

COMPANY FINANCIAL STATEMENTS CONTENTS

- 86 Company balance sheet
- 87 Company income statement
- 87 Company cash flow statement
- 88 Company statement of changes in equity
- 89 Notes to the company financial statements

COMPANY BALANCE SHEET at 30 June 2007

	Note	2007 R'000	2006 R'000
ASSETS			
Non-current assets			
Investment in group companies	2	495 593	495 593
Available-for-sale investments	3	236 119	169 750
Loans to group companies		67 641	28 000
		799 353	693 343
Current assets			
Amounts due from group companies		34 830	20 528
Cash resources		54 868	220
		89 698	20 748
Total assets		889 051	714 091
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	4	700	700
Share premium	5	30 358	30 358
Retained earnings		390 038	316 768
Other reserves	6	169 644	100 419
Total equity		590 740	448 245
Non-current liabilities			
Loans from group companies		262 080	226 651
Deferred taxation	7	29 317	21 751
		291 397	248 402
Current liabilities			
Trade and other payables		173	178
Taxation		6 741	16 854
Amounts due to group companies		-	412
		6 914	17 444
Total equity and liabilities		889 051	714 091

COMPANY INCOME STATEMENT for the year ended 30 June 2007

	Note	2007 R'000	2006 R'000
Revenue	8	122 115	99 589
Profit on disposal of available-for-sale investments		43 025	145 777
Income from investments		122 115	99 589
Discount on BEE transaction		-	(35 752)
Administrative expenses		(1 100)	(3 783)
Finance costs		(10)	(985)
Profit before taxation	9	164 030	204 846
Taxation	10	6 760	16 884
Profit for the year		157 270	187 962
Dividends declared per share (cents)	11	300	230

COMPANY CASH FLOW STATEMENT for the year ended 30 June 2007

	Note	2007 R'000	2006 R'000
Cash retained from operating activities		5 413	32 914
Cash generated by operating activities		104 525	97 622
Cash utilised in operations	12.1	(1 100)	(3 783)
Investment income	12.2	120 351	98 930
Movements in working capital	12.3	(14 726)	2 475
Interest income		1 764	659
Finance costs		(10)	(985)
Taxation paid	12.4	(16 873)	(6)
Dividends paid	12.5	(83 993)	(64 376)
Cash generated from/(utilised in) investing activities		53 447	(217 714)
Acquisition of additional shares in and joint venture company	12.6	-	(407 343)
Acquisition of preference shares in subsidiary company		-	(25 000)
Proceeds on disposal of available-for-sale investments		53 447	214 629
Cash generated by financing activities		(4 212)	185 009
Repurchase of ordinary share capital		-	(162 694)
Net proceeds from the issue of ordinary share capital at a premium		-	193 052
Movement in group company balances		(4 212)	154 651
Cash resources			
- increase for the year		54 648	209
- at beginning of year		220	11
- at end of year		54 868	220

COMPANY STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2007

	2007 R'000	2006 R'000
Note		
Share capital		
Balance at beginning of year	700	700
Repurchase of shares	–	(55)
Issue of shares	–	55
Balance at end of year	700	700
Share premium		
Balance at beginning of year	30 358	–
Utilised in repurchase of shares	–	(162 694)
Arising on issue of shares	–	196 872
Share issue expenses on the above issue	–	(3 820)
Balance at end of year	30 358	30 358
Other reserves		
Balance at beginning of year	100 419	99 299
Net increase in the market value of available-for-sale investments	76 791	6 508
Deferred capital gains taxation provided on revaluation to market value of available-for-sale investments	(7 566)	(5 388)
Balance at end of year	169 644	100 419
Retained earnings		
Balance at beginning of year	316 768	157 454
Profit per income statement	157 270	187 962
Discount on BEE transaction	–	35 752
Ordinary dividends declared during the year		
Final dividend No. 99 of 150 cents (2006: 150 cents) per share – declared on 30 August 2006	(42 000)	(42 000)
Interim dividend No. 100 of 150 cents (2006: 80 cents) per share – declared on 19 February 2007	(42 000)	(22 400)
Balance at end of year	390 038	316 768
Per balance sheet	590 740	448 245

NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year ended 30 June 2007

	Issued share capital 2007/2006 R	Direct interest in share capital 2007/2006 %	Shares at cost 2007/2006 R'000	Amounts due by/(to) subsidiary companies 2007 2006 R'000 R'000	
I. INTEREST OF COMPANY IN ITS SUBSIDIARY COMPANIES					
Incorporated in South Africa					
Ordinary shares					
African Mining and Trust Company Limited					
	1 000 000	100	1 200	94 830	46 933
Ceramox (Proprietary) Limited	100	100	1 124	–	(404)
Erven 40 and 41 Illovo (Proprietary) Limited	100	100	–	–	–
Erven 27 and 28 Illovo (Proprietary) Limited	100	100	–	–	–
Erf 1263 Parkview Extension 1 (Proprietary) Limited	1	100	–	–	–
General Nominees					
(Proprietary) Limited	4	100	–	–	–
Main Street 460 (Proprietary) Limited	100	100	–	7 640	–
Ore & Metal Company Limited	100 000	100	105	(262 080)	(226 652)
Rustenburg Minerals					
Development Company (Proprietary) Limited	232 143	56	–	–	(7)
Wonderstone Limited	10 000	100	10	–	1 595
Wonderstone 1937 Limited	45 940	100	35	–	–
Xertech (Proprietary) Limited	100	100	–	–	–
Zeerust Chrome Mines Limited	1 300 000	100	1 114	–	–
Incorporated in Namibia					
Krantzberg Mines Limited	500 000	100	–	–	–
Incorporated in Mozambique					
Amhold Limitada	2	100	–	–	–
Incorporated in United States of America					
Minerais U.S. LLC	17 756 100	51	11 418	–	–
Preference shares					
Main Street 350 (Proprietary) Limited	5	–	25 000	1	–
			40 006	(159 609)	(178 535)
Less – held indirectly			(11 452)		
– provided against			(1 114)		
Per note 2			27 440	(159 609)	(178 535)

^ Dormant companies

	2007 R'000	2006 R'000
2. INVESTMENT IN GROUP COMPANIES		
Joint venture entity (refer note below)	468 153	468 153
Subsidiary companies (refer note below)	27 440	27 440
	495 593	495 593
Investment in joint venture entity		
Assmang Limited		
1 774 103 (2006:1 774 103) ordinary shares at cost and directors' valuation	468 153	468 153
Investment in subsidiary companies (refer to note 1)		
Shares at cost	27 440	27 440
Amounts due by/(to) subsidiary companies		
Loan accounts receivable	67 641	28 000
Current accounts receivable	34 830	20 528
Loan accounts payable	(262 080)	(226 651)
Current accounts payable	-	(412)
	(159 609)	(178 535)
The loans due to and from subsidiary companies are interest free and have no fixed repayment dates.		
3. AVAILABLE-FOR-SALE INVESTMENTS		
Listed – at market value	235 994	169 625
Unlisted – at cost and director's valuation	125	125
	236 119	169 750
Listed – at cost	37 033	47 455
Fair value adjustment transferred to other reserves (refer note 6)	198 961	122 170
As above	235 994	169 625
4. SHARE CAPITAL		
Authorised		
40 000 000 (2006: 40 000 000) ordinary shares of 2,5 cents each	1 000	1 000
Issued		
Balance at beginning of year (28 000 000 ordinary shares of 2,5 cents each)	700	700
Repurchase of 2 214 199 shares of 2,5 cents per share at R63,00 per share	-	(55)
Issue of shares 1 696 890 shares of 2,5 cents per share at a premium of R84,98 per share and for a consideration of R144,2 million	-	42
Issue of shares 517 309 shares of 2,5 cents per share at a premium of R101,83 per share, and for a consideration of R52,7 million	-	13
Balance at end of year (28 000 000 ordinary shares of 2,5 cents each)	700	700
Refer to note 5 for details of the share premium and share issue expenses.		

	2007 R'000	2006 R'000
5. SHARE PREMIUM		
Balance at beginning of year	30 358	–
Repurchase of 2 214 199 shares	–	(162 694)
Issue of 1 696 890 shares at a premium of R84,98 per share	–	144 193
Issue of 517 309 shares at a premium of R101,83 per share	–	52 679
Share issue expenses on the above transactions	–	(3 820)
Balance at end of year	<u>30 358</u>	<u>30 358</u>
6. OTHER RESERVES		
Surplus on the revaluation to fair value (after tax) of available-for-sale investments	198 961	122 170
Less: Deferred capital gains taxation	(29 317)	(21 751)
	<u>169 644</u>	<u>100 419</u>
7. DEFERRED TAXATION		
Balance at beginning of year	21 751	16 363
Arising on the revaluation of available-for-sale investments at year-end (refer note 6)	7 566	5 388
Balance at end of year	<u>29 317</u>	<u>21 751</u>
8. REVENUE		
Revenue comprises:		
Dividends received	120 351	98 930
Interest received	1 764	659
	<u>122 115</u>	<u>99 589</u>
9. PROFIT BEFORE TAXATION		
Profit before taxation is stated after taking into account the following items of income and expenditure:		
Income		
Dividends received	120 351	98 930
Joint venture entity	115 317	95 802
Available-for-sale investments	5 034	3 128
Interest received	1 764	659
Expenditure		
Auditors' remuneration – audit fees	71	56
Directors' remuneration	36 456	26 782
– directors' fees	778	678
– other services	35 678	26 104

	2007 R'000	2006 R'000
10. TAXATION		
South African normal tax		
– current year	508	191
– underprovisions relating to prior years	13	–
Capital gains tax	6 239	16 693
	6 760	16 884
<p>The company has unused credits in respect of secondary tax on companies of R92,1 million (2006: R76,8 million). No deferred tax asset has been raised on these amounts as there is no certainty that the credits will be utilised in the foreseeable future.</p>		
Reconciliation of tax rate (%)		
Nominal tax rate	29,00	29,00
Adjusted for:		
Dividend income	(21,28)	(14,01)
Exempt income	(7,61)	(20,64)
Capital gains tax on disposal of available-for-sale investments	3,80	8,15
Underprovisions prior years	0,01	–
Disallowable expenditure	0,19	5,06
Other	0,01	0,68
Effective tax rate	4,12	8,24
11. DIVIDENDS		
Dividends declared		
Final dividend No. 99 of 150 cents (2006: 150 cents) per share – declared on 30 August 2006	42 000	42 000
Interim dividend No. 100 of 150 cents (2006: 80 cents) per share – declared on 19 February 2007	42 000	22 400
	84 000	64 400
Per share (cents)	300	230
Dividends relating to the activities of the company for the year under review		
Interim dividend No. 100 of 150 cents (2006: 80 cents) per share – declared on 19 February 2007	42 000	22 400
Final dividend No. 101 of 200 cents (2006: 150 cents) declared on 29 August 2007	56 000	42 000
	98 000	64 400
Per share (cents)	350	230
12. NOTES TO THE CASH FLOW STATEMENTS		
12.1 Cash utilised in operations		
Profit before taxation	164 030	204 846
Adjusted for:		
	(165 130)	(208 629)
– Dividends received	(120 351)	(98 930)
– Interest received	(1 764)	(659)
– Profit on disposal of available-for-sale investments	(43 025)	(145 777)
– Discount on BEE transaction	–	35 752
– Finance costs	10	985
	(1 100)	(3 783)

	Note	2007 R'000	2006 R'000
12. NOTES TO THE CASH FLOW STATEMENTS (continued)			
12.2 Investment income			
	Credited to the income statements	120 351	98 930
12.3 Movements in working capital			
	(Decrease)/increase in amounts owing by group companies	(14 714)	2 445
	(Decrease)/increase in trade and other payables	(12)	30
		(14 726)	2 475
12.4 Taxation paid			
	(Unpaid)/prepaid at beginning of year	(16 854)	24
	Charged to the income statements	(6 760)	(16 884)
	Unpaid at end of year	6 741	16 854
		(16 873)	(6)
12.5 Dividends paid			
	Unpaid at beginning of year	(100)	(76)
	Paid during the year	(84 000)	(64 400)
	Unpaid at end of year	107	100
		(83 993)	(64 376)
12.6 Acquisition of additional shares in a joint venture company			
	Purchase price	-	407 343
	Less: Cash excluded in assets acquired	-	(2 837)
	Net cash paid	-	404 506
13. BORROWING CAPACITY			
The borrowing capacity of the company, its joint venture and subsidiaries, in terms of its Articles of Association are as follows:			
	Authorised in terms of the Articles of Association	200 000	200 000
	External borrowings at year-end	-	-
	Unutilised borrowing capacity	200 000	200 000
14. CONTINGENT LIABILITIES			
Guarantees			
	Guarantees issued to bankers as security for facilities provided to subsidiary companies	329 766	262 933
Joint venture entity			
The company has issued guarantees to bankers to secure a short-term export finance agreement facility of R180 million (2006: R180 million). The facility is primarily utilised for and on behalf of Assmang in which the group holds a 50% interest and which in turn has provided a back-to-back guarantee against any claims made by bankers in terms of this facility.			
BEE transaction			
Certain preference shares were issued as part of the BEE transaction entered in 2006. If an event of default is triggered in relation to the preference shares, the provisions of the relevant put option and call agreements entered into will apply. The company has also provided a guarantee to secure the banking facilitation extended to Mampa which at year-end amounted to R9,0 million (2006: R10,5 million). The company in turn holds a back-to-back pledge over Mampa's interest in RMDC in the event that the guarantee is called up.			