial holding	Indirect beneficial holding	Indirect non-beneficial holding	Total R000
ME Beckett	30 000	–	–	30 000
BR van Rooyen	–	37 462	263 864	301 326
MJ Willcox	–	–	8 934 949	8 934 949
MS M M Xayiya	–	–	2 977 611	2 977 611
PL Zim	–	–	9 094 563	9 094 563
	30 000	37 462	21 270 987	21 338 449

Analysis of shareholders at 30 June 2010

	Number of holders	Total shareholding	Percentage holding
Shareholding range			
1 – 5 000	6 437	5 845 703	1.6
5 001 – 10 000	289	2 206 397	0.6
10 001 – 50 000	305	6 797 488	1.9
50 001 – 100 000	47	3 309 648	0.9
100 001 – 1 000 000	101	30 624 853	8.5
1 000 001 and over	24	311 857 911	86.5
Total	7 203	360 642 000	100.0
Category of shareholders			
Individuals	6 937	10 671 495	3.0
Companies	2	233 574 012	64.7
Managed funds and other bodies	264	116 396 493	32.3
Total	7 203	360 642 000	100.0

Major shareholders at 30 June 2010

	Number of shares	Percentage holding
Owner		
Mvelaphanda Resources Limited	181 841 230	50.4
ENRC NV	51 732 782	14.3
Fund manager		
Public Investment Commission	16 859 363	4.7
M & G Investment Management Limited	11 200 000	3.1

Shareholder spread at 30 June 2010

The company's shareholder spread is set out below.

	Number of shareholders	Percentage holding
Public	7 198	35.3
Non-public		
– Directors	3	–
– Other (any who fall outside the scope of the above)	2	64.7
Total	7 203	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 and Petroleum Resources Development Act (No 28, of 2002), 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 R24.0 million in respect of certain unfunded environmental restoration costs, as more fully disclosed in note 9 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 Booysendal mine will be addressed in due course.

Subsidiaries

Details of Northam's subsidiaries at 30 June 2010 are set out in Annexure 3 on page 117.

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 assessed whether there are any indicators of impairment in the market and believes that the increase in the average price realised, the firmer outlook of the platinum price, as well as the recovery in the automotive industry indicates that no impairment testing is required for the operating mine.

Management has assessed the valuation of the Booysendal mine as required in terms of IAS 36 – Impairments of Assets, and has concluded that the project is not impaired. The assessment was based on previous independent valuations taking into account the current available future outlook of commodity prices and exchange rates.

Company secretary

Mr B Ngwenya continues in office as company secretary. Relevant details appear on page 47.

Listing

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

Events after the reporting date

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 group'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 or amended International Financial Reporting Standards and IFRIC interpretations during the year.

- IFRS 1 First time adoption of International Financial Reporting Standards (amendment).
- IFRS 1 First time adoption of International Financial Reporting Standards – Additional exemptions for first time adoption (amendment)
- 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)
- IFRS 2 Share based payments – Vesting Conditions and Cancellation (amendments)
- IFRS 2 Share based payments – Scope of IFRS 2 and IFRS 3(R) (amendment)
- IFRS 3 Business Combinations (revised) and IAS 27 Consolidated and Separate Financial statements (revised)
- IFRS 5 Non-current Assets (or Disposal Groups) Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary (amendment)
- IFRS 7 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments (amendment)
- IFRS 8 Operating Segments
- IAS 1 Presentation of Financial Statements (revision)
- IAS 1 Presentation of Financial Statements – Current/non-current classification of derivatives (amendment)
- IAS 16 Property, Plant and Equipment – Recoverable amount (amendment)
- IAS 16 Property, Plant and Equipment – Sale of assets held for rental (amendment)
- IAS 18 Revenue – Determining whether an entity is acting as a principal or as an agent (amendment)
- IAS 19 Employee Benefits – Curtailment and negative past service costs (amendment)
- IAS 19 Employee Benefits – Plan administration costs (amendment)
- IAS 19 Employee Benefits – Replacement of term "fall due" (amendment)
- IAS 19 – Employee Benefits – Guidance on contingent liability (amendment)
- IAS 20 Accounting for Government Grants and Disclosure of Government assistance – Government loans with a below-market rate of interest (amendment)
- IAS 23 Borrowing Costs (revised)
- IAS 23 Borrowing Costs – Components of Borrowing Costs (amendment)
- IAS 27 Consolidated and Separate Financial Statements – Measurement of subsidiary held for sale in separate financial statements (amendment)
- IAS 28 Investments in Associates – Required disclosures when investments in associates are accounted for at fair value through profit or loss (amendment)

- IAS 28 Investments in Associates – Impairment of investment in associate (amendment)
- IAS 29 Reporting in Hyperinflationary Economies – Description of measurement basis in financial statements (amendment)
- IAS 31 Interests in Joint Ventures – Required disclosures when investments in jointly controlled entities are accounted for at fair value through profit or loss (amendment)
- IAS 32 Financial Instruments: Presentation and IAS 1: Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation (amendment)
- IAS 36 Impairment of Assets – Disclosure of estimates used to determine recoverable amount (amendment)
- IAS 38 Intangible Assets – Advertising and promotional activities (amendment)
- IAS 38 Intangible Assets – Unit of production method of amortisation (amendment)
- IAS 38 Intangible Assets – Additional consequential amendment arising from IFRS 3(R) (amendment)
- IAS 38 Intangible Assets – Measuring the fair value of an intangible asset acquired in a business combination (amendment)
- IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (amendment)
- IAS 39 Financial Instruments: Recognition and Measurement – Reclassification of derivatives into or out of the classification of at fair value through profit or loss (amendment)
- IAS 39 Financial Instruments: Recognition and Measurement – Designation and documentation of hedges at the segment level (amendment)
- IAS 39 Financial Instruments: Recognition and Measurement – Applicable effective interest rate on cessation of fair value hedge accounting (amendment)
- IAS 40 Investment Properties – Property under construction or development for future use as investment property (amendment)
- IAS 41 Agriculture – Discount rate for fair value calculations (amendment)
- IAS 41 Agriculture – Additional biological transformations (amendment)
- IFRIC 9 Reassessment of embedded derivatives – Scope of IFRIC 9 and IFRS 3(R) (amendment)
- IFRIC 15 Agreements for the construction of real estate
- IFRIC 16 Hedges of a net investment in a foreign operation – Amendment to the restriction on an entity that can hold hedging instruments (amendment)
- IFRIC 17 Distribution of Non-cash Assets to Owners
- IFRIC 18 Transfer of Assets from Customers
- AC 504 IAS 19 – The Limit on a defined benefit, minimum funding requirements and their interaction in a South African pension fund environment

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

IFRS 1 First time adoption of International Financial Reporting Standards (amendment)

This amendment restructured the layout of IFRS 1.

The adoption of this standard has had no effect on the group's financial statements, as the group already reports in terms of IFRS.

IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27: Consolidated and Separate Financial Statement – 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. In Northam's separate financial statements, dividends received from subsidiaries are now recognised in profit or loss. The payment of such dividends requires the entity to consider whether this indicates an impairment. If such an indicator is present, an impairment test will be required.

The adoption of this amendment had no material effect on the group's financial statements, as the dividends received from subsidiaries are minimal.

IFRS 2 Share based payments-Vesting Conditions and Cancellation (Amendment)

The amendment clarifies that cancellation of an equity-settled share-based payment award results in accelerated vesting regardless of which party cancels the award. The only exception to this rule is when the award is cancelled by forfeiture. Northam's policy is to regard such transactions as forfeitures unless circumstances clearly indicate otherwise. The amendment also clarifies the accounting for non-vesting conditions. As Northam has not granted any share-based payment awards that are subject to non-vesting conditions, Northam will not be impacted by this aspect of the Amendment.

IFRS 2 Share based payments – Scope of IFRS 2 and IFRS 3(R) (Amendment)

The amendment clarifies that the contribution of a business on formation of a joint venture and combinations under common control are not within the scope of IFRS 2, even though they are out of scope of IFRS 3(R).

This amendment had no impact on the group, as the standards were already applied accordingly.

IFRS 3 Business Combinations (revised) and IAS 27 Consolidated and Separate Financial Statements (revised)

Due to the transition rules of IFRS 3(R) and IAS 27(R), there will be limited effects of the revisions to business combinations that occurred prior to the adoption of the revised standards. The main changes apply to the accounting for loss-making subsidiaries, acquisitions/disposals of non-controlling interests and deferred tax assets linked to unrecognised tax benefits.

As Northam does not have any non-controlling interests, there will be no revisions to prior business combinations as a result of the adoption of the revised standards. The revisions will mainly impact future business combinations and should therefore be considered in negotiating and structuring those transactions. The main changes include the expensing of transaction costs, accounting for contingent consideration and step acquisitions, the reassessment of assets and liabilities and additional extensive disclosure requirements.

IFRS 5 Non-current Assets (or Disposal Groups) Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary (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 had no effect on the group's financial statements, as Northam does not intend selling a subsidiary in the near future.

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 measurement and liquidity risk. The enhanced disclosures require financial instruments measured at fair value to be disclosed according to a three-level hierarchy. It also revises the minimum liquidity risk disclosures such as the maturity analysis of financial liabilities – in particular relating to issued financial guarantee contracts and derivative assets and liabilities.

These revised disclosures are incorporated into the financial statements.

IFRS 8 Operating Segments

IFRS 8 introduces a management reporting approach to identifying and measuring the results of reportable operating segments. The characteristics of the reportable segments are no longer strictly linked to geography or product lines. Furthermore, the measurement of the results is no longer prescribed by the measurement and recognition criteria of IFRS. Although IFRS 8 requires entities to separately assess vertically integrated segments, the availability of discrete financial information resulted in the assessment of the Northam Mine and Booysendal Project being classified as the only two operating and reportable segments under IFRS 8.

Accounting policies (continued)

Certain disclosures, including new "Entity-wide disclosures" are required by IFRS 8. Overall IFRS 8 therefore impacted disclosures provided in the financial statements and did not impact the financial position, performance or cash flows of the entity.

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. Northam only discloses a single statement. The revision also amended the titles of the components of a complete set of financial statements to the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows. These amended titles are used in the financial statements. Dividends recognised as distributions to owners and related amounts per share are presented either in the Statement of Changes in Equity or in the notes. An additional comparative period will in future have to be presented for the Statement of Financial Performance if Northam encounters a retrospective application of a new accounting policy, the correction of an error or a reclassification.

IAS 1 Presentation of Financial Statements – Current/non-current classification of derivatives (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 had no effect on the group's financial statements, as Northam did not have any derivatives with maturity dates beyond 12 months at year end.

IAS 16 Property, Plant and Equipment – Recoverable amount (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 accounting policies were updated accordingly. Otherwise the adoption of this amendment had no effect on the group's financial statements.

IAS 16 Property, Plant and Equipment – Sale of assets held for rental (amendment)

Items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale. Proceeds on sale are subsequently shown as revenue. IAS 7 is also revised, to require cash payments to manufacture or acquire such items to be classified as cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also shown as cash flows from operating activities.

The adoption of this amendment had no impact on Northam, as the entity does not enter into such transactions.

IAS 18 Revenue – Determining whether an entity is acting as a principal or as an agent (amendment)

This amendment provides guidance in determining whether an entity is acting as a principal or as an agent.

The adoption of this amendment had no material effect on the group's financial statements, as similar guidance was used in the past in order to assess such relationships.

IAS 19 Employee Benefits – Curtailments and negative past service costs (amendment)

Northam operates an other long term employee benefit in the form of the Toro Employee Trust. Therefore, the improvement to IAS 19 on curtailments and negative past service costs has an impact on all amendments to the plan that change benefits and occur in annual periods beginning on or after the effective date.

Amendments to the plan are however not anticipated and, given the nature of the plan, are unlikely to occur.

IAS 19 Employee Benefits – Plan administration costs (amendment)

The previous version of IAS 19 required that plan administration costs be considered when calculating the return on plan assets. At the same time, it did not rule out that they are (partly) reflected in the measurement of the defined benefit obligation.

As plan administration costs are insignificant, this amendment should not have an impact on Northam.

IAS 19 Employee Benefits – Replacement of term "fall due" (amendment)

The amendment revises the definition of short-term and other long-term employee benefits to focus on the point in time at which the liability is due to be settled.

As employees are entitled to claim vested compensated absences at any point in time, leave pay was correctly accounted for as a short-term employee benefit.

IAS 19 Employee Benefits – Guidance on contingent liability (amendment)

The amendment deleted the reference to the recognition of contingent liabilities to ensure consistency with IAS 37.

As Northam already interpreted this paragraph correctly, the Amendment had no impact on the entity.

IAS 20 Accounting for Government Grants and Disclosure of Government assistance – Government loans with below-market rate of interest (amendment)

The Amendment states that loans granted with no or low interest rates will not be exempt from the requirement to impute interest. Interest is to be imputed on loans granted with below-market interest rates. The difference between the amount received and the discounted amount is accounted for as a government grant.

The adoption of this amendment had no material effect on the group's financial statements, as the entity does not receive any government assistance.

IAS 23 Borrowing Costs (revised)

The revised IAS 23 now requires that all borrowing costs are capitalised if they are directly attributable to the acquisition, capitalisation or production of a qualifying asset. In addition, qualifying assets measured at fair value are exempt from the application of IAS 23.

Northam previously adopted an accounting policy requiring the capitalisation of borrowing costs, and the standard therefore had no impact on the entity.

IAS 23 Borrowing Costs – Components of 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 had no effect on the group's financial statements, as Northam is not incurring any borrowing costs on qualifying assets at present.

IAS 27 Consolidated and Separate Financial Statements – Measurement of subsidiary held for sale in 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 had no effect on the group's financial statements, as Northam accounts for such investments at cost.

IAS 28 Investments in Associates – Required disclosures when investments in associates are accounted for at fair value through profit or loss (amendment)

This amendment deals with the disclosures when investments in associates are accounted for at fair value through profit and loss.

The adoption of this amendment had no effect on the group's financial statements, as associates are measured at cost in the separate financial statements.

IAS 28 Investments in Associates – Impairment of investment in associate (amendment)

The amendment clarifies that an investment in an associate is a single asset for the purpose of calculating impairments – including any reversals.

The adoption of this amendment had no effect on the group's financial statements, as no impairment losses were recognised on associates.

IAS 29 Reporting in Hyperinflationary Economies – Description of measurement basis in financial statements (amendment)

The amendment revises the reference to the exception to measure assets and liabilities at historical cost, such that it notes property, plant and equipment as being an example, rather than implying that it is a definitive list.

The amendment had no material effect on the group's financial statements, as the group does not have any interests in entities reporting in hyperinflationary economies.

IAS 31 Interests in Joint Ventures – Required disclosures when investments in jointly controlled entities are accounted for at fair value through profit or loss (amendment)

The amendment clarifies that if a joint venture is accounted for at fair value, in accordance with IAS 39 (as it is exempt from the requirements of IAS 31), only the requirements of IAS 31 to disclose the commitments of the venture and the joint venture, as well as summary financial information about the assets, liabilities, income and expenses will apply.

This amendment had no effect on the group's financial statements, as the group does not have any joint ventures.

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. IAS 1 now also requires disclosure of certain information relating to puttable instruments classified as equity.

The adoption of this amendment had no effect on the group's financial statements, as Northam did not issue any puttable instruments.

IAS 36 Impairment of Assets – Disclosure of estimates used to determine recoverable amount (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 had no effect on the group's financial statements, as the entity measures recoverable amount using "value in use".

IAS 38 Intangible Assets – Advertising and promotional activities (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 received the services.

The adoption of this amendment had no effect on the group's financial statements, as Northam previously applied the principles stipulated in this amendment.

IAS 38 Intangible Assets – Unit of production method of amortisation (amendment)

This amendment clarifies that the unit of production method may be used in amortising intangible assets.

The adoption of this amendment had no effect on the group's financial statements, as the entity already applied these principles in amortising intangible assets.

IAS 38 Intangible Assets – Additional consequential amendment arising from IFRS 3(R) (amendment)

This amendment, which is a consequence of amendment 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 asset as a single asset provided the individual assets have similar useful lives.

The adoption of this amendment had no effect on the group's financial statements, as Northam previously applied the principles stipulated in this amendment.

IAS 38 Intangible Assets – Measuring the fair value of an intangible asset acquired in a business combination (amendment)

This amendment clarifies the valuation techniques presented for determining the fair value of intangible assets acquired during a business combination that are not traded in an active market are examples and are not restrictive on the methods that can be used.

The adoption of this amendment had no effect on the group's financial statements, as Northam previously applied the principles stipulated in this amendment.

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 had no effect on the group's financial statements, as the group does not apply hedge accounting.

IAS 39 Financial Instruments: Recognition and Measurement – Reclassification of derivatives into or out of the classification of at fair value through profit or loss (amendment)

The amendment clarifies that changes in circumstances relating to derivatives – specifically derivatives designated or de-designated as hedging instruments after initial recognition – are not reclassifications. Thus, a derivative may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition.

The amendment had no effect on the group's financial statements, as the group does not apply hedge accounting.

IAS 39 Financial Instruments: Recognition and Measurement – Designation and documentation of hedges at the segment level (amendment)

The amendment removes the reference in IAS 39 to a "segment" when determining whether an instrument qualifies as a hedge.

The amendment had no effect on the group's financial statements, as the group does not apply hedge accounting.

IAS 39 Financial Instruments: Recognition and Measurement – Applicable effective interest rate on cessation of fair value hedge accounting (amendment)

The amendment requires use of the revised effective interest rate (rather than the original effective interest rate) when remeasuring a debt instrument on the cessation of fair value hedge accounting.

The amendment had no effect on the group's financial statements, as the group does not apply hedge accounting.

IAS 40 Investment Properties – Property under construction or development for future use as investment property (amendment)

This amendment revises the scope of IAS 40 and IAS 16 such that a property that is being constructed or developed for future use as an investment property is classified as an investment property. If an entity is unable to determine the fair value of an investment property under construction but expects to be able to determine its fair value upon completion, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete.

The adoption of this amendment had no effect on the group's financial statements, as the group does not have any investment properties.

IAS 41 Agriculture – Discount rate for fair value calculations and Additional biological transformations (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 had no material effect on the group's financial statements, as the group does not own any biological assets.

IFRIC 9 Reassessment of embedded derivatives – Scope of IFRIC 9 and IFRS 3(R) (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 standard has had no material effect on the group's financial statements, as the amendment is applied prospectively and the group did not have any business combinations during the year.

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. IFRIC 15 impacts Norplats Properties (Pty) Ltd whereby Northam constructs houses in the town of Northam as part of an initiative to assist Northam employees in acquiring their own affordable houses. These agreements are within the scope of IAS 18 as Northam transfers to the buyer control and significant risks and rewards of ownership of the real estate in its entirety at a single point in time.

The adoption of this interpretation had no effect on the group's financial statements, as these principles were previously applied also.

IFRIC 16 Hedges of a net investment in a foreign operation – Amendment to the restriction on an entity that can hold hedging instruments (amendment)

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 amendment had no effect on the group's financial statements, as the group does not apply hedge accounting.

IFRIC 17 Distribution of Non-cash Assets to Owners

This interpretation provides guidance on distributions of non-cash assets to owners at fair value. IFRIC 17 provides guidance on when to recognise a dividend payable, how to measure the dividend payable and how to account for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable upon settlement.

As Northam has not distributed non-cash assets to owners (or provides owners a choice of receiving cash or non-cash assets) in the past and does not intend to do so in future, Northam is not impacted by the adoption of IFRIC 17.

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.

As Northam has not received such items in the past and does not anticipate to do so in future, Northam was not impacted by the adoption of IFRIC 18.

AC 504 IAS 19 – The Limit on a defined benefit, minimum funding requirements and their interaction in a South African pension fund environment

This South African interpretation clarifies the application of IFRIC 14 specifically in the South African environment.

The adoption of this interpretation had no material impact on the group's financial statements, as there are no defined benefit plan assets.

1.2 Statements and Interpretations issued and not yet effective:

At the date is 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 – 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 effect on the group's financial statements as the group adopted IFRS in 2006.	1 January 2010
IFRS 1	First-time Adoption of International Financial Reporting Standards – Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendment)	IFRS 1 has been amended to allow first-time adopters to utilise the transitional provisions in IFRS 7 as they relate to the March 2009 amendments. The adoption of this amendment will have no effect on the group's financial statements as the group adopted IFRS in 2006.	1 July 2010
IFRS 1	First-time Adoption of International Financial Reporting Standards – Accounting policy changes in the year of adoption (amendment)	The amendment clarifies that, if a first-time adopter changes its accounting policies or its use of the exemptions in IFRS 1 after it has published interim financial statements, it needs to explain those changes and update the reconciliations between previous GAAP and IFRS. The adoption of this amendment will have no effect on the group's financial statements as the group adopted IFRS in 2006.	1 January 2011
IFRS 1	First-time Adoption of International Financial Reporting Standards – Revaluation basis as deemed cost (amendment)	The amendment allows first-time adopters to use an event-driven fair value as deemed cost, even if the event occurs after the date of transition, but before the first IFRS financial statements are issued. The adoption of this amendment will have no effect on the group's financial statements as the group adopted IFRS in 2006.	1 January 2011
IFRS 1	First-time Adoption of International Financial Reporting Standards – Use of deemed cost for operations subject to rate regulation (amendment)	The amendment expands the scope of 'deemed cost' for property, plant and equipment or intangible assets to include items used subject to rate regulated activities. The exemption will be applied on an item-by-item basis. All such assets will also need to be tested for impairment at the date of transition. The adoption of this amendment will have no effect on the group's financial statements as the group adopted IFRS in 2006.	1 January 2011

Standard or interpretation	Description	Impact	Effective date
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 3	Business Combinations – Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS (amendment)	The amendment clarifies that the amendments to IFRS 7, IAS 32 and IAS 39, that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008). The amendment will have no impact on the entity, as these principles were already considered appropriately.	1 July 2010
IFRS 3	Business Combinations – Measurement of non-controlling interests (amendment)	The amendment limits the scope of the measurement choices that only the components of NCI that are present ownership interests that entitle their holders to a proportionate share of the entity's net assets, in the event of liquidation, shall be measured either: • At fair value or • At the present ownership instruments' proportionate share of the acquiree's identifiable net assets. Other components of NCI are measured at their acquisition date fair value, unless another measurement basis is required by another IFRS, e.g., IFRS 2. As the amendment will be applied prospectively, it will only impact future business combinations.	1 July 2010

Standard or interpretation	Description	Impact	Effective date
IFRS 3	Business Combinations – Un-replaced and voluntarily replaced share-based payment awards (amendment)	The amendment requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses. However, if the entity replaces the acquiree's awards that expire as a consequence of the business combination, these are recognised as post-combination expenses. As the amendment will be applied prospectively, it will only impact future business combinations.	1 July 2010
IFRS 5	Non-current Assets (or Disposal Groups) Held for Sale and Discontinued Operations – Disclosures of non-current assets (or disposal groups) classified as held for sale or 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, may require additional disclosures regarding non-current assets or disposal groups held for sale.	1 January 2010
IFRS 7	Financial Instruments: Disclosures – Clarifications of disclosures (amendment)	The amendment emphasises the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments. The amendment will impact the extent of IFRS 7 disclosures provided in the financial statements.	1 January 2011
IFRS 8	Operating Segments – Disclosure of information about segment assets (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 already considered potential impacts of this amendment upon adopting IFRS 8 in 2010.	1 January 2010

Standard or interpretation	Description	Impact	Effective date
IFRS 9	Financial Instruments-Classification and Measurement	The revised standard comprises the first stage of a project to replace IAS 39. This phase applies to financial assets and simplifies the classification of financial assets whilst retaining the measurement principles, being at fair value or amortised cost. The IAS 39 exemption which allows equity instruments to be measured at cost will be limited further and reclassifications between categories will only be allowed in exceptional circumstances. IFRS 9 could impact the classification and measurement of Northam's financial assets – the impact has not yet been determined.	1 January 2013
IAS 1	Presentation of Financial Statements – Current/ non-current classification of convertible instruments (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 1	Presentation of Financial Statements – Clarification of statement of changes in equity	The amendment clarifies that an entity should present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. The adoption of this amendment will have no material effect on the group's financial statements, as such an analysis is already provided in the statement of changes in equity.	1 January 2011
IAS 7	Statements of Cash Flows – Classification of expenditures on unrecognised assets (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

Standard or interpretation	Description	Impact	Effective date
IAS 17	Leases – Classification of leases of land and buildings (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 24	Related Party Disclosure (revised)	This revision simplifies the disclosure requirements for government related entities and clarifies the definition of related parties The adoption of this amendment will have no material effect on the group's financial statements, as it does not amend the principles applicable to Northam.	1 January 2011
IAS 27	Consolidated and Separate Financial Statements – Transition requirements for amendments made as a result of IAS 27 (amendment)	The amendment clarifies that the consequential amendments from IAS 27 made to IAS 21, IAS 28 and IAS 31 apply prospectively for annual periods beginning on or after 1 July 2009 or earlier when IAS 27 is applied earlier. The amendment should not have an impact on Northam, as the consequential amendments noted did not impact the entity.	1 July 2011
IAS 32	Financial Instruments Presentation – Classification of rights issues (amendment)	This amendment states that if rights are issued pro rata to an entity's existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is determined. The adoption of this amendment will have no material effect on the group's financial statements, as the group has not made such rights issues.	1 February 2010
IAS 34	Interim Financial Reporting – Significant events and transactions (amendment)	The amendment provides guidance to illustrate how to apply disclosure principles in IAS 34 and add certain new disclosure requirements. The amendment may impact disclosures provided in Northam's interim reports and press releases prepared in accordance with IAS 34.	1 January 2011

Standard or interpretation	Description	Impact	Effective date
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
IAS 39	Financial Instruments: Recognition and Measurement – Assessment of loan prepayment 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
IAS 39	Financial Instruments: Recognition and Measurement – Scope exemption for business combination contract (amendment)	This amendment clarifies that the scope exemption of contracts between an acquirer and a vendor in a business combination to buy or sell an acquiree 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 apply hedge accounting.	1 January 2010

Standard or interpretation	Description	Impact	Effective date
IFRIC 13	Customer Loyalty Programmes – Fair value of award credit (amendment)	The amendment clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account. The amendment should have no impact on Northam, as the group does not have any customer loyalty programmes.	1 January 2011
IFRIC 14	IAS 19-The limit on a Defined Benefit Asset, Minimum Funding Requirements and their interactions – Prepayments of a minimum funding requirement (amendment)	This amendment clarifies the accounting where an entity makes voluntary prepaid contribution and there is a minimum funding requirement. The adoption of this amendment will have no material effect on the group's financial statements as the group does not have any prepayments of minimum funding requirements.	1 January 2011
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	This interpretation clarifies the requirements of IFRSs when an entity negotiates the terms of a financial liability with a creditor and the creditor accepts the entity's shares or other equity instruments to settle the financial liability fully or partially. The adoption of this interpretation will have no material effect on the group's financial statements, as the entity has not entered into any such transactions.	1 July 2010

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

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.

Non-controlling 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 statement of financial position, 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 statement of financial position at cost plus post acquisition changes in the group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Profit or loss in the statement of comprehensive income 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. Unrealised 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 statement of comprehensive income in profit or loss. This is the profit attributable to equity holders of the associate and is therefore profit after tax and non-controlling interests.

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 reporting 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 profit or loss.

Upon loss of significant influence over the associate, the group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

4. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit and loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

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 profit or loss. 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) that is expected to benefit from the combination. 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.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

4.1 Business combinations prior to 30 June 2009

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Any additional acquired share of interest did not affect previously recognised goodwill.

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 impaired.

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 and subsequent changes in the assumptions which impact the asset is reflected in the asset as set out in the decommissioning provision accounting policy Note 11.1.1.

5.5 Intangible assets comprising mining properties and mineral reserves

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 18 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 expensed 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 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 profit or loss 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 profit or loss when the asset is derecognised.

5.6 Office equipment and vehicles

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 group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists or where annual impairment testing for an asset is required, 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 operational 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-operational assets is determined with reference to market values by making use of a valuation model.

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

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

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.

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 in accordance with Policy 5.8. Cost is determined on the basis of land acquisition, development and housing construction cost. Township land and development is derecognised when the risks and rewards of ownership of the property transfers to the employees.

7. Financial instruments

Financial instruments recognised on the statement of financial position 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 acquired for the purpose of selling in the near term are classified as held for trading and is part of the 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 unrealised gains or losses recognised as other comprehensive income 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 – refer to Policy 7.7.

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

After initial recognition, 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 reporting 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 loans and 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). Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in estimated future cash flows. 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 loans and 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

For available-for-sale investments, the group assesses at each reporting date whether there is objective evidence that an investment or group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is to be evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost.

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 and are reversed in other comprehensive income. 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 pay 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 metals and gold (3 PGEs + 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 capitalised as inventory.

10. Deferred tax

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

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 venture, 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 reporting 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 reporting 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 reporting date.

Deferred income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income 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 as part of the underlying property, plant and equipment, 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 and the risks specific to the liability.

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 adjusted in the determination of the carrying value of the decommissioning asset as opposed to being recognised in profit or loss.

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 statement of comprehensive income 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 reporting date. 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. Profits and losses arising on the translation of foreign currencies, whether realised or unrealised, are credited to or charged to profit or loss.

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 and is recorded at the invoiced amounts with an adjustment for provisional pricing at each reporting date. 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 revenue

Interest revenue is recognised as it accrues, using the effective interest rate method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in investment revenue in the statement of comprehensive income.

13.4 Dividends

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

13.5 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 statement of financial position 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 and diluted headline 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.

Options granted to an employee are forfeited in the event of the employee resigning or dismissed.

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.

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.

16.6 Toro Employee Empowerment Trust

The Toro Employee Empowerment Trust (the Trust) was established for the benefit of eligible employees. Northam contributes 4% of its after tax profits to the Trust whereafter eligible employees will receive payment at the end of each 5 year cycle. The amount of this cash to be distributed is based on the valuation of the fund and Northam does not guarantee any values over and above what is included in the Trust and managed accordingly by the investment manager.

The Trust is a special purpose entity that is consolidated in terms of *SIC-12 Consolidation – Special Purpose Entities.*

Since the cash distribution is payable to employees after the end of the period in which the related services are rendered and it is not a post employment benefit or a termination benefit, the Trust is accounted for as an "Other Long Term Employee Benefit" in terms of IAS 19. The benefits payable to employees are therefore measured using the Projected Unit Credit Method. All actuarial gains or losses as well as past service costs are recognised in profit or loss immediately.

The defined benefit asset or liability comprises the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by the Trust and are not available to the creditors of the group.

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 such as those relating to mining properties, 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 such as those relating to mining properties, 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 reporting date.

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

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 reporting 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.

Statements of financial position

as at 30 June 2010

	Note	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
Assets					
Non-current assets		**7 971 624**	7 732 343	**7 579 794**	7 515 446
Property, plant and equipment	2	**1 938 061**	1 737 109	**1 769 501**	1 700 932
Mining properties and mineral resources	3	**5 722 659**	5 718 387	**143 532**	152 387
Interest in associate	4	**129 741**	130 106	**52 733**	55 333
Investments in subsidiaries	5			**5 566 000**	5 566 000
Unlisted investment	6	**6**	6	**6**	6
Township land and development	7	**63 805**	59 345	**–**	–
Investments held by Northam Platinum Restoration Trust Fund	8	**27 259**	24 893	**27 259**	24 893
Environmental Guarantee Investment	9	**20 763**	15 895	**20 763**	15 895
Toro Employee Empowerment Trust	10	**69 330**	46 602	**–**	–
Current assets		**2 117 683**	1 616 007	**2 275 741**	1 698 026
Subsidiary loans	11			**298 793**	264 154
Inventories	12	**521 462**	468 254	**521 462**	468 254
Trade and other receivables	13	**318 054**	226 850	**280 861**	223 559
Investments in escrow	14	**91 458**	–	**–**	–
Cash and cash equivalents	15	**1 186 709**	920 903	**1 174 625**	742 059
Total assets		**10 089 307**	9 348 350	**9 855 535**	9 213 472
Equity and liabilities					
Share capital and share premium	16	**7 638 486**	7 622 968	**7 638 486**	7 622 968
Retained earnings		**1 081 862**	654 041	**927 919**	568 481
Equity compensation reserve	17	**112 806**	55 177	**112 806**	55 177
Shareholders' equity		**8 833 154**	8 332 186	**8 679 211**	8 246 626
Non-current liabilities		**581 490**	529 261	**512 160**	482 659
Deferred tax liability	18	**447 212**	428 821	**447 212**	428 821
Long term provisions	19	**134 278**	100 440	**64 948**	53 838
Current liabilities		**674 663**	486 903	**664 164**	484 187
Receiver of revenue		**33 886**	432	**33 091**	460
Trade and other payables	20	**562 844**	417 649	**553 140**	414 905
Short term provisions	21	**77 933**	68 822	**77 933**	68 822
Total equity and liabilities		**10 089 307**	9 348 350	**9 855 535**	9 213 472

Statements of comprehensive income

for the year ended 30 June 2010

	Note	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
Total revenue	22	**4 133 998**	3 336 223	**4 041 877**	3 321 620
Sales revenue	22	**3 945 083**	3 186 042	**3 945 083**	3 186 042
Cost of sales		**3 160 108**	2 368 129	**3 160 108**	2 368 129
– operating costs	23	**2 230 369**	1 905 889	**2 230 369**	1 905 889
– concentrates purchased		**735 090**	140 192	**735 090**	140 192
– refining and other costs		**92 972**	120 917	**92 972**	120 917
– depreciation and impairments	24	**167 346**	160 907	**167 346**	160 907
– change in metal inventories		**(65 669)**	40 224	**(65 669)**	40 224
Operating profit		**784 975**	817 913	**784 975**	817 913
Share of earnings and distributions from associate	25	**12 440**	72 606	**10 205**	–
Investment revenue	26	**167 655**	130 417	**75 534**	115 814
Sundry income/(expenditure)	27	**9 557**	(6 430)	**9 782**	(9 598)
Profit before tax		**974 627**	1 014 506	**880 496**	924 129
Taxation	28	**333 601**	384 024	**307 853**	379 621
Profit and comprehensive income for the year attributable to shareholders		**641 026**	630 482	**572 643**	544 508

		Cents	Cents	Cents	Cents
Earnings per share	29	**177.9**	183.7	**158.9**	158.7
Fully diluted earnings per share	29	**177.8**	183.5	**158.9**	158.5
Headlines earnings per share	29	**177.8**	172.2	**158.8**	147.1
Fully diluted headline earnings per share	29	**177.7**	171.9	**158.7**	146.9

Statements of changes in equity

for the year ended 30 June 2010

	Share capital R000	Share premium R000	Equity compen-sation reserve R000	Retained earnings R000	Total R000
Group					
Balance at 1 July 2008	2 387	2 050 807	27 584	823 093	2 903 871
Shares based payments expense	–	–	30 181	–	30 181
Profit and comprehensive income for the year attributable to shareholders	–	–	–	630 482	630 482
Dividends distributed	–	–	–	(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
Shares based payments expense	–	–	60 582	–	60 582
Profit and comprehensive income for the year attributable to shareholders	–	–	–	641 026	641 026
Dividends distributed	–	–	–	(216 158)	(216 158)
Transfer of equity compensation reserve to retained earnings	–	–	(2 953)	2 953	–
Issue of new shares	7	15 511	–	–	15 518
Balance at 30 June 2010	3 606	7 634 880	112 806	1 081 862	8 833 154
Note	16	16	17		
Company					
Balance at 1 July 2008	2 387	2 050 807	27 584	823 507	2 904 285
Share based payments expense	–	–	30 181	–	30 181
Profit and comprehensive income for the year attributable to shareholders	–	–	–	544 508	544 508
Transfer of equity compensation reserve to retained earnings	–	–	(2 588)	2 588	–
Dividends distributed	–	–	–	(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
Share based payments expense	–	–	60 582	–	60 582
Profit and comprehensive income for the year attributable to shareholders	–	–	–	572 643	572 643
Transfer of equity compensation reserve to retained earnings	–	–	(2 953)	2 953	–
Dividends distributed	–	–	–	(216 158)	(216 158)
Issue of new shares	7	15 511	–	–	15 518
Balance at 30 June 2010	3 606	7 634 880	112 806	927 919	8 679 211
Note	16	16	17		

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 17 for further details.

Statements of cash flows

for the year ended 30 June 2010

	Note	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
Cash flows from operating activities		**862 411**	717 838	**891 112**	660 613
Cash generated from operations	30	**970 648**	1 049 056	**1 039 603**	1 001 453
Interest received		**163 625**	127 739	**71 504**	113 136
Change in working capital	31	**783**	357 340	**27 725**	357 890
Change in short-term provisions	21	**9 111**	(24 361)	**9 111**	(24 361)
Taxation paid	32	**(281 756)**	(791 936)	**(256 831)**	(787 505)
Cash flows utilised in investing activities		**(395 965)**	(498 335)	**(257 906)**	(619 717)
Property, plant, equipment and mining properties and mineral reserves					
– additions to maintain operations		**(231 481)**	(331 267)	**(231 481)**	(331 267)
– additions to expand operations		**(145 510)**	(36 177)	**–**	–
– disposals proceeds		**5 243**	1 717	**5 243**	1 717
Additions to township development		**(4 460)**	(22 440)	**–**	–
Investment in associate					
– acquisition of participants interest		**–**	(65 000)	**–**	(65 000)
– cash distributed		**10 205**	7 500	**10 205**	7 500
Increase in subsidiary loans				**(34 639)**	(226 601)
Increase in available for sale investment		**–**	2	**–**	2
Increase in investments held by Northam Platinum Restoration Trust Fund		**(2 366)**	(3 073)	**(2 366)**	(3 073)
Increase in investments held by Environmental Contingency Fund		**(4 868)**	(2 995)	**(4 868)**	(2 995)
Increase in investments held by Toro Employee Empowerment Trust		**(22 728)**	(46 602)	**–**	–
Cash flows utilised in financing activities		**(200 640)**	(798 348)	**(200 640)**	(798 348)
Proceeds from issue of shares		**15 518**	3 774	**15 518**	3 774
Dividends paid		**(216 158)**	(802 122)	**(216 158)**	(802 122)
Increase/(decrease) in cash and cash equivalents		**265 806**	(578 845)	**432 566**	(757 452)
Cash and cash equivalents at beginning of year		**920 903**	1 499 748	**742 059**	1 499 511
Cash and cash equivalents at end of year	15	**1 186 709**	920 903	**1 174 625**	742 059

Notes to the annual financial statements

for the year ended 30 June 2010

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.

	2010 Group	2009 Group	2010 Company	2009 Company
The main assumptions include:				
– long term real platinum price – US$ per ounce	**1 545**	1 050	**1 545**	1 050
– long term real exchange rate – US$ = ZAR	**8.00**	9.00	**8.00**	9.00
– long term real discount rate – %	**8.07**	8.18	**8.07**	8.18

1.2 Provisions

	2010 Group	2009 Group	2010 Company	2009 Company
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**	6.00	**6.00**	6.00
– long term real discount rate – % (based on long bond yield rates)	**8.07**	8.18	**8.07**	8.18

1. Key accounting estimates, assumptions and judgments (continued)

1.2 Provisions (continued)

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 the reporting 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 statement of financial position 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 an asset's useful life, a process of estimation is required to determine the residual values at year end.

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 the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, provision for rehabilitation, recognition of deferred tax assets, depreciation and amortisation charges.

	Mining, plant and equipment R000	Pre-production mine development costs R000	Decommis-sioning asset R000	Motor vehicles R000	Total R000

2. Property, plant and equipment

Group – 30 June 2010

	Mining, plant and equipment R000	Pre-production mine development costs R000	Decommis-sioning asset R000	Motor vehicles R000	Total R000
Property, plant and equipment					
– at cost	3 637 695	165 732	47 918	21 011	3 872 356
– accumulated depreciation	(1 919 219)	–	(11 203)	(3 873)	(1 934 295)
– balance at end of year	**1 718 476**	**165 732**	**36 715**	**17 138**	**1 938 061**
Reconciliation of movement in property plant and equipment					
– balance at beginning of year	1 654 545	35 868	38 874	7 822	1 737 109
– additions to maintain operations	218 402	–	–	13 079	231 481
– additions to expand operations	–	129 864	–	2 519	132 383
– disposals	(2 316)	–	–	(6 654)	(8 970)
– depreciation charged for the year	(154 471)	–	(2 159)	(2 295)	(158 925)
– depreciation on disposals during the year	2 316	–	–	2 667	4 983
– balance at end of year	**1 718 476**	**165 732**	**36 715**	**17 138**	**1 938 061**

Group – 30 June 2009

	Mining, plant and equipment R000	Pre-production mine development costs R000	Decommis-sioning asset R000	Motor vehicles R000	Total R000
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)
– balance at end of year	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 to maintain operations	328 071	35 868	–	3 505	367 444
– present value of decommissioning asset capitalised (note 19)	–	–	816	–	816
– disposals	(1 370)	–	–	(2 348)	(3 718)
– depreciation charged for the year	(131 976)	–	(2 138)	(1 661)	(135 775)
– impairment of assets	(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

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.

2. Property, plant and equipment (continued)

Company – 30 June 2010

	Mining, plant and equipment R000	Pre-production mine development costs R000	Decommissioning asset R000	Motor vehicles R000	Total R000
Property, plant and equipment					
– at cost	3 637 695	–	47 918	18 183	3 703 796
– accumulated depreciation	(1 919 219)	–	(11 203)	(3 873)	(1 934 295)
– balance at end of year	1 718 476	–	36 715	14 310	1 769 501
Reconciliation of movement in property, plant and equipment					
– balance at beginning of year	1 654 545	–	38 874	7 513	1 700 932
– additions to maintain operations	218 402	–	–	13 079	231 481
– present value of decommissioning asset capitalised (note 19)	–	–	–	–	–
– disposals	(2 316)	–	–	(6 654)	(8 970)
– depreciation charged for the year	(154 471)	–	(2 159)	(2 295)	(158 925)
– impairment of assets	–	–	–	–	–
– depreciation on disposals during the year	2 316	–	–	2 667	4 983
– balance at end of year	1 718 476	–	36 715	14 310	1 769 501

Company – 30 June 2009

	Mining, plant and equipment R000	Pre-production mine development costs R000	Decommissioning asset R000	Motor vehicles R000	Total R000
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)
– balance at end of year	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 to maintain operations	328 071	–	–	3 196	331 267
– present value of decommissioning asset capitalised (note 19)	–	–	816	–	816
– disposals	(1 370)	–	–	(2 348)	(3 718)
– depreciation charged for the year	(131 976)	–	(2 138)	(1 661)	(135 775)
– impairment of assets	(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

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.

	Mining properties R000	Mineral resources* R000	Total R000

3. Mining properties and mineral resources

Group – 30 June 2010

	Mining properties R000	Mineral resources* R000	Total R000
– at cost	271 674	5 570 023	5 841 697
– accumulated depreciation	(119 038)	–	(119 038)
– balance at end of year	152 636	5 570 023	5 722 659
Reconciliation of movement in mining properties			
– balance at beginning of year	152 387	5 566 000	5 718 387
– additions to expand operations	9 104	4 023	13 127
– disposals	(434)	–	(434)
– depreciation charged for the year	(8 421)	–	(8 421)
– balance at end of year	152 636	5 570 023	5 722 659

Group – 30 June 2009

	Mining properties R000	Mineral resources* R000	Total R000
– at cost	263 004	5 566 000	5 829 004
– accumulated depreciation	(110 617)	–	(110 617)
– balance at end of year	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

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).

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.

* *The mineral resource relates to the mining titles that were acquired from Mvelaphanda Resources Limited with the Booysendal asset.*

	Mining properties R000	Mineral resource R000	Total R000

3. Mining properties and mineral resource (continued)

Company – 30 June 2010

	Mining properties R000	Mineral resource R000	Total R000
– at cost	**262 570**	–	**262 570**
– accumulated depreciation	**(119 038)**	–	**(119 038)**
– **balance at end of year**	**143 532**	–	**143 532**
Reconciliation of movement in mining properties			
– balance at beginning of year	**152 387**	–	**152 387**
– depreciation charged for the year	**(8 421)**	–	**(8 421)**
– disposal during the year	**(434)**	–	**(434)**
– **balance at end of year**	**143 532**	–	**143 532**

Company – 30 June 2009

	Mining properties R000	Mineral resource R000	Total R000
– at cost	263 004	–	263 004
– accumulated depreciation	(110 617)	–	(110 617)
– **balance at end of year**	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

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).

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.

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
4. Interest in associate				
Investment in associate comprises a 7.5% (2009: 7.5%) interest in the Pandora joint venture. Details of group's share of the comprehensive income and financial position are set out in Annexure 2, which forms part of these notes.	**129 741**	130 106	**52 733**	55 333

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company

5. Investments in subsidiaries

Khumama Platinum (Proprietary) Limited			**5 566 000**	5 566 000
Norplats Properties (Proprietary) Limited			*	*
Windfall 38 Properties (Proprietary) Limited			*	–
– balance at end of year			**5 566 000**	5 566 000

** The company holds 100 ordinary shares of par value R1 each at a cost of R100 (2009: R100) representing a 100% equity interest in Norplats Properties (Proprietary) Limited. The company holds 100 ordinary shares of par value R1 each at a cost of R100 representing a 100% equity interest in Windfall 38 Properties (Proprietary) Limited.*

Windfall 38 Properties (Proprietary) Limited was acquired during the year.

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

Details of the subsidiaries are contained in Annexure 3, which forms part of these notes.

6. Unlisted investment

Available for sale investment	**6**	6	**6**	6

The investment, comprising equity investments in a mining industry service organisation, Rand Mutual Assurance Limited and is valued by the directors at R5 663 (2009: R5 880)

The fair value of the unquoted shares has been estimated as the latest transaction value.

7. Township land and development

– balance at beginning of year	**59 345**	36 905	**–**	–
– construction in progress	**4 460**	6 440	**–**	–
– acquisitions	**–**	16 000	**–**	–
– balance at end of year	**63 805**	59 345	**–**	–

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, are registered in the name of Broad Brush Investments 2 (Proprietary) Limited, a wholly-owned subsidiary of Norplats Properties (Proprietary) Limited.

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company

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:	2010 Group	2009 Group	2010 Company	2009 Company
– balance at beginning of year	**24 893**	21 820	**24 893**	21 820
– contributions made during the year	**354**	740	**354**	740
– income earned during the year (note 26)	**2 012**	2 333	**2 012**	2 333
– balance at end of year	**27 259**	24 893	**27 259**	24 893

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 (2009: 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.

9. Environmental Guarantee Investment

The balance of the fund comprises:	2010 Group	2009 Group	2010 Company	2009 Company
– balance at beginning of year	**15 895**	12 900	**15 895**	12 900
– contributions made during the year	**3 000**	3 000	**3 000**	3 000
– management fees	**(150)**	(350)	**(150)**	(350)
– income earned during the year (note 26)	**2 018**	345	**2 018**	345
– balance at end of year	**20 763**	15 895	**20 763**	15 895

The Environmental Guarantee Investment policy was issued in terms of the insurance guarantee for R24.0 million (2009: R24.0 million).

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company

10. Toro Employee Empowerment Trust

The balance of the fund comprises:				
– balance at beginning of year	46 602	–	–	–
– contributions made during the year	21 543	45 044	–	–
– income earned during the year (note 19)	1 691	1 558	–	–
– less payments to beneficiaries (note 19)	(506)	–	–	–
– balance at end of year	69 330	46 602		

11. Subsidiary loans

Norplats Properties (Proprietary) Limited			54 536	58 178
Micawber 278 (Proprietary) Limited			233 825	205 976
Broadbrush Investments 2 (Proprietary) Limited			10 261	–
Windfall 38 Properties (Proprietary) Limited			171	–
			298 793	264 154

The loans are unsecured and interest free, repayable on demand and therefore stated as current. Details of the subsidiaries are set out in Annexure 3, which forms part of these notes.

12. Inventories

Inventory comprises:				
Metals on hand and in transit – at cost	479 236	413 567	479 236	413 567
Consumable stores – at cost	42 226	54 687	42 226	54 687
Total inventories at the lower of cost and net realisable value	521 462	468 254	521 462	468 254
The cost of sales figure disclosed in the statement of comprehensive income approximates the cost of inventory expensed.				
The amount of write-downs of consumable stores recognised as an expense in cost of sales	1 111	1 014	1 111	1 014

Notes to the annual financial statements (continued)

for the year ended 30 June 2010

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
13. Trade and other receivables				
Trade and other receivables comprise:				
Trade receivables	**202 047**	161 900	**202 047**	161 900
Prepayments	**1 800**	2 183	**1 800**	2 183
Receiver of revenue – value added tax	**86 051**	35 189	**59 953**	35 189
Other	**28 156**	27 578	**17 061**	24 287
	318 054	226 850	**280 861**	223 559

Trade receivables are unsecured, non-interest-bearing and are generally on 30 day terms. As at June 2010 there were no receivables (2009: RNil) which were impaired and fully provided for.

The age analysis of trade receivables as at 30 June 2010 is set out in Annexure 1, which forms part of these notes.

14. Investment in escrow

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
Capital funds	**627 963**	–	–	–
Funds payable to Anglo Platinum Limited	**(536 505)**	–	–	–
	91 458	–	–	–

The capital funds are held in escrow pending the transfer of certain new order mining licences in respect of the Booysendal extension to Micawber 278 (Proprietary) Limited (Micawber). Upon the transfer the capital funds are payable to Anglo Platinum, while the balance, representing interest earned,is payable to Micawber.

Should the new order mining licence not be transferred to Micawber for any reason, the capital funds are payable to Micawber.

15. Cash and cash equivalents

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
Cash and cash equivalents comprise:				
Cash at banks and on hand	**68 024**	230 119	**55 940**	51 275
Short-term deposits	**1 118 685**	690 784	**1 118 685**	690 784
	1 186 709	920 903	**1 174 625**	742 059

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 6% and 8% (2009: 8% and 12%), whilst cash at bank earned interest at rates varying between 2% and 4% (2009: 6% and 8%).

	2010 R000	2010 Number of shares	2009 R000	2009 Number of shares
	Group and company	Group and company	Group and company	Group and company

16. Share capital and share premium

Authorised	**5 450**	**545 000 000**	4 750	475 000 000
Issued				
At 1 July 2008	**2 387**	**238 687 500**	2 387	238 687 500
Shares allotted and issued to Mvelaphanda Resources Limited pursuant to the acquisition of Booysendal	**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 1 July 2009	**3 599**	**359 909 500**	3 599	359 909 500
Shares issued during the year for cash on the exercise of share options	**7**	**732 500**	–	–
At 30 June 2010	**3 606**	**360 642 000**	3 599	359 909 500
Share premium	**7 634 880**		7 619 369	
	7 638 486	**360 642 000**	7 622 968	359 909 500

During the year 732 500 (2009: 222 000) shares were alloted and issued it terms of the rules of Northam Share Option Scheme resulted in issued share capital increasing to 360 642 000 (2009: 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.

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

17. Equity compensation reserve

	2010 R000	2009 R000	2010 R000	2009 R000
	Group	Group	Company	Company
– balance at beginning of year	**55 177**	27 584	**55 177**	27 584
– increase in equity compensation reserve	**60 582**	30 181	**60 582**	30 181
– transfer to retained earnings	**(2 953)**	(2 588)	**(2 953)**	(2 588)
– balance at the end of year	**112 806**	55 177	**112 806**	55 177

Options are offered at the 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 seven years of the offer date shall lapse. (See annexure 5).

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
18. Deferred tax liability				
The principal components of the deferred tax are as follows:				
Deferred tax liabilities				
– property, plant and equipment	**475 872**	457 389	**475 872**	457 389
– metal inventory	**6 917**	2 187	**6 917**	2 187
	482 789	459 576	**482 789**	459 576
Deferred tax assets				
– employee benefits relating to leave pay provisions	**(21 822)**	(19 270)	**(21 822)**	(19 270)
– decommissioning and environmental restoration provisions	**(13 755)**	(11 485)	**(13 755)**	(11 485)
	(35 577)	(30 755)	**(35 577)**	(30 755)
Net deferred tax liability	**447 212**	428 821	**447 212**	428 821
The charge in the deferred tax balance is reconciled as follows:				
Deferred tax liability at beginning of year	**428 821**	388 055	**428 821**	388 055
– charge for the year (per note 28)	**18 391**	40 766	**18 391**	40 766
– temporary differences in respect of property, plant and equipment	**18 483**	44 211	**18 483**	44 211
– depreciation component included in metals on hand and in transit	**4 730**	(11 038)	**4 730**	(11 038)
– temporary difference in respect of employee benefits	**(2 552)**	6 821	**(2 552)**	6 821
– temporary difference in respect of long-term provisions	**(2 270)**	772	**(2 270)**	772
Net deferred tax liability at end of year	**447 212**	428 821	**447 212**	428 821
19. Long-term provisions				
Provision for decommissioning costs				
– balance at beginning of year	**47 881**	49 583	**47 881**	49 583
– present value of decommissioning asset capitalised (note 2)	**–**	816	**–**	816
– additional provision raised (note 23)	**6 009**	–	**6 009**	–
– unwinding of discount (note 23)	**3 864**	(2 518)	**3 864**	(2 518)
– balance at end of year	**57 754**	47 881	**57 754**	47 881
Provision for restoration costs				
– balance at beginning of year	**5 957**	6 275	**5 957**	6 275
– additional provision raised (note 23)	**756**	–	**756**	–
– unwinding of discount (note 23)	**481**	(318)	**481**	(318)
– balance at end of year	**7 194**	5 957	**7 194**	5 957
Provisions at year end	**64 948**	53 838	**64 948**	53 838

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company

19. Long-term provisions (continued)

Provision for Toro Employee Empowerment Trust				
– balance at beginning of year	**46 602**	30 000	**–**	–
– provided for during year	**23 234**	16 602	**–**	–
– amount utilised	**(506)**	–	**–**	–
– balance at end of year	**69 330**	46 602	**–**	–

The company 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	**134 278**	100 440	**64 948**	53 838

In terms of, *inter alia*, the Mineral and Petroleum Resources Development Act no 28, of 2002, the company is required to make financial provision for its decommissioning and restoration costs that will be incurred upon the cessation of mining activities. The future value of environmental obligation will be paid over to 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.

Provisions before funding	**64 948**	53 838	**64 948**	53 838
Less: Northam Platinum Restoration Trust Fund (note 8)	**(27 259)**	(24 893)	**(27 259)**	(24 893)
Less: Environmental Guarantee Investment (note 9)	**(20 763)**	(15 895)	**(20 763)**	(15 895)
Net present Value of Unfunded environmental rehabilitation obligations	**16 926**	13 050	**16 926**	13 050

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 8.07% (2009: 8.18%) over the remaining life of the mine.

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company

19. Long-term provisions (continued)

	2010 Group	2009 Group	2010 Company	2009 Company
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	**78 699**	69 072	**78 699**	69 072
Undiscounted restoration obligations	**9 802**	8 593	**9 802**	8 593
Total decommissioning and restoration obligation	**88 501**	77 665	**88 501**	77 665
Less: Obligation not requiring financial provision	**(34 237)**	(30 066)	**(34 237)**	(30 066)
	54 264	47 599	**54 264**	47 599
Less: Funds held by Northam Platinum Restoration Trust Fund (note 8)	**(27 259)**	(24 893)	**(27 259)**	(24 893)
Less: Environmental Guarantee Investment (note 9)	**(20 763)**	(15 895)	**(20 763)**	(15 895)
Total unfunded future rehabilitation obligations	**6 242**	6 811	**6 242**	6 811

The company has procured the issue of an insurance guarantee for R24.0 million (2009: R24.0 million) in respect of the unfunded decommissioning and restoration costs.

20. Trade and other payables

	2010 Group	2009 Group	2010 Company	2009 Company
Trade and other payables comprise:				
Trade payables	**145 442**	83 821	**145 442**	83 821
Accruals	**255 278**	207 893	**255 278**	207 893
Accrual for acquisition of participating interest in Pandora joint venture	**65 000**	65 000	**65 000**	65 000
Receiver of revenue – value added tax	**548**	–	**–**	–
Other	**96 576**	60 935	**87 420**	58 191
	562 844	417 649	**553 140**	414 905

Trade payables are unsecured, non-interest bearing and are normally settled on 30 day terms.

21. Short-term provisions

	2010 Group	2009 Group	2010 Company	2009 Company
Provision for leave pay				
– balance at beginning of year	**68 822**	63 183	**68 822**	63 183
– additional amounts raised	**88 939**	52 941	**88 939**	52 941
– utilised	**(79 828)**	(47 302)	**(79 828)**	(47 302)
– balance at end of year	**77 933**	68 822	**77 933**	68 822

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

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company

21. Short-term provisions (continued)

The provision for compensated absences is recognised when the employee renders service. The provision is updated on a monthly basis.

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
Provision for Toro Employee Empowerment Trust				
– balance at beginning of year	–	30 000	–	30 000
– utilised	–	(30 000)	–	(30 000)
– balance at end of year	–	–	–	–
Total short-term provisions	77 933	68 822	77 933	68 822

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.

22. Total revenue and sales revenue

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
Total revenue comprises:				
– sales revenue	3 945 083	3 186 042	3 945 083	3 186 042
– investment revenue (note 26)	167 655	130 417	75 534	115 814
– sundry income (note 27)	21 260	19 764	21 260	19 764
	4 133 998	3 336 223	4 041 877	3 321 620

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

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company

23. Operating costs

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
Operating costs comprise mining and concentrating costs, excluding depreciation, and consist of the following principal prime cost categories:				
– labour (note 34)	974 701	824 278	974 701	824 278
– stores	649 992	599 636	649 992	599 636
– utilities	208 478	140 577	208 478	140 577
– sundries	386 088	344 234	386 088	344 234
– provision for decommissioning and restoration costs (note 19)	9 873	(2 518)	9 873	(2 518)
– provision for restoration costs (note 19)	1 237	(318)	1 237	(318)
	2 230 369	1 905 889	2 230 369	1 905 889
The analysis of operating costs by principal activity is as follows:				
– mining operations	1 662 892	1 517 962	1 662 892	1 517 962
– smelter operations	98 724	75 019	98 724	75 019
– base metal removal plant operations	87 719	70 957	87 719	70 957
– overheads	369 924	244 787	369 924	244 787
– provision for decommissioning and restoration costs (note 19)	9 873	(2 518)	9 873	(2 518)
– provision for restoration costs (note 19)	1 237	(318)	1 237	(318)
	2 230 369	1 905 889	2 230 369	1 905 889
Operating costs include the following:				
External auditors remuneration				
– current year	1 514	1 570	1 514	1 570
– prior year adjustment	613	212	613	212
Internal audit fees				
– current year	2 252	2 001	2 252	2 001
– prior year adjustment	146	–	146	–
Directors' remuneration				
– non executive fees (note 34)	2 540	1 643	2 540	1 643
– executive remuneration	4 951	8 709	4 951	8 709
Share based payment expense (note 17)	60 582	30 181	60 582	30 181
Operating lease payments				
– office equipment	500	244	500	244
– premises	590	597	590	597

Details of directors' remuneration are contained in the directors' report on page 55.

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company

24. Depreciation and impairments

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
Depreciation of mining properties, plant and equipment consists of the following:				
– mining property	**8 421**	8 421	**8 421**	8 421
– plant and equipment	**154 471**	131 976	**154 471**	131 976
– decommissioning asset	**2 159**	2 138	**2 159**	2 138
– vehicles	**2 295**	1 661	**2 295**	1 661
– impairment of assets	**–**	16 711	**–**	16 711
	167 346	160 907	**167 346**	160 907

25. Share of earnings and distributions from associate

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
Income and distributions received from Pandora joint venture (refer annexure 2)	**12 440**	72 606	**10 205**	–

26. Investment revenue

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
Investment income consists of the following:				
– interest received on cash and cash equivalents	**163 625**	127 739	**71 504**	113 136
– growth in Northam Platinum Restoration Trust Fund (note 8)	**2 012**	2 333	**2 012**	2 333
– growth in Environmental Contingency Fund (note 9)	**2 018**	345	**2 018**	345
	167 655	130 417	**75 534**	115 814

27. Sundry income/(expenditure)

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
Net sundry income/(expenditure) is arrived taking into account the following:				
– rent received	**1 232**	1 218	**1 232**	1 218
– royalties received from chrome recovery plant	**5 853**	14 836	**5 853**	14 836
– sale of scrap	**2 228**	2 656	**2 228**	2 656
– other income	**578**	365	**578**	365
– treatment charges in respect of concentrates purchased	**11 369**	689	**11 369**	689
Sundry revenue	**21 260**	19 764	**21 260**	19 764
Other sundry income/(expenditure)				
– foreign currency hedging profit	**–**	5 476	**–**	5 476
– metal hedging loss	**–**	(9 454)	**–**	(9 454)
– profit/(loss) on sale of property, plant and equipment	**822**	(41)	**822**	(41)
– currency translation (loss)/gain	**(7 416)**	2 128	**(7 416)**	2 128
– cost incurred in relation to expression of interest by Impala Platinum Holdings Limited	**–**	(16 108)	**–**	(16 108)
– cost incurred in relation to implementation of Booysendal transaction	**–**	(7 309)	**–**	(7 309)
– depreciation of participation interest	**(2 600)**	(2 167)	**(2 600)**	(2 167)
– dividends forfeited	**131**	193	**131**	193
– other (expenditure)/income	**(2 640)**	1 088	**(2 415)**	(2 080)
	9 557	(6 430)	**9 782**	(9 598)

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
28. Taxation				
Current taxation	319 991	343 258	294 243	338 855
Deferred (note 18)	18 391	40 766	18 391	40 766
Current year's tax charge	338 382	384 024	312 634	379 621
Adjustment in respect of prior years	(4 781)	–	(4 781)	–
	333 601	384 024	307 853	379 621
Taxation comprises:				
– mining tax	237 465	247 750	237 465	243 347
– non mining tax	47 608	31 037	21 860	31 037
– state's share of profits	30 660	7 580	30 660	7 580
– tax on share of earnings from associate – current year	867	1 357	867	1 357
– tax on share of earnings from associate – previous years	–	16 088	–	16 088
– secondary tax on companies	21 616	80 212	21 616	80 212
– capital gains tax	166	–	166	–
Adjustment in respect of prior years	(4 781)	–	(4 781)	–
	333 601	384 024	307 853	379 621
A reconciliation of the standard rate of South African tax compared with that charged in the statement of comprehensive income is set out below:	%	%	%	%
– South African normal tax	28.0	28.0	28.0	28.0
– State's share of profits	3.1	0.7	3.5	0.8
– secondary tax on companies	2.2	7.9	2.5	8.7
– expenditure disallowed and other adjustments	0.9	1.3	1.0	3.6
– effective tax rate	34.2	37.9	35.0	41.1

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%.

28.2 Mining tax

The current rate of mining tax applicable to the company is 28% (2009: 28%).

28.3 Non-mining tax

Non-mining income is subject to a rate of 28% (2009: 28%).

28.4 Deferred tax

Deferred tax is provided at the statutory rate of 28% for all temporary differences (2009: 28%).

28.5 Secondary tax on companies

Secondary tax on companies is levied at the rate of 10% of net dividends declared (2009: 10%).

28.6 Capital gains tax

Capital gains tax, at an effective rate of 14% (2009: 14%), is payable on any gains realised on the disposal of investments or mining properties.

28.7 Tax on share of earnings from associate

Mining and non-mining income is subject to a rate of 28% (F2009:28%).

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company

29. Earnings per share

Basic earnings per share amounts are calculated dividing earnings for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares of 360 291 885 (2009: 343 162 299) outstanding during the year. Headline earnings per share are based on headline earnings and are reconciled to profit attributable to shareholders as follows:

	2010 Group	2009 Group	2010 Company	2009 Company
Earnings attributable to shareholders	**641 026**	630 482	**572 643**	544 508
Loss/(profit) on sale of property, plant and equipment	**(822)**	41	**(822)**	41
Tax effect	**230**	(11)	**230**	(11)
Pre-acquisition profits relating to Pandora (negative goodwill)	**–**	(67 847)	**–**	(67 847)
Tax effect	**–**	16 060	**–**	16 060
Impairment effect	**–**	16 711	**–**	16 711
Tax effect	**–**	(4 679)	**–**	(4 679)
Headline earnings	**640 434**	590 757	**572 051**	504 783

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.

	2010 Group	2009 Group	2010 Company	2009 Company
Dividends per share (cents)	**40.00**	78.00	**40.00**	78.00
The number of potential diluted shares are calculated as follows:				
Average number of ordinary shares in issue during the year	**360 291 885**	343 162 299	**360 291 885**	343 162 299
Average number of Northam Share Option Scheme options outstanding during the year	**172 611**	416 980	**172 611**	416 980
Average number of potential diluted ordinary shares in issue	**360 464 496**	343 579 279	**360 464 496**	343 579 279

The company's authorised ordinary share capital was increased from 475 000 000 to 545 000 000 during the year.

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
30. Cash generated from operations				
Profit before taxation	**974 627**	1 014 506	**880 496**	924 129
Adjusted for non-cash items				
– (profit)/loss on disposal of property, plant and equipment	**(822)**	41	**(822)**	41
– depreciation and impairment	**167 346**	160 907	**167 346**	160 907
– increase/(decrease) in long-term provisions	**33 838**	43 766	**11 110**	(2 836)
– share based payment expense	**60 582**	30 181	**60 582**	30 181
– share of profit from associate	**(9 840)**	(72 606)	**(10 205)**	–
– depreciation of participation interest	**–**	–	**2 600**	2 167
Interest received	**(163 625)**	(127 739)	**(71 504)**	(113 136)
Investment in escrow	**(91 458)**	–	**–**	–
	970 648	1 049 056	**1 039 603**	1 001 453
31. Change in working capital				
Inventories	**(53 208)**	36 726	**(53 208)**	36 726
Trade and other receivables	**(91 204)**	132 414	**(57 302)**	135 634
Trade and other payables	**145 195**	188 200	**138 235**	185 530
	783	357 340	**27 725**	357 890
32. Taxation paid				
Balance owing at beginning of year	**432**	449 110	**460**	449 110
Charge per statement of comprehensive income excluding deferred tax	**315 210**	343 258	**289 462**	338 855
Balance owing at end of year	**(33 886)**	(432)	**(33 091)**	(460)
	281 756	791 936	**256 831**	787 505

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company

33. Commitments

Capital expenditure – Booysendal mine				
Authorised but not contracted	3 597 045	–	–	–
Contracted	46 955	–	–	–
Capital expenditure – Zondereinde mine				
Authorised but not contracted	330 499	191 504	330 499	191 504
Contracted	16 318	45 046	16 318	45 046
Information Technology Outsource Service Providers				
Due within one year	11 241	10 933	11 241	10 933
Due within two to five years	21 418	29 353	21 418	29 353
Operating lease rentals – office equipment				
Due within one year	214	300	214	300
Due within two to five years	8	176	8	176
Operating lease – premises				
Due within one year	459	651	459	651
Due within two to five years	–	459	–	459
Housing development				
Contracted	2 395	–	2 395	–
Unutilised loan facility granted to subsidiary			51 207	270 000
Bank guarantees issued	60 457	33 284	60 457	33 284

The commitments in respect of the Zondereinde mine and the other commitments will be financed out of operating cash flows. The Booysendal commitment will be funded from a combination of internal retentions and debt as more fully described in the financial review and directors' report.

34. Employee benefits

The aggregate earnings and benefits of employees, including directors, were:				
– salaries, wages and other benefits	774 483	680 594	774 483	680 594
– contributions to retirement benefit funds	68 211	61 042	68 211	61 042
– contributions to health-care funds	45 079	37 417	45 079	37 417
– share based payment expense	60 582	30 181	60 582	30 181
– employee empowerment scheme	26 346	15 044	26 346	15 044
	974 701	824 278	974 701	824 278
– fees paid to non-executive directors	2 540	1 643	2 540	1 643
	977 241	825 921	977 241	825 921
Included in salaries, wages and other benefits are the following amounts in respect of retrenchment benefits and termination costs	439	729	439	729

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company

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 interest free loans provided by the company to Broad Brush Investments 2 (Proprietary) Limited, 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 4 which forms part of these notes.

36. Segmental reporting

As a result of adopting IFRS 8, the identification of the group's reportable segment has changed. In the prior years, the group's primary segment reporting format was by business segment and its secondary reporting format by geographical location of customers. Two business segments were identified, the Zondereinde mine and the Booysendal mine. The group's management looks at the performance of the Zondereinde and Booysendal mines when allocating resources and assessing the segment performance.

Details of the financial position and net income of the two segments are set out in Annexure 6 which forms part of these notes.

37. Financial risk management objectives and policies

The group's principal financial liabilities, comprise trade and other payables, and loans given. 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 and other receivables, cash and cash equivalents, which arise directly from its operations.

The group may enter into derivative transactions, being forward currency contracts or metal hedging contracts. The purpose is to manage the currency risks arising from the group's operations and its sources of finance.

The main risks arising from the group's financial instruments are 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 of changes in market prices. Market prices comprise three types of risk: interest rate, currency risk, and other price risk, such as equity risk.

(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 group, whilst 96% of costs are denominated in the group's functional currency.

37. Financial risk management objectives and policies (continued)

(b) Foreign currency risk (continued)

The following table demonstrates the sensitivity to a possible change in the US dollar (US$) 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.

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
– weakening by 10%	**20 064**	33 716	**20 064**	33 716
– strengthening by 10%	**(20 064)**	(33 716)	**(20 064)**	(33 716)
At year end the foreign currency value of items under their respective balance sheet classifications were as follows:				
– accounts receivable – US$	**18 574**	14 670	**18 574**	14 670
– cash and cash equivalents – US$	**6 613**	29 289	**6 613**	29 289
– accounts payable – €	**819**	576	**819**	576
Exchange rates at year end				
ZAR/US$	**7.66**	7.67	**7.66**	7.67
ZAR/€	**9.41**	10.77	**9.41**	10.77

(c) Commodity price risk

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

The following is an indication of the effect that changes in the commodity prices would have on the profit before tax:				
– increase of 10%	**20 205**	11 252	**20 205**	11 252
– decrease of 10%	**(20 205)**	(11 252)	**(20 205)**	(11 252)

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

(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 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 impairment of receivables is not significant. There are no significant concentrations 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, which forms part of these notes.

37. Financial risk management objectives and policies (continued)

(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 borrowings 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 and cash and cash equivalents). There is no impact on the group's equity.

	2010 R000 Group	2009 R000 Group	2010 R000 Company	2009 R000 Company
– increase of 1%	**11 867**	9 209	**11 746**	7 421
– decrease of 1%	**(11 867)**	(9 209)	**(11 746)**	(7 421)

(f) Fair value

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

(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 maturity profile of the group's financial liabilities is set out in Annexure 1, which forms part of these notes.

(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. All equity items are managed as capital. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to share holders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2010 and 30 June 2009.

(i) Categories of financial instruments

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

37. Financial risk management objectives and policies (continued)

(j) Fair value hierarchy

Details of the group's fair value hierarchy are set out below.

As at 30 June 2010 the group held the following financial instruments measured at fair value:

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 – techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Group at 30 June 2010			
Assets measured at fair value	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Available for sale investments	–	6	–	6
Investments held by Northam Platinum Restoration Trust Fund	–	27 259	–	27 259
Environmental Guarantee Investment	–	20 763	–	20 763

	Group at 30 June 2009			
Assets measured at fair value	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Available for sale investments	–	6	–	6
Investments held by Northam Platinum Restoration Trust Fund	–	24 893	–	24 893
Environmental Guarantee Investment	–	15 895	–	15 895

	Company at 30 June 2010			
Assets measured at fair value	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Available for sale investments	–	6	–	6
Investments held by Northam Platinum Restoration Trust Fund	–	27 259	–	27 259
Environmental Guarantee Investment	–	20 763	–	20 763

	Company at 30 June 2009			
Assets measured at fair value	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Available for sale investments	–	6	–	6
Investments held by Northam Platinum Restoration Trust Fund	–	24 893	–	24 893
Environmental Guarantee Investment	–	15 895	–	15 895

Annexure 1

Analysis of financial instruments
at 30 June 2010

	Available for sale Year ended 30 June 2010 R000	Available for sale Year ended 30 June 2009 R000	Loans and receivables Year ended 30 June 2010 R000	Loans and receivables Year ended 30 June 2009 R000
a) Categories of financial instruments – group				
Available for sale investments	6	6	–	–
Investments held by Northam Platinum Restoration Trust Fund	–	–	–	–
Environmental Guarantee Investment	–	–	–	–
Trade and other receivables	–	–	257 174	189 478
Investment in escrow	–	–	91 458	–
Cash and cash equivalents	–	–	1 186 709	920 903
Trade and other payables	–	–	–	–
	6	6	1 535 341	1 110 381
Categories of financial instruments – company				
Available for sale investments	6	6	–	–
Investments held by Northam Platinum Restoration Trust Fund	–	–	–	–
Environmental Guarantee Investment	–	–	–	–
Trade and other receivables	–	–	220 908	186 187
Cash and cash equivalents	–	–	1 174 625	742 059
Trade and other payables	–	–	–	–
	6	6	1 395 533	928 246

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 Year ended 30 June 2010 R000	Neither past due nor impaired Year ended 30 June 2009 R000	<30 days Year ended 30 June 2010 R000	<30 days Year ended 30 June 2009 R000
Group	232 300	112 521	51 666	69 153
Company	231 539	112 521	46 941	65 862

Note: Non-financial instruments comprise pre-payments and VAT receivable

c) Trade payables

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

	Payable on demand Year ended 30 June 2010 R000	Payable on demand Year ended 30 June 2009 R000	1 to 6 months Year ended 30 June 2010 R000	1 to 6 months Year ended 30 June 2009 R000
Group				
– trade payables	145 442	83 821	–	–
– accruals	–	–	255 278	207 893
– accrual for the acquisition of the interest in the Pandora Joint Venture	–	–	–	–
– South African Revenue Services – value added tax	548	–	–	–
– other	–	–	96 576	60 935
	145 990	83 821	351 854	268 828
Company				
– trade payables	145 442	83 821	–	–
– accruals	–	–	255 278	207 893
– accrual for the acquisition of the interest in the Pandora Joint Venture	–	–	–	–
– other	–	–	87 420	58 191
	145 442	83 821	342 698	266 084

	Assets designated at fair value through profit or loss		Financial liabilities at amortised cost		Non-financial instruments		Total	
	Year ended 30 June 2010 R000	Year ended 30 June 2009 R000	Year ended 30 June 2010 R000	Year ended 30 June 2009 R000	Year ended 30 June 2010 R000	Year ended 30 June 2009 R000	Year ended 30 June 2010 R000	Year ended 30 June 2009 R000
	–	–	–	–	–	–	6	6
	27 259	24 893	–	–	–	–	27 259	24 893
	20 763	15 895	–	–	–	–	20 763	15 895
	–	–	–	–	60 880	37 372	318 054	226 850
	–	–	–	–	–	–	91 458	–
	–	–	–	–	–	–	1 186 709	920 903
	–	–	(562 844)	(417 649)	–	–	(562 844)	(417 649)
	48 022	40 788	(562 844)	(417 649)	60 880	37 372	1 081 405	770 898
	–	–	–	–	–	–	6	6
	27 259	24 893	–	–	–	–	27 259	24 893
	20 763	15 895	–	–	–	–	20 763	15 895
	–	–	–	–	59 953	37 372	280 861	223 559
	–	–	–	–	–	–	1 174 625	742 059
	–	–	(553 140)	(414 905)	–	–	(553 140)	(414 905)
	48 022	40 788	(553 140)	(414 905)	59 953	37 372	950 374	591 507

	30 – 60 days		60 – 90 days		>90 days		Total	
	Year ended 30 June 2010 R000	Year ended 30 June 2009 R000	Year ended 30 June 2010 R000	Year ended 30 June 2009 R000	Year ended 30 June 2010 R000	Year ended 30 June 2009 R000	Year ended 30 June 2010 R000	Year ended 30 June 2009 R000
	22 816	25 822	10 655	19 354	617	–	318 054	226 850
	2 370	25 822	11	19 354	–	–	280 861	223 559

	More than 6 months		Total	
	Year ended 30 June 2010 R000	Year ended 30 June 2009 R000	Year ended 30 June 2010 R000	Year ended 30 June 2009 R000
	–	–	145 442	83 821
	–	–	255 278	207 893
	65 000	65 000	65 000	65 000
	–	–	548	–
	–	–	96 576	60 935
	65 000	65 000	562 844	417 649
	–	–	145 442	83 821
	–	–	255 278	207 893
	65 000	65 000	65 000	65 000
	–	–	87 420	58 191
	65 000	65 000	553 140	414 905

Annexure 2

Investment in associate

at 30 June 2010

	2010 Interest of Northam 7.50% R000	2010 Interest of Northam 7.50% R000	2009 Interest of Northam 7.50% R000	2009 Interest of Northam 7.50% R000
	Group	Company	Group	Company
Reconciliation of Northam's interest in Pandora joint venture				
Cost of investment	65 000	65 000	65 000	65 000
Accumulated depreciation	(4 767)	(4 767)	(2 167)	(2 167)
Investment in associate	60 233	60 233	62 833	62 833
Participants interest	69 508	(7 500)	67 273	(7 500)
Profits to 30 June 2009	74 773	–	67 847	–
Profit for the year	12 440	–	6 926	–
Profit before depreciation	87 213	–	74 773	–
Cash distribution received	(17 705)	(7 500)	(7 500)	(7 500)
Carrying value in investment in associate	129 741	52 733	130 106	55 333
Distributions received from Pandora	–	10 205	–	–
Statement of comprehensive income				
Sales	22 885	–	25 195	–
Cost of sales	13 605	–	23 508	–
Operating profit	9 280	–	1 687	–
Investment income	3 160	–	5 363	–
Finance costs	–	–	(124)	–
Post acquisition profits	12 440	–	6 926	–
Pre-acquisition profits/negative goodwill	–	–	67 847	–
Profit before depreciation	12 440	–	74 773	–
Depreciation	(2 600)	–	(2 167)	–
Profit before tax	9 840	–	72 606	–
Statement of financial position				
Non-current assets				
Property, plant and equipment	31 082	–	17 267	–
Cost	35 176	–	21 153	–
Accumulated depreciation	(4 094)	–	(3 886)	–
Current assets	46 963	–	62 579	–
Trade and other receivables	9 117	–	8 246	–
Cash and cash equivalents	37 846	–	54 333	–
Total assets	78 045	–	79 846	–
Participants interest	69 508	–	67 273	–
Non-current liabilities	–	–	5 264	–
Capital loans from participants	–	–	3 480	–
Provision for environmental and rehabilitation obligations	–	–	1 784	–
Current liabilities	8 537	–	7 309	–
Royalties payable	699	–	450	–
Trade and other payables	7 838	–	6 859	–
Total equity and liabilities	78 045	–	79 846	–

Annexure 3

Subsidiaries

at 30 June 2010

Name of company	Effective holding 2010 %	2009 %	Share capital and premium 2010/2009 R000	Interest of holding company Shares 2010 R000	2009 R000	Indebtedness 2010 R000	2009 R000	Nature of business
Broad Brush Investments 2 (Proprietary) Limited	**100**	100	**	*	*	**10 261**	–	Broad Brush owns certain property in the town of Northam, and will develop a residential township as a further part in the initiative to assist Northam employees in acquiring their own affordable houses.
Khumama Platinum (Proprietary) Limited	**100**	100	2 506 126	**5 566 000**	5 566 000	–	–	Khumama owns 100% of the issued capital of Micawber 278 (Proprietary) Limited.
Micawber 278 (Proprietary) Limited	**100**	100	**	*	*	**233 825**	205 976	Micawber owns the mining titles in respect of Booysendal.
Norplats Properties (Proprietary) Limited	**100**	100	**	*	*	**54 536**	58 178	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.
Windfall 38 Properties (Proprietary) Limited	**100**	–	**	*	*	**171**	–	Windfall 38 Properties (Proprietary) Limited owns certain freehold in respect of Booysendal and was acquired during the current year.
Interest in subsidiaries				**5 566 000**	5 566 000	**298 793**	264 154	

* *investment less than R1 000.*
** *issued capital less than R1 000.*

All companies are incorporated in the Republic of South Africa.

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

Annexure 4

Related party transactions
for the year ended 30 June 2010

Name of entity	Basis of identification as a related party	Related director	Nature of services provided	Where charged/ (credited) in statement of financial position
Barnard Jacobs Mellet Holdings Limited	Common directorship	AR Martin	JSE Limited sponsor services	n/a
GijimaAst Group Limited	Common directorship	NJ Dlamini	Maintenance of computer systems	n/a
Minova SA	Common directorship	ME Beckett	Purchase of consumable stores	n/a
Mvelaphanda Resources Limited	Major shareholder and common directors	ME Beckett, CK Chabedi, BR van Rooyen, MJ Willcox, PL Zim	Reimbursement of expenses	n/a
			Recovery of costs	n/a
			Purchase of motor vehicle	Property, plant and equipment
Northam Platinum Educational Trust	Common directors and trustees	GT Lewis, BR van Rooyen, DR Wolstenholme	Donations for education support	n/a
Protea Aviation Services (Proprietary) Limited	Common directorship	MJ Willcox	Transport of products	n/a
Protea Security Services (2000) (Proprietary) Limited	Common directorship	MJ Willcox	Supply of security services	n/a
Trollope Mining Services (2000) (Proprietary) Limited	Common directorship	MJ Willcox	Transport of waste and hire of plant	n/a
Key management personnel				
Non-executive directors' fees			See Directors' Report page 55	
GT Lewis			Remuneration Performance bonus Contribution to retirement fund Other benefits Gain on exercise of share options	
			See Directors' Report page 55 Equity compensation charge	
DR Wolstenholme (note 1)			Remuneration Performance bonus Contribution to retirement fund	
			See Directors' Report page 55 Equity compensation charge	
Senior management remuneration			Remuneration Performance bonus Contribution to retirement fund Other benefits Equity compensation charge	

Notes
Note 1. Mr DR Wolstenholme was appointed a director on 4 November 2009.

Where charged/(credited) to statement of comprehensive income	Charged/(credited) to statements of financial position 2010 R000	2009 R000	Charged/(credited) to statements of comprehensive income 2010 R000	2009 R000	Year end balance 2010 R000	2009 R000	Year end balance included in
Operating costs – sundries	–	–	150	11	–	–	n/a
Operating costs – sundries	–	–	648	450	38	36	Trade and other payables
Operating costs – stores	–	–	4 526	2 887	478	1 596	Trade and other payables
Operating costs – sundries	–	–	308	54	–	–	n/a
Operating costs – sundries	–	–	(6)	–	(1)	–	Trade and other receivables
n/a	241	–	–	–	–	–	n/a
Operating costs – sundries	–	–	247	223	–	108	Trade and other receivables
Refining and other costs	–	–	1 723	880	–	219	Trade and other payables
Operating costs – sundries	–	–	8 259	9 070	14	–	Trade and other payables
Operating costs – sundries	–	–	32 853	27 523	2 136	4 029	Trade and other payables
Operating costs – sundries	–	–	2 540	1 643			
Operating costs – labour	–	–	2 354	2 140			
Operating costs – labour	–	–	782	6 284			
Operating costs – labour	–	–	294	268			
Operating costs – labour	–	–	15	17			
	–	–	6 559	–			
	–	–	10 004	8 709			
Operating costs – labour	–	–	3 754	2 723			
	–	–	13 758	11 432			
Operating costs – labour	–	–	1 084	–			
Operating costs – labour	–	–	286	–			
Operating costs – labour	–	–	136	–			
	–	–	1 506	–			
Operating costs – labour	–	–	1 201	–			
	–	–	2 707	–			
Operating costs – labour	–	–	13 192	10 214			
Operating costs – labour	–	–	4 799	6 085			
Operating costs – labour	–	–	1 649	1 277			
Operating costs – labour	–	–	863	903			
Operating costs – labour	–	–	17 613	10 918			
	–	–	38 116	29 397			

Annexure 5

Analysis of share options
as at 30 June 2010

Grant date		14 October 2004	24 October 2005
Earliest exercise date		14 October 2006	24 October 2007
Expiry date		13 October 2011	23 October 2012
Exercise price – rands		8.30	17.00
Balance at 30 June 2009		92 500	636 000
New options granted during the year		–	–
Options forfeited during the year		–	–
Options exercised during the year		(92 500)	(452 500)
	Month		
	July	–	–
	August	(75 000)	(202 500)
	September	–	–
	October	(17 500)	(15 000)
	November	–	(7 500)
	December	–	(152 000)
	January	–	–
	February	–	–
	March	–	(9 500)
	April	–	(46 000)
	May	–	(20 000)
	June	–	–
Balance at 30 June 2010		–	183 500
Total consideration received R000		768	7 692
Details of options granted to directors			
G T Lewis			
Balance at 30 June 2009		75 000	187 500
New options granted during the year		–	–
Options exercised during the year		(75 000)	(187 500)
Balance at 30 June 2010		–	–
D R Wolstenholme			
Balance at 30 June 2009		–	–
New options granted during the year		–	–
Balance at 30 June 2010		–	–
Gains on exercise of options by directors – G T Lewis			
Market value on date exercised – R000		2 963	7 406
Consideration – R000		(623)	(3 187)
Gain – R000		2 340	4 219

Note: The market value is based on the closing price on the JSE Limited on the day the options are exercised.

				Total
23 October 2006	22 October 2007	27 November 2008	05 November 2009	
23 October 2008	22 October 2009	27 November 2010	05 November 2011	
22 October 2013	21 October 2014	26 November 2015	04 November 2016	
38.45	48.00	32.38	36.95	
1 597 500	1 737 500	3 212 500	–	**7 276 000**
–	–	–	3 662 500	**3 662 500**
–	–	(140 000)	(45 000)	**(185 000)**
(162 500)	–	(25 000)	–	**(732 500)**
–	–	–	–	**–**
–	–	–	–	**(277 500)**
–	–	–	–	**–**
–	–	–	–	**(32 500)**
–	–	–	–	**(7 500)**
(15 000)	–	–	–	**(167 000)**
–	–	–	–	**–**
–	–	–	–	**–**
(10 000)	–	–	–	**(19 500)**
(7 500)	–	–	–	**(53 500)**
(40 000)	–	(25 000)	–	**(85 000)**
(90 000)	–	–	–	**(90 000)**
1 435 000	1 737 500	3 047 500	3 617 500	**10 021 000**
6 248	–	810	–	**15 518**
187 500	187 500	187 500	–	**825 000**
–	–	–	187 500	**187 500**
–	–	–	–	**(262 500)**
187 500	187 500	187 500	187 500	**750 000**
90 000	90 000	90 000	–	**270 000**
–	–	–	90 000	**90 000**
90 000	90 000	90 000	90 000	**360 000**
–	–	–	–	**10 369**
–	–	–	–	**(3 810)**
–	–	–	–	**6 559**

Annexure 6

Segmental analysis
at 30 June 2010

Segmental statement of financial position

	2010 Booysendal mine R000	2010 Zondereinde mine R000	2010 Total R000	2009 Booysendal mine R000	2009 Zondereinde mine R000	2009 Total R000
Non current assets	5 747 687	2 223 937	7 971 624	5 602 177	2 130 166	7 732 343
Property, plant and equipment	168 560	1 769 501	1 938 061	36 177	1 700 932	1 737 109
Mining properties and mineral resources	5 579 127	143 532	5 722 659	5 566 000	152 387	5 718 387
Investment in associate	–	129 741	129 741	–	130 106	130 106
Unlisted investments	–	6	6	–	6	6
Township development	–	63 805	63 805	–	59 345	59 345
Investments held by Northam Platinum Restoration Trust Fund	–	27 259	27 259	–	24 893	24 893
Environmental Guarantee Investment	–	20 763	20 763	–	15 895	15 895
Toro Employee Empowerment Trust	–	69 330	69 330	–	46 602	46 602
Current assets	139 569	1 978 114	2 117 683	180 921	1 435 086	1 616 007
Inventories	–	521 462	521 462	–	468 254	468 254
Trade and other receivables	36 077	281 977	318 054	2 368	224 482	226 850
Investments in escrow	91 458	–	91 458	–	–	–
Cash and cash equivalents	12 034	1 174 675	1 186 709	178 553	742 350	920 903
Total assets	5 887 256	4 202 051	10 089 307	5 783 098	3 565 252	9 348 350
Non-current liabilities	–	581 490	581 490	–	529 261	529 261
Deferred tax liability	–	447 212	447 212	–	428 821	428 821
Long term provisions	–	134 278	134 278	–	100 440	100 440
Current liabilities	10 090	664 573	674 663	(134)	487 037	486 903
Receiver of revenue	795	33 091	33 886	(28)	460	432
Trade and other payables	9 295	553 549	562 844	(106)	417 755	417 649
Short term provision	–	77 933	77 933	–	68 822	68 822
Net assets	5 877 166	2 955 988	8 833 154	5 783 232	2 548 954	8 332 186

All segments are managed in South Africa

Segmental statement of comprehensive income

	2010 Booysendal mine R000	2010 Zondereinde mine R000	2010 Total R000	2009 Booysendal mine R000	2009 Zondereinde mine R000	2009 Total R000
Sales revenue	–	3 945 083	3 945 083	–	3 186 042	3 186 042
Cost of sales	–	3 160 108	3 160 108	–	2 368 129	2 368 129
– operating costs	–	2 230 369	2 230 369	–	1 905 889	1 905 889
– concentrate purchased	–	735 090	735 090	–	140 192	140 192
– refining and other costs	–	92 972	92 972	–	120 917	120 917
– depreciation and impairments	–	167 346	167 346	–	160 907	160 907
– change in metal inventories	–	(65 669)	(65 669)	–	40 224	40 224
Operating profit	–	784 975	784 975	–	817 913	817 913
Share of earnings from associate	–	12 440	12 440	–	72 606	72 606
Investment revenue	92 121	75 534	167 655	15 812	114 605	130 417
Sundry (expenditure)/income	(95)	9 652	9 557	(154)	(6 276)	(6 430)
Profit before tax	92 026	882 601	974 627	15 658	998 848	1 014 506
Taxation	25 748	307 853	333 601	4 403	379 621	384 024
Profit attributable to shareholders	66 278	574 748	641 026	11 255	619 227	630 482

Analysis of sales revenue by geographic location of customer

	2010 Booysendal mine R000	2010 Zondereinde mine R000	2010 Total R000	2009 Booysendal mine R000	2009 Zondereinde mine R000	2009 Total R000
Europe	–	1 496 581	1 496 581	–	1 400 735	1 400 735
Japan	–	868 078	868 078	–	604 789	604 789
North America	–	1 289 318	1 289 318	–	916 996	916 996
South Africa	–	291 106	291 106	–	263 522	263 522
	–	3 945 083	3 945 083	–	3 186 042	3 186 042

Analysis of trade and other receivables by geographic location of customer

	2010 Booysendal mine R000	2010 Zondereinde mine R000	2010 Total R000	2009 Booysendal mine R000	2009 Zondereinde mine R000	2009 Total R000
Europe	–	64 535	64 535	–	71 245	71 245
North America	–	77 677	77 677	–	41 276	41 276
South Africa	36 077	139 765	175 842	2 368	111 961	114 329
	36 077	281 977	318 054	2 368	224 482	226 850