STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2018

		Group		Company	
		2018	2017	2018	2017
	Note	R000	R000	R000	R000
Sales revenue	32	7 552 181	6 865 185	7 142 893	6 395 036
Cost of sales		(6 728 867)	(6 251 200)	(6 787 469)	(6 162 574)
Operating costs	33	(6 318 000)	(5 676 017)	(4 240 251)	(3 717 601)
Concentrates purchased		(1 410 506)	(404 093)	(3 963 939)	(2 508 386)
Refining and other costs		(123 840)	(120 633)	(123 840)	(120 633)
Depreciation and write-offs		(441 865)	(452 584)	(152 041)	(182 650)
Change in metal inventories		1 565 344	402 127	1 692 602	366 696
Gross profit		823 314	613 985	355 424	232 462
Share of earnings from associates and joint ventures	5	4 162	4 870	–	–
Investment revenue	34	52 633	167 306	63 761	126 043
Finance costs excluding preference share dividends	35	(68 481)	(71 185)	(210 428)	(72 512)
Net foreign exchange gains/(losses)		2 368	(46 729)	4 135	(32 564)
Sundry income	36	217 005	73 361	86 685	64 233
Sundry expenditure	37	(380 944)	(130 843)	(70 341)	(60 587)
Profit before preference share dividends		650 057	610 765	229 236	257 075
Amortisation of liquidity fees paid on preference shares		(16 390)	(16 390)	–	–
Preference share dividends net of amounts capitalised		(1 106 684)	(1 017 396)	–	–
Loss on derecognition of preference share liability		(8)	(901)	–	–
(Loss)/profit before tax		(473 025)	(423 922)	229 236	257 075
Taxation	38	(231 973)	(212 021)	(86 624)	(73 065)
(Loss)/profit for the year		(704 998)	(635 943)	142 612	184 010
Other comprehensive income					
Items that will be subsequently reclassified to profit or loss		(364)	–	(2 039)	2 039
Fair value adjustment on the investment in Zambezi Platinum (RF) Limited preference shares classified as available for sale net of deferred tax	8	–	–	–	2 039
Reclassification to profit and loss (relating to an impairment)	8	–	–	(2 039)	–
Exchange differences on translation of foreign operations		(364)	–	–	–
Total comprehensive income for the year		(705 362)	(635 943)	140 573	186 049

		Cents	Cents
Loss per share	39	(201.5)	(181.8)
Fully diluted loss per share	39	(201.5)	(181.8)
Headline loss per share	39	(200.5)	(181.9)
Fully diluted headline loss per share	39	(200.5)	(181.9)

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2018

		Group		Company	
		2018	2017	2018	2017
	Note	R000	R000	R000	R000
Assets					
Non-current assets		19 108 944	15 483 553	17 554 936	14 019 436
Property, plant and equipment	3	11 874 146	9 022 260	3 658 338	3 323 252
Mining properties and mineral resources	4	6 629 160	5 636 342	1 130 284	116 558
Interest in associates and joint ventures	5	171 376	167 214	–	–
Investment in subsidiaries	6	–	–	12 351 835	10 216 000
Unlisted investment	7	–	–	–	–
Other investments	8	–	–	249 618	230 505
Land and township development	9	65 680	48 529	45 444	22 749
Long-term receivables	10	86 897	83 745	8 451	–
Investments held by Northam Platinum Restoration Trust Fund	11	110 626	102 233	55 333	48 274
Environmental Guarantee Investment	12	68 899	68 104	55 633	54 507
Buttonshope Conservancy Trust	13	12 203	11 126	–	–
Long-term prepayments	14	89 608	336 409	–	–
Other assets	28	–	7 591	–	7 591
Deferred tax asset	21	349	–	–	–
Current assets		4 715 090	4 103 337	4 765 438	5 433 769
Short-term subsidiary loan	15	–	–	99 225	1 838 213
Inventories	16	3 386 795	1 729 102	3 381 744	1 673 000
Trade and other receivables	17	924 085	548 997	993 403	487 956
Cash and cash equivalents	18	388 702	1 786 865	280 916	1 396 677
Tax receivable		15 508	38 373	10 150	37 923
Non-current assets held for sale	5	–	49 222	–	49 222
Total assets		23 824 034	19 636 112	22 320 374	19 502 427
Equities and liabilities					
Stated capital	19	13 778 114	13 778 114	13 778 114	13 778 114
Treasury shares	19	(6 556 123)	(6 556 123)	–	–
Accumulated loss		(709 396)	(4 398)	(5 774 362)	(5 916 974)
Equity-settled share-based payment reserve	20	874 448	874 448	1 173 756	1 173 756
Available for sale reserve		–	–	–	2 039
Foreign currency translation reserve		(364)	–	–	–
Total equity		7 386 679	8 092 041	9 177 508	9 036 935
Non-current liabilities		12 832 267	9 929 685	10 197 831	9 005 235
Deferred tax liability	21	824 794	585 883	700 878	605 265
Long-term provisions	22	640 128	304 829	131 793	141 284
Long-term loans	23	182 063	249 428	123 176	249 428
Long-term share-based payment liability	27	78 999	88 639	45 257	52 233
Financial guarantee liability	24	–	–	7 535 944	7 535 944
Domestic medium term notes	25	174 288	421 081	174 288	421 081
Preference share liability	26	9 445 500	8 279 825	–	–
Revolving credit facility	28	1 486 495	–	1 486 495	–
Current liabilities		3 605 088	1 614 386	2 945 035	1 460 257
Current portion of long-term loans	23	24 540	13 434	16 896	13 434
Current portion of domestic medium term notes	25	1 243 440	–	1 243 440	–
Short-term share-based payment liability	27	78 340	75 026	44 604	45 988
Tax payable		117	102 550	–	–
Trade and other payables	29	1 965 975	1 268 172	1 368 964	1 254 863
Bank overdraft	18	95 535	–	95 228	–
Short-term provisions	30	197 141	155 204	175 903	145 972
Total equity and liabilities		23 824 034	19 636 112	22 320 374	19 502 427

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

Group	Stated capital	Equity-settled share-based payment reserve	(Accumulated loss)/retained earnings	Foreign currency translation reserve*	Total equity
	R000	R000	R000	R000	R000
Balance as at 1 July 2016	7 221 991	874 448	631 545	–	8 727 984
Loss and total comprehensive income for the year	–	–	(635 943)	–	(635 943)
Balance as at 30 June 2017	7 221 991	874 448	(4 398)	–	8 092 041
Total comprehensive income for the year	–	–	(704 998)	(364)	(705 362)
Loss for the year	–	–	(704 998)	–	(704 998)
Other comprehensive income for the year	–	–	–	(364)	(364)
Balance as at 30 June 2018	7 221 991	874 448	(709 396)	(364)	7 386 679
Note	19	20			

* *The foreign currency translation reserve has been created to account for the foreign exchange gain or loss on translation of a foreign operation*

Company	Stated capital	Equity-settled share-based payment reserve	Accumulated loss	Available for sale reserve	Total equity
	R000	R000	R000	R000	R000
Balance as at 1 July 2016	13 778 114	1 173 756	(6 077 117)	–	8 874 753
Pooling of interest reserve	–	–	(23 867)	–	(23 867)
Total comprehensive income for the year	–	–	184 010	2 039	186 049
Profit for the year	–	–	184 010	–	184 010
Other comprehensive income for the year	–	–	–	2 039	2 039
Balance as at 30 June 2017	13 778 114	1 173 756	(5 916 974)	2 039	9 036 935
Total comprehensive income for the year	–	–	142 612	(2 039)	140 573
Profit for the year	–	–	142 612	–	142 612
Other comprehensive income for the year	–	–	–	(2 039)	(2 039)
Balance as at 30 June 2018	13 778 114	1 173 756	(5 774 362)	–	9 177 508
Note	19	20			

STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

		Group		Company	
		2018	2017	2018	2017
	Note	R000	R000	R000	R000
Cash flows from operating activities		(342 232)	981 497	(1 552 723)	262 584
Cash generated from operations	40	1 132 187	1 055 139	532 632	433 124
Change in working capital	41	(1 547 247)	(182 388)	(2 139 959)	(208 842)
Investment revenue received		61 058	167 306	39 948	106 838
Transaction fees paid		–	(8 594)	–	(8 594)
Movement relating to land and township development		(17 151)	2 812	(22 695)	(4 531)
Taxation refund received/(paid)	42	28 921	(52 778)	37 351	(55 411)
Cash flows utilised in investing activities		(3 580 937)	(1 990 754)	(2 035 132)	(229 516)
Property, plant and equipment and mining properties and mineral reserves					
Additions to maintain operations		(385 609)	(299 051)	(249 467)	(187 190)
Additions to expand operations		(3 036 727)	(1 321 757)	(1 444 250)	(595 565)
Disposal proceeds		5 133	3 732	14 395	3 732
Amounts paid in respect of long-term prepayments	14	(202 691)	(336 409)	–	–
Additional investment made in associate	5	–	(20 243)	–	(4 498)
Cash calls paid to associate	5	(1 347)	–	(1 347)	–
Repayment of the Booysendal Platinum Proprietary Limited loan		–	–	–	639 700
Movement in the Norplats Properties Proprietary Limited loan		–	–	15 297	(19 713)
Movement in the Mining Technical Services Proprietary Limited loan		–	–	3 634	(11 541)
Various smaller subsidiary loan repayments		–	–	(31)	5 949
Increase in investments held by Northam Platinum Restoration Trust Fund		(8 393)	(8 586)	(7 059)	(5 070)
Increase in investments held by Environmental Guarantee Investments		(795)	(7 759)	(1 126)	(5 320)
Increase in investment held in Buttonshope Conservancy Trust		(1 077)	(681)	–	–
Investment made in Eland Platinum Proprietary Limited	6	–	–	(275 000)	(50 000)
Investment made in the US subsidiaries	6	–	–	(140 747)	–
Proceeds received from the sale of the non-current asset held for sale	5	50 569	–	50 569	–
Cash flows generated/(utilised) from financing activities		2 421 486	(250 130)	2 368 881	(231 980)
Interest paid		(158 170)	(29 694)	(150 175)	(51 508)
Repayment of long-term loan		(9 400)	(50 756)	–	(10 792)
Issue of long-term loans		100 000	38 992	30 000	38 992
Draw down on revolving credit facility	28	2 000 000	–	2 000 000	–
Repayment of revolving credit facility	28	(500 000)	–	(500 000)	–
Issue of domestic medium term notes	25	1 000 000	–	1 000 000	–
Transaction fees paid		(9 267)	–	(9 267)	–
Acquisition of Zambezi Platinum (RF) Limited preference shares	8	(1 677)	(208 672)	(1 677)	(208 672)
Decrease in cash and cash equivalents		(1 501 683)	(1 259 387)	(1 218 974)	(198 912)
Net foreign exchange difference on cash and cash equivalents		7 985	(58 828)	7 985	(58 828)
Cash and cash equivalents at the beginning of the year		1 786 865	3 105 080	1 396 677	1 654 417
Cash and cash equivalents at the end of the year	18	293 167	1 786 865	185 688	1 396 677

ACCOUNTING POLICIES

For the year ended 30 June 2018

1. Basis of preparation

The financial statements have been prepared on the historical cost basis, except for certain financial instruments and liabilities that are stated at fair value. Details of the accounting policies are set out below and are consistent with those applied in the previous year, except where otherwise indicated.

The financial statements are in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the JSE Limited listings requirements and the Companies Act of South Africa.

The annual financial statements are presented in South African rand, which is the presentation currency.

The preparation of financial statements in conformity with IFRS requires that management and the board exercises their judgement in the process of applying the company's group 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 notes to the financial statements.

1.1 New accounting policies adopted

The following standards, amendments or interpretations impacting the group which became effective for the year beginning 1 July 2017 were adopted in the group's year-end results

- IAS 7 Disclosure Initiative – Amendments to IAS 7 (refer note 43)

  The IASB's Disclosure Initiative helps users of financial statements better understand changes in an entity's debt. The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

- IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12
- Annual Improvement Project (AIP) IFRS 12 Disclosure of Interests in Other Entities – Clarification of the scope of the disclosure requirements in IFRS 12

The adoption of these standards, amendments and interpretations resulted in changes only in additional disclosures in the financial statements. They did not impact any amounts recognised in the statement of profit or loss and other comprehensive income or statement of financial position.

1.2 Standards, interpretations and amendments issued, but not yet effective

At the date of authorisation of these financial statements, the following standards, amendments 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	Impact	Effective date
IFRS 9 Financial Instruments	IFRS 9 Financial Instruments is the International Accounting Standards Board (IASB)'s replacement of IAS 39 Financial Instruments: Recognition and Measurement. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting of financial instruments. The new standard contains substantial changes from the current financial instruments standard (IAS 39) with regards to the classification, measurement, impairment and hedge accounting requirements. These changes include: • *Classification and measurement*: The new classification requirements are based on both the entity's business model for managing the financial assets and the contractual cash flow characteristics of a financial asset. The more principles-based approach of IFRS 9 requires the careful use of judgement in its application. • *Impairment*: The IASB has sought to address a key concern that arose as a result of the financial crisis, that the incurred loss model in IAS 39 contributed to the delayed recognition of credit losses. As such, it has introduced a forward-looking expected credit loss model. • *Hedge accounting*: The aim of the new hedge accounting model is to provide useful information about risk management activities that an entity undertakes using financial instruments, with the effect that financial reporting will reflect more accurately how an entity manages its risk and the extent to which hedging mitigates those risks. IFRS 9 establishes a new model for recognition and measurement of impairments in loans and receivables that are measured at amortised cost or fair value through other comprehensive income (FVOCI), the so-called expected credit loss model. This is the only impairment model that applies in IFRS 9 because all other assets are classified and measured at fair value through profit or loss (FVPL) or, in the case of qualifying equity investments, FVOCI with no recycling to profit or loss. Expected credit losses are calculated by: identifying scenarios in which a loan or receivable defaults; estimating the cash shortfall that would be incurred in each scenario if a default were to happen; multiplying that loss by the probability of the default happening; and summing the results of all such possible default events. Because every loan and receivable has at least some probability of defaulting in the future, every loan or receivable has an expected credit loss associated with it from the moment of its origination or acquisition. IFRS 9 does not require an entity to restate prior periods. Restatement is permitted, if and only if, it is possible without the use of hindsight and the restated financial statements reflect all of the requirements of IFRS 9. If the entity does not restate prior periods, any difference between previous carrying amounts and those determined under IFRS 9 at the date of initial application should be included in the current year opening retained earnings (or other equivalent component of equity). IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. IFRS 9 will be adopted on the required effective date and comparatives will not be restated. An impact assessment has been performed on the aspects of IFRS 9. The assessment is based on currently available information and may be subject to changes arising from further reasonable and supporting information being made available during the	1 January 2018

Standard or interpretation	Impact	Effective date
	F2019 financial year when IFRS 9 will be adopted. Below is a brief summary of the expected impact that IFRS 9 will have on the statement of financial position: *Classification and measurement* In terms of IFRS 9 a debt instrument can only be classified as amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. As the investment in preference shares carries exposure over and above payments of principal and interest, IFRS 9 would require classification as fair value through profit or loss. The IAS 39 classification as available for sale will therefore change to fair value through profit or loss. Loans as well as trade receivables, excluding receivables with provisional pricing arrangements, are held to collect contractual cash flows and are expected to give rise to cash flows representing payments of principal and interest. The contractual cash flow characteristics of these instruments were analysed and it was concluded that they meet the criteria for amortised cost measurement under IFRS 9. Therefore, reclassification for these instruments will not be required. Other than the items noted above, Northam does not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of IFRS 9. *Impairment* IFRS 9 requires an entity to record expected credit losses on all of its loans and trade receivables. The group will apply the simplified approach and record lifetime expected losses on all trade receivables, excluding receivables with provisional pricing arrangements. There are no expected impairment losses that will arise due to the short-term nature of the group`s trade receivables cycle and history of recovery. There could however be expected impairment losses that arises from long-term receivables and loans to employees that comprise balances due in respect of Northam's home ownership scheme. The group will apply the general approach on these balances. The general approach involves determining whether the credit risk of a loan or receivable has increased significantly relative to the credit risk at the date of initial recognition. *Hedge accounting* The group currently does not apply hedge accounting and these changes are therefore not expected to impact the group.	
IFRS 15 Revenue from Contracts with Customers	The IASB has published IFRS 15 Revenue from Contracts with Customers. IFRS 15 outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance. The core principle is that an entity recognises revenue based on a five-step model to reflect the transfer to goods or services, measured at the amount to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 is effective for reporting periods beginning on or after 1 January 2018, with earlier application permitted. Entities can choose to apply the standard fully retrospectively or use a modified retrospective approach in the year of application. Northam plans to adopt the new standard on the required effective date using the full retrospective method making use of some of the practical expedients. An assessment was performed with regards to the impact which IFRS 15 will have on the results of the group. The key issues identified, are set out below. These are based on the current interpretation of IFRS 15 and may be subject to changes as interpretations evolve. Furthermore, the group is considering and will continue to monitor any further developments.	1 January 2018

Standard or interpretation	Impact	Effective date
	Contract terms for the group's sale of base metals allow for a price adjustment based on final assay results to determine the final metal content. These are referred to as provisional pricing arrangements, and are such that the selling price is based on prevailing spot prices on a specified future date after shipment to the customer (the quotational period (QP)). Adjustments to the sales price occur based on movements in quoted market prices up to the date of final settlement. The period between provisional invoicing and final settlement can be between one to four months. Under IAS 18, sales contracts that have provisional pricing features are considered to contain an embedded derivative, which is required to be separated from the contract for accounting purposes. The contract is the sale of base metals and the embedded derivative is the forward contract for which the provisional sale is subsequently adjusted. Recognition of sales revenue for these commodities is based on the most recently determined estimate of metal in concentrate (based on initial assay results) and the spot price at the date of shipment. The embedded derivative is initially recognised at fair value, with subsequent changes in the fair value recognised in profit or loss each period until final settlement, and presented as part of revenue. Revenue is recognised at the estimated fair value of the total consideration received or receivable when the concentrate is delivered, which is either when it passes to the buyers trucks or delivered to the customers premises. The initial estimate of the fair value of the embedded derivative and subsequent changes in fair value over, and to the end of, the QP, are also estimated by reference to forward market prices. The subsequent changes in fair value are recognised in the statement of profit or loss and other comprehensive income each period until final settlement and presented as part of revenue. Any subsequent changes arising due to differences between the initial and final assay results are not considered part of the embedded derivative and are adjusted against revenue. IFRS 15 states that if a contract is partially within scope of this standard and partially in the scope of another standard, an entity will first apply the separation and measurement requirements of the other standard(s). Therefore, to the extent that provisional pricing features are considered to be in the scope of another standard, they will be outside the scope of IFRS 15 and entities will be required to account for these in accordance with IFRS 9. Any subsequent changes that arise due to differences between initial and final assay will still be considered within the scope of IFRS 15 and since it constitutes variable consideration, it will be subject to the constraint on estimates of variable consideration. Revenue in respect of the contract will be recognised when control passes to the customer (which has been determined to be the same point in time) and will be measured at the amount the entity expects to be entitled – being the estimate of the price expected to be received at the end of the QP, i.e., using the most recently determined estimate of the metal content (based on initial assay results) and the estimated forward price (which is consistent with current practice). When considering the initial assay estimate, the group has considered the requirements of IFRS 15 in relation to the constraint on estimates of variable consideration. It will only include amounts in the calculation of revenue where it is highly probable that a significant revenue reversal will not occur when the uncertainty relating to final assay/quality is subsequently resolved, i.e., at the end of the QP. As disclosed above, the assay differences are not usually material, hence, no change is expected when compared to the current approach. Consequently, at the time the concentrate passes the buyer's trucks or delivered to the buyer, the group will recognise a receivable because from that time it considers it has an unconditional right to consideration. This receivable will then be accounted for in accordance with IFRS 9. The embedded derivative will no longer be separated from the contract, i.e., the concentrate receivable. This is because the existence of the provisional pricing features will mean the concentrate receivable will fail	

Standard or interpretation	Impact	Effective date
	to meet the requirements to be measured at amortised cost. Instead, the entire receivable will be measured at fair value, with subsequent movements being recognised in profit or loss. The requirement to measure the entire receivable at fair value is different from current practice in that the current embedded derivative represents changes in the commodity price, whereas under IFRS 9 the fair value of the receivable will include the impact of changes in the commodity price, interest rate risk and credit risk. Given the nature of the group's provisionally priced sales in that they are no more than four months long and are with customers who have a strong credit rating, the group does not expect this change to have a material impact. With respect to the presentation of amounts arising from such provisionally priced contracts, IFRS 15 requires "revenue from contracts with customers" to be disclosed separately from other types of revenue. This means that revenue recognised from the initial sale must be separately disclosed in the financial statements from any subsequent movements in the fair value of the related receivable. This requirement will have an impact on disclosure as the group currently recognises fair value movements in revenue. However, the quantum of the fair value movement may be different as a result of the adoption of IFRS 9. Consistent with current practice, any subsequent changes that arise due to differences between initial and final assay related to volume/quantity and quality will be recognised as an adjustment to revenue from contracts with customers. In addition to the presentation and disclosure requirements for provisionally priced sales discussed above, IFRS 15 contains other presentation and disclosure requirements which are more detailed than the current IFRS. The presentation requirements represent a significant change from current practice and will increase the volume of disclosures required in the group's financial statements. Many of the disclosure requirements in IFRS 15 are new.	
IFRS 16 Leases	The new standard provides a comprehensive model to identify lease-arrangements and the treatment thereof in the financial statements of both lessees and lessors. IFRS 16 requires lessees to recognise most leases on their balance sheets as lease liabilities with corresponding right-of-use assets. Lessees will apply a single model for most leases (with certain exemptions). Generally, the profit or loss recognition pattern will change as interest and depreciation expenses are recognised separately in profit or loss (similar to current finance lease accounting). However, lessees can make accounting policy elections to apply accounting similar to operating lease accounting under IAS 17 Leases to short-term leases and leases of low-value assets. Lessor accounting is substantially unchanged from the current lease statement. As with IAS 17, IFRS 16 requires lessors to classify their leases into two types: finance leases and operating leases. Lease classification determines how and when a lessor recognises lease revenue and what assets a lessor records. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted provided that the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been, or is, applied at the same date as IFRS 16. Lessees must apply IFRS 16 using either a full retrospective or a modified retrospective approach. The group has limited lease arrangements and the impact is therefore expected to be minimal, but is still in the process of being assessed.	1 January 2019
IFRIC 22 Foreign Currency Transaction and Advance Consideration	The IFRS Interpretations Committee issued an Interpretation on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The Interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The date of the transaction determines the exchange rate to be used on initial recognition of the related asset, expense or income. The issue arises because IAS 21 requires an entity to use the exchange rate at the 'date of the transaction', which is defined	1 January 2018

Standard or interpretation	Impact	Effective date
	as the date when the transaction first qualifies for recognition. The 'date of the transaction' for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. In case there are multiple payments or receipts in advance, the entity should determine a date of transaction for each payment or receipt of advance consideration. The Interpretation provides guidance for when a single payment/receipt is made, as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. The amendment is effective for annual periods beginning on or after 1 January 2018. The group already follows the principles included in IFRIC 22, relating to non-current prepayments made and therefore believes that the impact will be minimal.	
IFRS 2 Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2	The IASB has issued amendments to IFRS 2 Share-based Payment in relation to the classification and measurement of share-based payment transactions. The amendments are intended to eliminate diversity in practice in three main areas. The effects of vesting conditions on the measurement of a cash-settled share based payment transaction. The classification of a share-based payment transaction with net settlement features for withholding tax obligations. The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments to IFRS 2 are effective for accounting periods beginning on or after 1 January 2018, but earlier application is permitted provided it is disclosed. On adoption, prior periods will not be restated. The amendment is believed to have a minimal impact on the results of the group as the clarifications is consistent with current practices applied by the group.	1 January 2018
IFRIC 23 Uncertainty over Income Tax Treatment	The IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments (the Interpretation). The Interpretation clarifies application of recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: whether an entity considers uncertain tax treatments separately, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and how an entity considers changes in facts and circumstances. The interpretation is effective for periods beginning on or after 1 January 2019. This interpretation is not considered to have a material impact on the group results, but is still being assessed.	1 January 2019
Amendments to IAS 23 Borrowing costs	The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted. This amendment will be taken into account when determining general borrowing costs which can be capitalised to qualifying assets, in accordance with the transition provisions.	1 January 2019

Standard or interpretation	Impact	Effective date
Conceptual Framework	The IASB has revised its Conceptual Framework. The primary purpose of the Framework is to assist the IASB (and the Interpretations Committee) by identifying concepts that it will use when setting standards. Key changes include: • increasing the prominence of stewardship in the objective of financial reporting, which is to provide information that is useful in making resource allocation decisions • reinstating prudence, defined as the exercise of caution when making judgements under conditions of uncertainty, as a component of neutrality • defining a reporting entity, which might be a legal entity or a portion of a legal entity • revising the definition of an asset as a present economic resource controlled by the entity as a result of past events • revising the definition of a liability as a present obligation of the entity to transfer an economic resource as a result of past events • removing the probability threshold for recognition, and adding guidance on derecognition • adding guidance on the information provided by different measurement bases, and explaining factors to consider when selecting a measurement basis • stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where the relevance or faithful representation of the financial statements would be enhanced. The Board and Interpretations Committee will immediately begin using the revised Framework, and the group will consider it when needed in terms of the IAS 8 hierarchy dealing with selecting accounting policies not covered by an IFRS standard.	1 January 2020

Northam notes the new standards, amendments and interpretations which have been issued but not yet effective and does not plan to early adopt any of the standards, amendments and interpretations.

1.3 Consolidation

The consolidated financial statements include the results and financial position of the company, its subsidiaries, joint ventures and associates. Subsidiaries are entities in respect of which the group has power over and is exposed, or has rights, to variable returns from its involvement with these entities and has the ability to affect those returns through its power over those entities.

Control would generally exist where the group owns more than 50% of the voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred. They are de-consolidated from the date on which control ceases. Control is reassessed if facts and circumstances indicated that there are changes to one or more of the elements of control.

The financial statements of the subsidiaries are prepared for the same reporting period as Northam Platinum Limited, using consistent accounting policies.

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

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies, including any resulting tax effect are eliminated.

Investment in subsidiaries are assessed for impairment at each reporting period as part of the group's impairment assessment, and detailed impairment testing is performed if there are any indications that an investment in a subsidiary could potentially be impaired.

1.4 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 acquirer's identifiable net assets.

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 indicates that it might be impaired.

Business combination of entities under common control

Business combinations between entities under common control are accounted for using the pooling of interests method. Under this method the assets, liabilities and reserves of the acquired entity are recorded by the purchasing entity at their existing carrying values as recorded in the consolidated financial statements. As required by the pooling of interests method, the transfer is accounted for as if it occurred at the beginning of the financial year. The comparative amounts are not restated.

1.5 Associates and joint arrangements

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Associates are accounted for at cost and are adjusted for impairments where appropriate in the company financial statements.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities.

Investments in associates are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the associates carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an associates fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

The group also has interests in a joint arrangement which is classified as joint ventures in terms of IFRS 11 Joint arrangements. The group's investment in the joint ventures are accounted for using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Dividends received from associates and joint ventures are included in investing activities in the statement of cash flow.

Where there is an additional investment in the associates or joint ventures, the purchase price paid for the additional interest is added to the existing carrying amount of the associate or joint venture and the existing interest is not re-measured.

The financial statements of the associates and joint ventures 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 or joint venture. The group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

Any losses of equity accounted investments are brought to account in the financial statements until the investment in such investments is written down to zero. Thereafter, losses are accounted for only insofar as the group is committed to providing financial support to such investees.

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

1.6 Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation/amortisation and accumulated impairments/reversal. Cost includes pre-production expenditure incurred during the development of a mine and the present value of related future decommissioning costs.

Interest on borrowings relating to the financing of major capital projects under construction is capitalised during the construction phase as part of the cost of the project. Such borrowings costs are capitalised over the period during which the asset is being constructed and borrowings have been incurred. Capitalisation ceases when construction is interrupted for an extended period or when the asset is substantially complete. Other borrowing costs are expensed as incurred.

Mining and general infrastructure assets including metallurgical and refining plants

Mine development and infrastructure costs are capitalised to assets under construction and transferred when the mining venture reaches commercial production.

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

Depreciation is first charged from the date on which the mining assets reaches commercial production levels. When a mine development project moves into the production phase, the capitalisation of certain mine development costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions, improvements or new developments, underground mine development or mineable reserve development.

Mining assets are depreciated on a units of production basis based on reserves which are revised annually.

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

Decommissioning asset

The decommissioning asset is depreciated on the units of production basis, based on reserves, 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. The decommissioning asset is included as part of the mining plant and equipment when considering depreciation, impairment and derecognition.

Foreign currency prepayment

Prepayment relating to the manufacturing costs in terms of the aerial ropeway manufacturer agreement is currently incurred with a foreign supplier. The prepayment was initially accounted for at cost using the spot rate at transaction date. The construction of the ropeway will take place over a period of time. These prepayments will be capitalised to property, plant and equipment as and when construction of the aerial ropeway is finalised.

Other assets including buildings

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.

Buildings are depreciated on a straight-line basis over the estimated useful life, which is generally the life of mine

Land and assets under construction

Land and assets under construction are recorded at cost of acquisition less accumulated impairment losses and are not depreciated.

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 or loss.

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.

Impairment

An impairment review of property, plant and equipment is carried out when there is an indication that these may be impaired by comparing the carrying amount thereof to its recoverable amount.

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

Where the recoverable amount is less than the carrying amount, the impairment charge is included in other net expenditure in order to reduce the carrying amount of property, plant and equipment to its recoverable amount. The adjusted carrying amount is depreciated on a straight-line basis over the remaining useful life of property, plant and equipment.

Annual review of residual values, depreciation method and useful lives

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted prospectively, if appropriate, at each financial year end.

Non-current assets held for sale

The group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding finance costs.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale and the sale is expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Exploration expenditure

Exploration and evaluation expenditure on greenfields sites, being those where the group does not have any mineral deposits which are already being mined or developed, is expensed as incurred until a feasibility study has been completed, after which the expenditure is capitalised if the feasibility study demonstrates that future economic benefits are probable.

Exploration and evaluation expenditure on brownfields sites, being those adjacent to mineral deposits which are already being mined or developed, is expensed as incurred until management is able to demonstrate that future economic benefits are probable through the completion of a pre-feasibility study. Costs relating to development activities as well as mineral resources bought are capitalised to mine development asset.

Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised as a mine development cost as and when incurred.

1.7 Mining properties and mineral resources

Mining properties and mineral resources comprising mineral rights 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 units of production basis based on reserves which are revised annually.

Mining properties and mineral resources acquired separately are measured on initial recognition at cost. Following initial recognition, these mining properties and mineral resources are carried at cost less any accumulated amortisation and any accumulated impairment losses.

1.8 Land and township development

The assets are recognised on the statement of financial position in accordance with IAS 2. We are comfortable that a buyer will always be found due to the housing requirements around our mines. Because these assets are normally held for a period of longer than 12 months, they are however deemed to be non-current assets. These assets are held at the lower of cost and net realisable value.

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

Land and township development, which is an initiative in order to assist the group's employees to acquire their own affordable housing, is initially recognised at cost. Cost is determined on the basis of land acquisition, development and housing construction cost. Land and township development is derecognised when the risks and rewards of ownership of the property transfers to the employees.

Northam's main business is not the development of properties but is obligated under South African mining legislation to offer certain of its employees house ownership as part of their benefits. To that end, it constructs houses which are sold to employees. The houses are mainly for employees but third parties can also acquire these properties. Therefore, the main aim of the disclosure of the land and township development activities provided is qualitative by nature, i.e. social and community advancement and employee benefits. The main business of the group is mining platinum group metals.

1.9 Financial instruments

Financial instruments recognised on the statement of financial position include investments, cash and cash equivalents, long-term receivables, trade receivables, trade payables, loans and borrowings. 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. Transaction costs are amortised based on the effective interest rate method.

Fair value

Where financial instruments are recognised at fair value, the instruments are measured at the amount for which an asset could be sold, or an amount paid to transfer a liability, in an orderly transaction in the principal or most advantageous market, at the measurement date under current market conditions regardless of whether this price is directly observable or estimated using a valuation technique. Fair values have been determined as follows: (i) where market prices are available, these have been used and (ii) where there are no market prices available, fair values have been determined using valuation techniques incorporating observable market inputs or discounting expected cash flows at market rates.

The fair value of the trade receivables, cash and cash equivalents, and trade payables approximates their carrying amount due to the short maturity period of these instruments.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or expense over the period of the instrument.

Effectively, this method determines the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or, if appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

Financial assets

Financial assets are classified as available for sale or loans and receivables.

The classification of the financial assets is dependent on the purpose and characteristics of the particular financial assets and is determined at the date of initial recognition.

Investments classified as available for sale

Preference shares held are classified as available for sale investments.

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.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and include trade and other receivables, long-term receivables and cash and cash equivalents. After initial recognition, 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.

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.

Impaired debts are derecognised when they are assessed as uncollectible.

Available for sale financial assets

In the case of debt instruments classified as available for sale, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

Equity instruments

An equity instrument represents a contract that evidences a residual interest in the net assets of an entity. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are recorded initially at the fair value of the consideration received, which is cost net of any issue costs associated with the 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 issue.

Borrowings, trade and other payables and the preference share liability have been classified as financial liabilities.

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

Accrued dividends on preference shares are recognised as finance charges.

Derecognition of financial instruments

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.

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.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation. Amortisation is based on the total value of underlying liability still outstanding, as this better reflects the pattern of how the company provides the guarantee.

1.10 Inventories

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.

Metal on hand

Stocks of the three major platinum group elements and gold (4E), either in refined or in process 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 six month weighted average basis.

The average cost of normal production includes total costs incurred on mining and refining, including depreciation, less net revenue from the sale of by-products, including chrome, allocated to main products based on units produced under normal production.

Costs incurred in the production process, are appropriately accumulated as stockpiles, metal in process and product inventories. Platinum, palladium, rhodium and gold (4E) are treated as main products and other platinum group and base metals produced as by-products, including chrome, which are not classified as inventory.

Stockpiles are measured by estimating the stockpiled tonnes, the number of contained 4E ounces based on assay data, and the estimated recovery percentage based on the expected processing method, but only if the stockpiles are considered material. Stockpile tonnages are verified by periodic surveys.

In process and final inventories are carried at the lowest of average cost of normal production and net realisable value.

Net realisable value tests are performed, on a monthly basis and represent the expected sales price of the product based on prevailing spot metal prices at the reporting date, less estimated costs to complete production and bring the product to sale.

1.11 Provisions

Provisions are recognised when the group has a present obligation, whether legal or constructive, because of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised only when the reimbursement is virtually certain. The amount to be reimbursed is recognised as a separate asset.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Decommissioning provision

Estimated long-term environmental obligations, comprising pollution control, rehabilitation and mine closure, are based on an independent assessment of the future commercial closure costs in compliance with current technology, environmental and regulatory requirements.

Provision is made for the present value of the estimated future decommissioning costs at the end of the mine's life. A decommissioning asset is recognised as part of the underlying property, plant and equipment.

With regards to the provision, 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 finance 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. If the adjustment results in an addition to the decommissioning asset, consideration is given as to whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the asset is tested for impairment by estimating its recoverable amount in accordance with the respective accounting policies.

Decommissioning liabilities are discounted over the period of the various mining rights.

Provision for restoration costs

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 finance 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.

Restoration liabilities are discounted over the period of the mining right.

Expenditure on ongoing rehabilitation costs is recognised as an expense when incurred.

Environmental rehabilitation fund

The group may contribute 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 profit or loss in the period to which it relates.

The group controls the trust and therefore consolidates it.

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

1.12 Foreign currencies

The South African rand is the functional currency of all the operations, except for the US recycling operations which has a US dollar functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Profits or losses arising on the translation of foreign currencies, whether realised or unrealised, are credited or charged to profit or loss.

US entities

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities included in the statement of financial position are translated at the closing rate at the date of that statement of financial position
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

1.13 Revenue recognition

Revenue is recognised to the extent 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.

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 relating to metals where final assays are not yet available. 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 adjusted against revenue in the period in which the adjustment arises.

Sundry income (including treatment charges in respect of concentrate purchased)

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

Investment revenue

Interest (including preference share dividends) is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the group.

Dividends are recognised when the right to receive payment is established.

1.14 Borrowing costs

Borrowing costs are charged to finance charges.

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 intended use are complete. Other borrowing costs are recognised as an expense when incurred.

Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available for a short term from funds borrowed specifically to finance a project, the income generated from the temporary investment of such amounts is deducted from the total capitalised borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of the borrowing costs applicable to the borrowings of the group that are outstanding during the period.

1.15 Employee benefits

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. Accruals are made for accumulated leave and are measured at the amount that the group expects to pay when the leave is used.

Share incentive plan (including the lock-in mechanism shares)

Awards granted to employees in terms of the rules of the Northam share incentive plan (the plan) are measured at fair value based on market prices at the date of grant (measurement date).

The shares awarded in terms of the rules of the plan comprise: retention shares, which vest after three years with no performance criteria, and performance shares, which also vest after three years. The final number of performance shares that the relevant employee will receive will be subject to certain performance criteria being met.

The group initially measures the cost of cash-settled transactions with employees using a market value model to determine the fair value of the liability incurred.

For cash-settled share-based payment transactions, the liability needs to be re-measured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in the financial statements. Refer to note 27.

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.

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.

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' services terminate.

Toro Employee Empowerment Trust

The Toro Employee Empowerment Trust ("the Trust") was established for the benefit of eligible Zondereinde employees. Northam contributes 4% of its after tax profits to the Trust where after eligible employees will receive payment at the end of each five-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.

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.

Independent actuarial valuations are conducted annually. Re-measurements, comprising actuarial gains and losses arising as a result of experience adjustments and/or the effects of changes in actuarial assumptions, the effect of changes to the asset ceiling and the return on plan assets (excluding interest) are recognised immediately in profit or loss when they occur. Any increase in the present value of plan liabilities expected to arise from employee service during the period is charged to operating profit. Net interest is determined by applying the discount rate at the beginning of the year to the net defined liability or asset.

Past-service cost is recognised immediately in profit or loss in the period to the extent that benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

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

1.16 Leases

Group as lessee

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

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 for rental income received relating to mining properties are recognised as other income in profit or loss on a straight-line basis over the period of the lease.

1.17 Taxation

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 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 as appropriate.

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 'initial recognition exception' applies; and in respect of 'outside' temporary differences relating to subsidiaries, associates and joint ventures.

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 'initial recognition exception' applies; and in respect of 'outside' temporary differences relating to subsidiaries, associates and joint ventures.

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 utilised.

Deferred income tax assets and liabilities are measured at the tax rates 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 as appropriate and not in profit or loss.

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

Dividends withholding tax

The group withholds dividends tax on behalf of its shareholders on dividends declared at the enacted withholding tax rate. Amounts withheld are not recognised as part of the group's tax charge but rather as part of the dividend paid recognised directly in equity.

Uncertain tax positions

Judgements are required in respect of the application of existing tax laws in each jurisdiction and the therefore the determination of the provision for income taxes.

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The various statutory entities within the group recognise liabilities for anticipated tax uncertainties based on the best estimate of whether additional taxes will be due.

Where the final tax outcome of any tax matters are different from the amounts that were initially reported, such differences will impact the income and deferred tax provisions in the period in which such determination is made.

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

2. Segmental analysis

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

The Zondereinde mine includes the results of the chrome operations, previously housed in Northam Chrome Proprietary Limited. Northam Chrome Proprietary Limited was transferred to Northam Platinum Limited through a Section 47 of the Income Tax Act transfer during the prior year.

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

Eland Platinum Proprietary Limited and the US recycling operations have been included in other as none of these operations currently fulfil the criteria to be separately disclosed as an operating segment. Other also includes various subsidiaries, consolidation adjustments made as well as the capitalisation of borrowing costs. No segments were aggregated.

All assets of the group are South African based assets, except for the land and buildings as well as equipment held by the US subsidiaries amounting to R137.5 million.

Segmental statement of profit or loss and other comprehensive income 30 June 2018

	Zondereinde operating segment	Booysendal operating segment	Intercompany eliminations	Zambezi Platinum (RF) Limited and the BEE transaction	Other	Total
	R000	R000	R000	R000	R000	R000
Sales revenue	7 142 893	3 034 874	(2 625 586)	–	–	7 552 181
Cost of sales	(6 787 469)	(2 509 516)	2 568 118	–	–	(6 728 867)
Operating costs	(4 240 251)	(2 077 749)	–	–	–	(6 318 000)
On mine operations	(3 254 293)	(1 538 405)	–	–	–	(4 792 698)
Concentrator operations	(353 861)	(353 461)	–	–	–	(707 322)
Smelting and base metal removal plant costs	(417 828)	–	–	–	–	(417 828)
Chrome processing	(21 344)	(53 721)	–	–	–	(75 065)
Selling and administration	(106 331)	(82 411)	–	–	–	(188 742)
Royalty charges	(12 119)	(14 795)	–	–	–	(26 914)
Share-based payment expenses and profit share scheme	(76 980)	(30 364)	–	–	–	(107 344)
Rehabilitation	2 505	(4 592)	–	–	–	(2 087)
Concentrates purchased	(3 963 939)	(72 153)	2 625 586	–	–	(1 410 506)
Refining and other costs	(123 840)	–	–	–	–	(123 840)
Depreciation and write-offs	(152 041)	(291 556)	1 732	–	–	(441 865)
Change in metal inventories	1 692 602	(68 058)	(59 200)	–	–	1 565 344
Operating profit	355 424	525 358	(57 468)	–	–	823 314
Share of earnings from associate and joint venture	–	–	–	–	4 162	4 162
Investment revenue	63 761	4 550	–	35	(15 713)	52 633
Finance costs excluding preference share dividends	(210 428)	(18 603)	–	–	160 550	(68 481)
Net foreign exchange transaction gains/(losses)	4 135	(1 767)	–	–	–	2 368
Sundry income	86 685	9 096	–	–	121 224	217 005
Sundry expenditure	(70 341)	(131 861)	11 074	(1)	(189 815)	(380 944)
Profit/(loss) before preference share dividends	229 236	386 773	(46 394)	34	80 408	650 057
Amortisation of liquidity fees paid on preference shares	–	–	–	(16 390)	–	(16 390)
Preference share dividends net of amounts capitalised	–	–	–	(1 106 684)	–	(1 106 684)
Loss on derecognition of preference share liability	–	–	–	(8)	–	(8)
Profit/(loss) before tax	229 236	386 773	(46 394)	(1 123 048)	80 408	(473 025)
Taxation	(86 624)	(109 287)	13 611	(10)	(49 663)	(231 973)
Profit/(loss) for the year	142 612	277 486	(32 783)	(1 123 058)	30 745	(704 998)

Segmental statement of profit or loss and other comprehensive income 30 June 2017

	Zondereinde operating segment	Booysendal operating segment	Intercompany eliminations	Zambezi Platinum (RF) Limited and the BEE transaction	Other	Total
	R000	R000	R000	R000	R000	R000
Sales revenue	6 395 036	2 574 442	(2 104 293)	–	–	6 865 185
Cost of sales	(6 162 574)	(2 137 031)	2 048 405	–	–	(6 251 200)
Operating costs	(3 717 601)	(1 964 416)	6 000	–	–	(5 676 017)
On mine operations	(2 909 091)	(1 482 640)	6 000	–	–	(4 385 731)
Concentrator operations	(290 863)	(339 910)	–	–	–	(630 773)
Smelting and base metal removal plant costs	(318 807)	–	–	–	–	(318 807)
Chrome processing	(20 468)	(16 415)	–	–	–	(36 883)
Selling and administration	(82 082)	(80 305)	–	–	–	(162 387)
Royalty charges	(32 169)	(12 872)	–	–	–	(45 041)
Share-based payment expenses and profit share scheme	(64 121)	(32 274)	–	–	–	(96 395)
Concentrates purchased	(2 508 386)	–	2 104 293	–	–	(404 093)
Refining and other costs	(120 633)	–	–	–	–	(120 633)
Depreciation and write-offs	(182 650)	(271 666)	1 732	–	–	(452 584)
Change in metal inventories	366 696	99 051	(63 620)	–	–	402 127
Operating profit	232 462	437 411	(55 888)	–	–	613 985
Share of earnings from associate and joint venture	–	–	–	–	4 870	4 870
Investment revenue	126 043	48 196	(2 689)	(19 204)	14 960	167 306
Finance costs excluding preference share dividends	(72 512)	(21 542)	2 689	–	20 180	(71 185)
Net foreign exchange transaction losses	(32 564)	(14 165)	–	–	–	(46 729)
Sundry income	64 233	6 815	(7 000)	–	9 313	73 361
Sundry expenditure	(60 587)	(32 402)	1 000	–	(38 854)	(130 843)
Profit/(loss) before preference share dividends	257 075	424 313	(61 888)	(19 204)	10 469	610 765
Amortisation of liquidity fees paid on preference shares	–	–	–	(16 390)	–	(16 390)
Preference share dividends net of amounts capitalised	–	–	–	(1 017 396)	–	(1 017 396)
Loss on derecognition of preference share liability	–	–	–	(901)	–	(901)
Profit/(loss) before tax	257 075	424 313	(61 888)	(1 053 891)	10 469	(423 922)
Taxation	(73 065)	(146 986)	–	–	8 030	(212 021)
Profit/(loss) for the year	184 010	277 327	(61 888)	(1 053 891)	18 499	(635 943)

Segmental statement of financial position as at 30 June 2018

	Zondereinde operating segment	Booysendal operating segment	Intercompany eliminations	Zambezi Platinum (RF) Limited and the BEE transaction	Other	Total
	R000	R000	R000	R000	R000	R000
Assets						
Non-current assets	17 554 936	13 944 299	(19 421 368)	5 865 332	1 165 745	19 108 944
Property, plant and equipment	3 658 338	7 325 181	–	–	890 627	11 874 146
Mining properties and mineral resources	1 130 284	6 450 459	(954 583)	–	3 000	6 629 160
Interest in associates and joint ventures	–	–	–	–	171 376	171 376
Investment in subsidiaries	12 351 835	–	(12 351 835)	–	–	–
Investments in Northam Platinum Limited	–	–	(5 865 332)	5 865 332	–	–
Other investments	249 618	–	(249 618)	–	–	–
Land and township development	45 444	12 085	–	–	8 151	65 680
Long-term receivables	8 451	2 581	–	–	75 865	86 897
Investments held by Northam Platinum Restoration Trust Fund	55 333	55 293	–	–	–	110 626
Environmental Guarantee Investment	55 633	9 092	–	–	4 174	68 899
Buttonshope Conservancy Trust	–	–	–	–	12 203	12 203
Long-term prepayments	–	89 608	–	–	–	89 608
Deferred tax asset	–	–	–	–	349	349
Current assets	4 765 438	334 314	(511 596)	474	126 460	4 715 090
Short-term subsidiary loan	99 225	–	(99 225)	–	–	–
Inventories	3 381 744	170 494	(165 443)	–	–	3 386 795
Trade and other receivables	993 403	160 088	(246 928)	6	17 516	924 085
Cash and cash equivalents	280 916	372	–	468	106 946	388 702
Tax receivable	10 150	3 360	–	–	1 998	15 508
Total assets	22 320 374	14 278 613	(19 932 964)	5 865 806	1 292 205	23 824 034
Equities and liabilities						
Total equity	9 177 508	11 475 312	(9 970 890)	(3 952 855)	657 604	7 386 679
Stated capital	13 778 114	8 675 932	(9 141 679)	–	465 747	13 778 114
Treasury shares	–	–	(6 556 123)	–	–	(6 556 123)
(Accumulated loss)/retained earnings	(5 774 362)	297 625	8 527 975	(3 952 855)	192 221	(709 396)
Foreign currency translation reserve	–	–	–	–	(364)	(364)
Non-distributable reserves	–	2 501 755	(2 501 755)	–	–	–
Equity-settled share-based payment reserve	1 173 756	–	(299 308)	–	–	874 448
Non-current liabilities	10 197 831	2 041 603	(9 615 921)	9 818 650	390 104	12 832 267
Deferred tax liability	700 878	1 781 431	(1 706 827)	–	49 312	824 794
Long-term provisions	131 793	167 543	–	–	340 792	640 128
Long-term loans	123 176	58 887	–	–	–	182 063
Long-term share-based payment liability	45 257	33 742	–	–	–	78 999
Financial guarantee liability	7 535 944	–	(7 535 944)	–	–	–
Domestic medium term notes	174 288	–	–	–	–	174 288
Preference share liability	–	–	(373 150)	9 818 650	–	9 445 500
Revolving credit facility	1 486 495	–	–	–	–	1 486 495
Current liabilities	2 945 035	761 698	(346 153)	11	244 497	3 605 088
Current portion of long-term loans	16 896	7 644	–	–	–	24 540
Current portion of domestic medium term notes	1 243 440	–	–	–	–	1 243 440
Short-term share-based payment liability	44 604	33 736	–	–	–	78 340
Tax payable	–	–	–	11	106	117
Subsidiary loans	–	198 978	(346 153)	–	147 175	–
Trade and other payables	1 368 964	500 573	–	–	96 438	1 965 975
Bank overdraft	95 228	–	–	–	307	95 535
Short-term provisions	175 903	20 767	–	–	471	197 141
Total equity and liabilities	22 320 374	14 278 613	(19 932 964)	5 865 806	1 292 205	23 824 034

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2018

Segmental statement of financial position as at 30 June 2017

	Zondereinde operating segment	Booysendal operating segment	Intercompany eliminations	Zambezi Platinum (RF) Limited and the BEE transaction	Other	Total
	R000	R000	R000	R000	R000	R000
Assets						
Non-current assets	14 019 436	12 563 189	(17 869 263)	6 468 175	302 016	15 483 553
Property, plant and equipment	3 323 250	5 672 774	–	–	26 236	9 022 260
Mining properties and mineral resources	116 560	6 474 365	(954 583)	–	–	5 636 342
Interest in associates and joint ventures	–	–	–	–	167 214	167 214
Investment in subsidiaries	10 216 000	–	(10 216 000)	–	–	–
Investments in Northam Platinum Limited	–	–	(6 468 175)	6 468 175	–	–
Other investments	230 505	–	(230 505)	–	–	–
Land and township development	22 749	12 085	–	–	13 695	48 529
Long-term receivables	–	–	–	–	83 745	83 745
Investments held by Northam Platinum Restoration Trust Fund	48 274	53 959	–	–	–	102 233
Environmental Guarantee Investment	54 507	13 597	–	–	–	68 104
Buttonshope Conservancy Trust	–	–	–	–	11 126	11 126
Long-term prepayments	–	336 409	–	–	–	336 409
Other assets	7 591	–	–	–	–	7 591
Current assets	5 433 769	969 737	(2 442 183)	445	141 569	4 103 337
Short-term subsidiary loan	1 838 213	476 691	(2 314 904)	–	–	–
Inventories	1 673 000	162 345	(106 243)	–	–	1 729 102
Trade and other receivables	487 956	70 140	(21 036)	7	11 930	548 997
Cash and cash equivalents	1 396 677	260 561	–	438	129 189	1 786 865
Tax receivable	37 923	–	–	–	450	38 373
Non-current assets held for sale	49 222	–	–	–	–	49 222
Total assets	19 502 427	13 532 926	(20 311 446)	6 468 620	443 585	19 636 112
Equities and liabilities						
Total equity	9 036 935	9 477 739	(8 386 346)	(2 167 943)	131 656	8 092 041
Stated capital	13 778 114	6 955 843	(14 061 967)	–	7 106 124	13 778 114
Treasury shares	–	–	(6 556 123)	–	–	(6 556 123)
(Accumulated loss)/retained earnings	(5 916 974)	20 141	15 034 846	(2 167 943)	(6 974 468)	(4 398)
Non-distributable reserves	–	2 501 755	(2 501 755)	–	–	–
Other comprehensive income	2 039	–	(2 039)	–	–	–
Equity-settled share-based payment reserve	1 173 756	–	(299 308)	–	–	874 448
Non-current liabilities	9 005 235	1 871 467	(9 589 159)	8 636 557	5 585	9 929 685
Deferred tax liability	605 265	1 671 516	(1 696 483)	–	5 585	585 883
Long-term provisions	141 284	163 545	–	–	–	304 829
Long-term loans	249 428	–	–	–	–	249 428
Long-term share-based payment liability	52 233	36 406	–	–	–	88 639
Financial guarantee liability	7 535 944	–	(7 535 944)	–	–	–
Domestic medium term notes	421 081	–	–	–	–	421 081
Preference share liability	–	–	(356 732)	8 636 557	–	8 279 825
Current liabilities	1 460 257	2 183 720	(2 335 941)	6	306 344	1 614 386
Current portion of long-term loans	13 434	–	–	–	–	13 434
Short-term share-based payment liability	45 988	29 038	–	–	–	75 026
Tax payable	–	438	–	6	102 106	102 550
Subsidiary loans	476 547	1 720 088	(2 335 941)	–	139 306	–
Trade and other payables	778 316	424 924	–	–	64 932	1 268 172
Short-term provisions	145 972	9 232	–	–	–	155 204
Total equity and liabilities	19 502 427	13 532 926	(20 311 446)	6 468 620	443 585	19 636 112

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2018

3. Property, plant and equipment

Property, plant and equipment balances for the group are made up as follows:

Group	Shafts, mining development and infrastructure R000	Metallurgical and refining plants R000	Land and buildings R000	Other assets R000	Decommissioning asset R000	Assets under construction R000	Total R000
Cost opening balance as at 1 July 2016	6 412 648	2 539 458	445 511	250 962	168 496	558 633	10 375 708
Transfer to mining properties and mineral resources	(19 038)	–	–	–	–	–	(19 038)
Additions	11 837	1 901	398	251	–	1 528 255	1 542 642
Transfer from assets under construction	654 158	49 813	72 331	39 047	–	(815 349)	–
Disposals and write-offs	(6 572)	–	(337)	(3 315)	–	–	(10 224)
Present value of decommissioning asset capitalised	–	–	–	–	4 530	–	4 530
Borrowing costs capitalised	–	–	–	–	–	76 058	76 058
Closing cost as at 30 June 2017	7 053 033	2 591 172	517 903	286 945	173 026	1 347 597	11 969 676
Transfer between asset classes	(20 803)	26 465	15 385	(21 047)	–	–	–
Amounts reclassified from non-current prepayments (note 14)	–	–	–	–	–	449 492	449 492
Additions	3 938	167 657	166 145	20 745	–	2 251 906	2 610 391
Contribution received for capital assets	–	–	–	–	–	(303 106)	(303 106)
Transfer from assets under construction	481 909	789 493	46 777	224 645	–	(1 542 824)	–
Disposals and write-offs	–	(47 682)	(453)	(114 823)	–	–	(162 958)
Present value of decommissioning asset capitalised (note 22)	–	–	–	–	295 362	–	295 362
Borrowing costs capitalised	–	–	–	–	–	223 402	223 402
Closing cost as at 30 June 2018	7 518 077	3 527 105	745 757	396 465	468 388	2 426 467	15 082 259

Group	Shafts, mining development and infrastructure R000	Metallurgical and refining plants R000	Land and buildings R000	Other assets R000	Decommissioning asset R000	Assets under construction R000	Total R000
Accumulated depreciation opening balance as at 1 July 2016	(1 653 419)	(560 922)	(153 008)	(125 563)	(28 803)	–	(2 521 715)
Transfer to mining properties and mineral resources	(7 420)	–	–	–	–	–	(7 420)
Depreciation	(281 742)	(92 249)	(9 794)	(38 788)	(3 962)	–	(426 535)
Disposals and write-offs	4 893	–	236	3 125	–	–	8 254
Accumulated depreciation balance as at 30 June 2017	(1 937 688)	(653 171)	(162 566)	(161 226)	(32 765)	–	(2 947 416)
Transfer between asset classes	84 455	9 190	(9 898)	(83 747)	–	–	–
Depreciation	(270 548)	(93 982)	(15 141)	(29 351)	(4 794)	–	(413 816)
Disposals and write-offs	–	43 942	454	108 723	–	–	153 119
Accumulated depreciation balance as at 30 June 2018	(2 123 781)	(694 021)	(187 151)	(165 601)	(37 559)	–	(3 208 113)
Net book value as at 30 June 2017	5 115 345	1 938 001	355 337	125 719	140 261	1 347 597	9 022 260
Net book value as at 30 June 2018	5 394 296	2 833 084	558 606	230 864	430 829	2 426 467	11 874 146

Property, plant and equipment balances for the company are made up as follows:

Company	Shafts, mining development and infrastructure R000	Metallurgical and refining plants R000	Land and buildings R000	Other assets R000	Decommissioning asset R000	Assets under construction R000	Total R000
Cost opening balance as at 1 July 2016	2 912 445	705 814	423 528	156 463	70 509	487 582	4 756 341
Transfers from mining properties and mineral resources	10 119	–	–	–	–	–	10 119
Additions	–	1 802	–	250	–	764 685	766 737
Assets acquired as part of the pooling of interest	–	42 433	–	–	–	–	42 433
Land and buildings transferred to Booysendal Platinum Proprietary Limited	–	–	(97 625)	–	–	–	(97 625)
Transfer from assets under construction	196 279	47 263	70 895	30 347	–	(344 784)	–
Disposals and write-offs	(3 408)	–	(337)	(980)	–	–	(4 725)
Present value of decommissioning asset capitalised	–	–	–	–	(5 821)	–	(5 821)
Borrowing costs capitalised	–	–	–	–	–	23 625	23 625
Cost closing cost as at 30 June 2017	3 115 435	797 312	396 461	186 080	64 688	931 108	5 491 084
Transfer between asset classes	(20 803)	26 465	15 385	(21 047)	–	–	–
Additions	–	–	5 227	33 179	–	776 965	815 371
Contribution received for capital assets	–	–	–	–	–	(303 106)	(303 106)
Transfer from assets under construction	255 297	772 393	19 518	193 785	–	(1 240 993)	–
Disposals and write-offs	–	(44 505)	(453)	(126 656)	–	–	(171 614)
Present value of decommissioning asset capitalised (note 22)	–	–	–	–	(21 991)	–	(21 991)
Borrowing costs capitalised	–	–	–	–	–	11 813	11 813
Closing cost as at 30 June 2018	3 349 929	1 551 665	436 138	265 341	42 697	175 787	5 821 557

Company	Shafts, mining development and infrastructure R000	Metallurgical and refining plants R000	Land and buildings R000	Other assets R000	Decommissioning asset R000	Assets under construction R000	Total R000
Accumulated depreciation opening balance as at 1 July 2016	(1 310 543)	(377 932)	(152 699)	(101 951)	(22 938)	–	(1 966 063)
Transfers from mining properties and mineral resources	(7 110)	–	–	–	–	–	(7 110)
Assets acquired as part of the pooling of interest	–	(18 554)	–	–	–	–	(18 554)
Depreciation	(105 463)	(36 242)	(7 624)	(27 648)	(1 883)	–	(178 860)
Disposals and write-offs	1 729	–	236	790	–	–	2 755
Accumulated depreciation balance as at 30 June 2017	(1 421 387)	(432 728)	(160 087)	(128 809)	(24 821)	–	(2 167 832)
Transfer between asset classes	84 456	9 190	(9 898)	(83 748)	–	–	–
Depreciation	(73 626)	(45 919)	(10 562)	(16 302)	(1 491)	–	(147 900)
Disposals and write-offs	–	43 939	453	108 121	–	–	152 513
Accumulated depreciation balance as at 30 June 2018	(1 410 557)	(425 518)	(180 094)	(120 738)	(26 312)	–	(2 163 219)
Net book value as at 30 June 2017	1 694 048	364 584	236 374	57 271	39 867	931 108	3 323 252
Net book value as at 30 June 2018	1 939 372	1 126 147	256 044	144 603	16 385	175 787	3 658 338

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

Significant judgements and estimates: Capitalisation of borrowing costs in terms of IAS 23

IAS 23 requires borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset (whether or not the funds have been borrowed specifically). These borrowing costs are included in the cost of the asset; all other borrowing costs are recognised as an expense in the period in which they occur.

IAS 23 defines a qualifying asset as an asset that necessarily takes a substantial period of time to get ready for its intended use. IAS 23 does not define substantial period of time and this will therefore require the exercise of judgement after considering the specific facts and circumstances. Northam regards an asset that normally takes 12 months or more to be ready for its intended use to be a qualifying asset.

During the current year two projects have been designated as qualifying assets, being the furnace construction of the new 20MW furnace at Zondereinde and the development of Booysendal South.

With the commissioning of the new 20MW furnace in December at Zondereinde capitalisation of borrowing costs in the company accounts were ceased. However the development of Booysendal South is still continuing and hence borrowing costs have been capitalised on consolidation at the average cost of borrowings, taking into account the cost of borrowings for the revolving credit facility, the various domestic medium term notes issued and the Zambezi Platinum (RF) Limited preference shares.

Borrowing costs were capitalised at the weighted average cost of borrowing of 13.3% (2017: 14.0%)

An amount of R223.4 million (2017: R76.1 million) was capitalised during the year.

Significant judgements and estimates: Contribution received for capital assets

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

In terms of the agreement, Heraeus contributed €20.0 million (R303.1 million) to expand the capacity of Northam's existing smelter, through the construction of a 20MW furnace at the Zondereinde metallurgical complex.

Heraeus' capital contribution was fixed according to a progress schedule, and paid in two tranches of €10.0 million each, the first of which was received during June 2016 and the second on commissioning of the furnace, which was December 2017.

Previously the first €10.0 million received from Heraeus was recognised as a liability, as Northam was obligated to refund the amount to Heraeus if Northam did not commission the furnace on time. Refer note 23.

On commissioning of the furnace, the second €10.0 million was received, and the full €20.0 million (R303.1 million) was deducted from the cost of the smelter as the value contributed by Heraeus is effectively considered as a 'rebate' in terms of IAS 16.

4. Mining properties and mineral resources

Group	Current production mineral reserves and resources R000	Project mineral reserves and resources R000	Total R000
Cost opening balance as at 1 July 2016	967 065	4 888 826	5 855 891
Transfer from property, plant and equipment	19 038	–	19 038
Additions	21 839	–	21 839
Cost closing balance as at 30 June 2017	1 007 942	4 888 826	5 896 768
Additions	1 017 867	3 000	1 020 867
Cost closing balance as at 30 June 2018	2 025 809	4 891 826	6 917 635
Opening accumulated depreciation balance as at 1 July 2016	(241 797)	–	(241 797)
Transfer to property, plant and equipment	7 420	–	7 420
Depreciation	(26 049)	–	(26 049)
Accumulated depreciation closing balance as at 30 June 2017	(260 426)	–	(260 426)
Depreciation	(28 049)	–	(28 049)
Accumulated depreciation closing balance as at 30 June 2018	(288 475)	–	(288 475)
Net book value as at 30 June 2017	747 516	4 888 826	5 636 342
Net book value as at 30 June 2018	1 737 334	4 891 826	6 629 160

Company	Current production mineral reserves and resources R000	Project mineral reserves and resources R000	Total R000
Cost opening balance as at 1 July 2016	258 891	–	258 891
Transfer to property, plant and equipment	(10 119)	–	(10 119)
Additions	21 839	–	21 839
Cost closing balance as at 30 June 2017	270 611	–	270 611
Additions	1 017 867	–	1 017 867
Cost closing balance as at 30 June 2018	1 288 478	–	1 288 478
Opening accumulated depreciation balance as at 1 July 2016	(157 373)	–	(157 373)
Transfer to property, plant and equipment	7 110	–	7 110
Depreciation	(3 790)	–	(3 790)
Accumulated depreciation closing balance as at 30 June 2017	(154 053)	–	(154 053)
Depreciation	(4 141)	–	(4 141)
Accumulated depreciation closing balance as at 30 June 2018	(158 194)	–	(158 194)
Net book value as at 30 June 2017	116 558	–	116 558
Net book value as at 30 June 2018	1 130 284	–	1 130 284

Significant judgements and estimates: Impairment of assets and assessment of cash generating units

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

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

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

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

The group bases its impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

The determined value of the recoverable value is most sensitive to commodity prices, the US dollar exchange rate and the discount rate. Other judgements made by management include: total capital expenditure, operating costs, production levels and inflation factors.

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

		Group		Company	
		2018	**2017**	**2018**	**2017**
Long-term real platinum price	USD/oz	1 298	1 417	1 298	1 417
Long-term real palladium price	USD/oz	1 298	1 127	1 298	1 127
Long-term real rhodium price	USD/oz	2 678	1 058	2 678	1 058
Long-term real gold price	USD/oz	1 205	1 213	1 205	1 213
Long-term ruthenium prices	USD/oz	292	45	292	45
Long-term iridium prices	USD/oz	893	719	893	719
Long-term real nickel prices	USD/t	12 912	10 579	12 912	10 579
Long-term copper prices	USD/t	6 248	5 841	6 248	5 841
Long-term chrome prices	USD/t	179	42	179	42
Long-term real exchange rate USD	USD/ZAR	R12.35	R13.88	R12.35	R13.88
Long-term real discount rate	%	12.30	12.20	12.30	12.20

All the above estimates are subject to risks and uncertainties including the achievement of mine plans, future metal prices and exchange rates.

Management also estimated the recoverable amount of mineral resources (based on the *in situ* 4E available ounces) outside the approved mine plans.

For those assets, the recoverable amount is calculated on a fair value less cost of disposal basis taking into account earlier binding sales agreements between market participants as well as the market capitalisation of platinum exploration companies relative to their resources base. Below is the value that has been attributable to the recoverable value of mineral resources (based on the *in situ* 4E available ounces):

		Group		Company	
		2018	2017	2018	2017
4E *in situ* available ounces value	USD/oz	2.00	3.84	2.00	3.84

Based on the impairment assessment performed by management, the recoverable values of all CGU's are higher than the carrying value and therefore no impairment required.

Significant judgements and estimates: ore reserve and mineral resource estimates (life of mine)

The estimation of reserves impacts depreciation and recoverable value of assets.

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

Factors impacting the determination of proven and probable reserves are:

- the grade of mineral reserves may vary between estimations made and actual grade achieved
- commodity prices estimations will be different to those actually achieved
- changes in discount rates and foreign exchange rate assumptions
- unforeseen changes in operating, mining, processing and refining costs.

Cognisance is also given to the mining licence tenure of the operations when the life of mine calculation is performed.

5. Interest in associates and joint ventures

Interest in associates and joint ventures comprises a 50% interest in the Dwaalkop platinum project (joint venture) and a 30% interest in SSG Holdings Proprietary Limited. The interest in the Dwaalkop joint venture is accounted for as a joint venture. The investment in SSG Holdings Proprietary Limited is accounted for as an associate.

The investment in the Pandora joint venture was classified as a non-current asset held for sale held for sale effective 1 July 2016, after conclusion of a sales transaction with Lonmin plc. The transaction was concluded during the current year.

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Dwaalkop joint venture	136 230	136 230	–	–
Pandora joint venture*	–	–	–	–
SSG Holdings Proprietary Limited	35 146	30 984	–	–
	171 376	167 214	–	–

* *The investment in the Pandora joint venture was disclosed as a non-current asset held for sale from 1 July 2016*

Below is a reconciliation of the group's interest in associates and joint ventures as at 30 June 2018:

	Interest in Pandora joint venture	Interest in Dwaalkop joint venture	Interest in SSG Holdings Proprietary Limited	Total
	R000	R000	R000	R000
Opening balance as at 1 July 2016	45 565	136 230	10 369	192 164
Additional investment	–	–	10 745	10 745
Conversion of loan to equity investment	–	–	5 000	5 000
Share of earnings from associate	–	–	4 870	4 870
Reclassification to non-current assets held for sale	(45 565)	–	–	(45 565)
Closing balance as at 30 June 2017	–	136 230	30 984	167 214
Share of earnings from associate	–	–	4 162	4 162
Closing balance as at 30 June 2018	–	136 230	35 146	171 376

Below is a reconciliation of the company's interest in associates and joint ventures as at 30 June 2017

	Interest in Pandora joint venture	Interest in Dwaalkop joint venture	Interest in SSG Holdings Proprietary Limited	Total
	R000	R000	R000	R000
Opening balance as at 1 July 2016	36 845	–	–	36 845
Reclassification to non-current assets held for sale	(36 845)	–	–	(36 845)
Closing balance as at 30 June 2017	–	–	–	–

Below is a summary of the amounts classified as non-current assets held for sale:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Opening balance	49 222	–	49 222	–
Transfer from interest in associates and joint ventures	–	45 565	–	36 845
Cash calls	1 347	4 498	1 347	4 498
IFRS 5 adjustment to fair value less costs to sell	–	(841)	–	7 879
Amounts received at the transaction date	(50 569)	–	(50 569)	–
Total non-current assets held for sale	–	49 222	–	49 222

Northam Platinum Limited was still responsible for contributing to cash calls from the Pandora joint venture in terms of the sales agreement concluded.

Contributions made from 1 January 2017 to the transaction date, being 30 November 2017, were refunded by Eastern Platinum Limited, a subsidiary of Lonmin plc, in terms of the sales agreement.

All other cash calls had to be written off during the prior year.

Below is a summary of the statement of profit or loss and other comprehensive income of the associates and joint ventures, as detailed in their respective accounting records and therefore disclosed at 100%.

Statement of profit or loss and other comprehensive income as at 30 June 2018

	Interest in Dwaalkop joint venture	Interest in SSG Holdings Proprietary Limited	Total
	R000	R000	R000
Revenue	–	584 953	584 953
Cost of sales	–	(51 666)	(51 666)
Gross profit	–	533 287	533 287
Other income	–	964	964
Operating expense	–	(514 939)	(514 939)
Investment revenue	–	85	85
Finance costs	–	(2 443)	(2 443)
Profit before taxation	–	16 954	16 954
Taxation	–	(3 081)	(3 081)
Total comprehensive income for the year	–	13 873	13 873

Statement of profit or loss and other comprehensive income as at 30 June 2017

	Interest in Pandora joint venture	Interest in Dwaalkop joint venture	Interest in SSG Holdings Proprietary Limited	Total
	R000	R000	R000	R000
Revenue	–	–	503 783	503 783
Cost of sales	–	–	(32 978)	(32 978)
Gross profit	–	–	470 805	470 805
Other income	–	–	1 027	1 027
Operating expense	–	–	(444 468)	(444 468)
Investment revenue	–	–	1 054	1 054
Finance costs	–	–	(5 129)	(5 129)
Profit before taxation	–	–	23 289	23 289
Taxation	–	–	(7 054)	(7 054)
Total comprehensive income for the year	–	–	16 235	16 235

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

Statement of financial position as at 30 June 2018

	Interest in Dwaalkop joint venture	Interest in SSG Holdings Proprietary Limited	Total
	R000	R000	R000
Non-current assets	–	78 948	78 948
Property, plant and equipment	–	71 479	71 479
Goodwill	–	4 000	4 000
Deferred tax asset	–	3 469	3 469
Current assets	–	117 711	117 711
Inventory	–	2 765	2 765
Trade and other receivables	–	99 367	99 367
Current tax receivable	–	2 647	2 647
Cash and cash equivalents	–	12 932	12 932
Total assets	–	196 659	196 659
Equity	–	46 265	46 265
Non-current liabilities	–	49 324	49 324
Finance lease liabilities	–	49 324	49 324
Current liabilities	–	101 070	101 070
Trade and other payables	–	52 732	52 732
Finance lease liabilities	–	1 241	1 241
Current tax payable	–	116	116
Provisions	–	9 577	9 577
Bank overdraft	–	37 404	37 404
Total equity and liabilities	–	196 659	196 659

Statement of financial position as at 30 June 2017

	Interest in Pandora joint venture	Interest in Dwaalkop joint venture	Interest in SSG Holdings Proprietary Limited	Total
	R000	R000	R000	R000
Non-current assets	–	–	47 279	47 279
Property, plant and equipment	–	–	38 122	38 122
Goodwill	–	–	4 500	4 500
Deferred tax asset	–	–	4 657	4 657
Current assets	–	–	80 209	80 209
Inventory	–	–	1 625	1 625
Trade and other receivables	–	–	63 103	63 103
Cash and cash equivalents	–	–	15 481	15 481
Total assets	–	–	127 488	127 488
Equity	–	–	32 393	32 393
Non-current liabilities	–	–	22 337	22 337
Finance lease liabilities	–	–	22 337	22 337
Current liabilities	–	–	72 758	72 758
Trade and other payables	–	–	32 015	32 015
Finance lease liabilities	–	–	745	745
Current tax payable	–	–	3 557	3 557
Provisions	–	–	9 219	9 219
Bank overdraft	–	–	27 222	27 222
Total equity and liabilities	–	–	127 488	127 488

Below is a reconciliation of the value in the investment in associate based on the equity method to the carrying value of the investment:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Net asset value of SSG Holdings Proprietary Limited	46 265	32 393	–	–
Northam Platinum Limited's 30% share of net asset value	13 880	9 718	–	–
At acquisition fair value adjustment	10 717	10 717	–	–
Subsequent fair value adjustment with the increase in shareholding from 20% to 30% and the conversion of a loan to an equity investment	10 549	10 549	–	–
Value of investment in associate based on the equity method of accounting	35 146	30 984	–	–

All investments in associates and joint ventures are considered significant.

6. Investment in subsidiaries

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

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Khumama Platinum Proprietary Limited	–	–	–	10 166 000
Booysendal Platinum Proprietary Limited	–	–	11 886 088	–
Eland Platinum Proprietary Limited	–	–	325 000	50 000
Northam Platinum Investments (US) Incorporated	–	–	140 747	–
Mining Technical Services Proprietary Limited	–	–	*	*
Mvelaphanda Resources Proprietary Limited	–	–	–	–
Norplats Properties Proprietary Limited	–	–	*	*
Northam Chrome Proprietary Limited	–	–	–	–
Windfall 38 Properties Proprietary Limited	–	–	–	–
Zambezi Platinum (RF) Limited	–	–	*	*
	–	–	12 351 835	10 216 000

* *Represents an investment of less than R1 000*

All companies, except for the investment in Zambezi Platinum (RF) Limited, are wholly owned.

All companies, except for the investment in Northam Platinum Investment (US) Incorporated, is incorporated in South Africa. Northam Platinum Investments (US) Incorporated is incorporated in Delaware in the United States of America.

The following investments are held by Northam Platinum Limited:

Khumama Platinum Proprietary Limited previously held 100% of the share capital of Booysendal Platinum Proprietary Limited. Management simplified the group and therefore, Khumama Platinum Proprietary Limited was collapsed. The investment in Booysendal Platinum Proprietary Limited is now held directly by Northam Platinum Limited. In addition the intercompany loan account as at 30 June 2017 was capitalised to the investment in Booysendal Platinum Proprietary Limited.

6 150 (2017: 6 000) ordinary shares are held in Eland Platinum Proprietary Limited representing a 100% equity interest to the value of R325.0 million (2017: R50.0 million).

Northam Platinum Limited holds 10 shares in Northam Platinum Investments (US) Incorporated with a value of USD1.00 per share.

120 (2017: 120) ordinary shares are held in Mining Technical Services Proprietary Limited representing a 100% equity interest and was acquired for R120, and therefore less than R1 000.

Northam Platinum Limited holds 217 881 101 (2017: 217 881 101) ordinary shares representing a 100% equity interest in Mvelaphanda Resources Proprietary Limited. The investment was fully impaired during previous financial years and is valued at R Nil.

100 (2017: 100) ordinary shares are held in Norplats Properties Proprietary Limited and was acquired for R100, and therefore less than R1 000.

During the prior year both the investment in Northam Chrome Proprietary Limited and Windfall 38 Properties Proprietary Limited, representing a 100% equity interest were restructured in terms of the corporate restructuring provisions contained in sections 41 to 47 of the Income Tax Act No. 58 of 1962 (the Act) (which have become known as the "corporate rules") which provide for a deferral of tax where certain specified transactions are undertaken by taxpayers. Such transactions include: Liquidation, winding up and deregistration (section 47): a company distributes all of its assets to another company that is part of the same "group of companies" for tax purposes or that holds at least 95% of its ordinary share capital, in anticipation of its liquidation, winding up or deregistration. The corporate rules were introduced as a tax relief measure for transactions within groups of companies. Broadly speaking, provided that the requirements of the applicable section are met, the abovementioned transactions can be undertaken with no immediate capital gains tax or income tax implications for either party.

Northam Chrome Proprietary Limited's operations and assets were incorporated in the results of Northam Platinum Limited and is no longer a separate statutory entity. Similarly the operations and assets of Windfall 38 Properties Proprietary Limited was incorporated in the results of Booysendal Platinum Proprietary Limited and therefore no longer a separate statutory entity.

The transfers of assets as part of the simplification process was accounted for in terms of the pooling of interest method of accounting, in the previous financial year.

Both Northam Chrome Proprietary Limited as well as Windfall 38 Properties Proprietary Limited is in the process of being deregistered.

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

Northam assumes full responsibility for the administration of Zambezi as well as any costs incurred by Zambezi up to a certain limit. Furthermore, Northam provides a guarantee for Zambezi's obligation in respect of the preference shares. All these points indicate that Northam has been involved from the inception of the transaction, to ensure that the design and operation of Zambezi achieves the purpose for which it was created.

In terms of the transaction, an 'N' share was issued to Northam, which gave them the right to implement mitigating action should Zambezi not comply with certain undertakings as per the transaction's agreements and in other limited instances aimed at maintaining the integrity of the transaction at all times. Zambezi can also not dispose of the Northam ordinary shares without the prior consent of Northam. Northam has significant exposure to the variable returns of Zambezi, through the creation and maintenance of the BEE credentials during the 10-year lock-in period as well as through the guarantee provided by Northam. The decision-making power of Zambezi's board of directors is restricted to maintaining Northam's BEE credentials and funding arrangements.

Therefore even though Northam does not have the majority of the voting rights in Zambezi, Northam still effectively controls the entity.

Details of the subsidiaries are included in the related party note 45, which forms part of these notes.

7. Unlisted investment

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Investment in Rand Mutual Assurance Company Limited	–	–	–	–
	–	–	–	–

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

During the prior year, the unlisted investment was impaired in full, and included in sundry expenditure (refer note 37).

8. Other investments

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Investment in Zambezi Platinum (RF) Limited preference shares at fair value	–	–	230 505	–
Preference shares acquired during the year at cost	–	–	1 677	208 672
Accrued dividends from Zambezi Platinum (RF) Limited (note 34)	–	–	31 139	19 205
Mark to market fair value adjustment	–	–	(2 628)	2 628
Impairment (refer note 37)	–	–	(11 075)	–
	–	–	249 618	230 505

Northam Platinum Limited owns 4 230 819 (2017: 4 202 454) Zambezi Platinum (RF) Limited preference shares which were purchased in the open market. These shares are classified as available for sale and revalued to the closing market value with movements accounted for in other comprehensive income or profit or loss (if it relates to an impairment). Accrued dividends are accounted for in profit or loss.

The investment in the Zambezi Platinum (RF) Limited preference shares are considered as available for sale financial assets. These shares have been acquired by Northam Platinum Limited not to speculate with and therefore not to make a profit or loss in the short term but rather to keep for the longer term. Potentially these shares could be sold back into the market should cash be required. Otherwise, these preference shares will be held to maturity. However, when looking at the considerations for classifying an investment as held to maturity one considers the following: the intention to hold the investments for only an undefined period; the holder stands ready to sell the financial asset in response to changes in market interest rates or risks, liquidity needs, changes in the availability of and the yield on alternative investments, changes in financial sources and terms or changes in any other risk factors; and or the right to settle the financial asset at an amount significantly below its amortised cost.

Therefore, due to the uncertainty regarding the intention and ability to hold the preference shares to maturity one cannot classify the investment in the Zambezi preference shares as held to maturity in the accounts of Northam Platinum Limited.

Below is the closing market value of the preference shares as at 30 June:

	Group		Company	
	2018	2017	2018	2017
	R	R	R	R
Average purchase price of Zambezi Platinum (RF) Limited preference shares	–	–	57.94	49.65
Closing market value of Zambezi Platinum (RF) Limited preference shares	–	–	59.00	54.85

The amounts recognised in other comprehensive income has been made up as follows:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Fair value adjustment/limpairment) accounted through other comprehensive income	–	–	(2 628)	2 628
Deferred tax	–	–	589	(589)
Amounts recognised in other comprehensive income	–	–	(2 039)	2 039

The current year fair value adjustment relates to a reclassification to profit or loss due to an impairment.

9. Land and township development

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Balance at the beginning of the year	48 529	51 341	22 749	18 218
Acquisitions				
Portion 22 of the farm Leeukopje (Lefika)	–	6 764	–	6 764
Portion 4 & 9 of the farm Koedoesdoorns	–	297	–	297
Phelobontle Mogwase	–	370	–	370
Lydenburg extension 78 – Booysendal Platinum Proprietary Limited	–	66	–	–
Lydenburg extension 79 – Booysendal Platinum Proprietary Limited	–	65	–	–
Norplats Properties Proprietary Limited	–	804	–	–
Disposals				
Portion 22 of the farm Leeukopje, Northam extension 10	(462)	–	(462)	–
Phelobontle, Mogwase units	(2 900)	(2 900)	(2 900)	(2 900)
Norplats Properties Proprietary Limited units	(5 371)	(8 278)	–	–
Development				
Construction of 69 units on portion 22 of the farm Leeukopje, Northam extension 10	26 020	–	26 020	–
Town planning portion 4 & 9 of the farm Koedoesdoorns	22	–	22	–
Refurbishments of Phelobontle Mogwase	15	–	15	–
Refurbishments of Norplats Properties Proprietary Limited's units	342	–	–	–
Write off of damaged units relating to Norplats Properties Proprietary Limited	(515)	–	–	–
Balance at the end of the year	65 680	48 529	45 444	22 749

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

10. Long-term receivables

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Long-term receivables with regards to instalment sale agreements	82 887	91 079	–	–
Interest free home loans	13 514	–	9 443	–
	96 401	91 079	9 443	–
Current portion of long-term receivables included in trade and other receivables (refer note 17)	(8 022)	(7 334)	–	–
Current portion of interest free home loans (refer note 17)	(1 482)	–	(992)	–
	86 897	83 745	8 451	–

Long-term receivables comprise balances due by employees in respect of Northam's employee home ownership scheme under suspensive sale agreements and interest free home loans provided to qualifying employees.

The suspensive sale agreement loans to the employees bear interest at prime and are repayable over 15 years. In terms of the agreements, employees enjoy the full benefits of home ownership, and at such time as the loan is paid off, the title to the houses will be transferred to the employees.

The interest free home loans are non-interest bearing loans provided to qualifying employees. These loans are repayable over a maximum of 20 years from grant date. The average remaining repayment period is between 10 and 20 years. These loans are secured by a second bond over the residential properties.

As at 30 June 2018 there was R1.7 million (2017: R Nil) worth of instalment sale agreements which were impaired and fully provided for.

The table below summarises the payment terms of the company and group's long-term receivables:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Current portion	9 504	7 334	992	–
Due within 1 – 5 years	35 251	33 304	3 512	–
Due within 5 – 10 years	46 072	43 529	2 209	–
More than 10 years	5 574	6 912	2 730	–
	96 401	91 079	9 443	–

The interest free home loans are neither past due nor impaired. With regards to the instalment sale agreements the table below summarises the age analysis of these instalment sale agreements:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Neither past due nor impaired	82 587	89 990	–	–
30 to 60 days	13	33	–	–
60 to 90 days	25	61	–	–
More than 90 days	252	995	–	–
	82 887	91 079	–	–

11. Investments held by Northam Platinum Restoration Trust Fund

The group contributed to a dedicated environmental restoration trust fund to provide for the estimated decommissioning and environmental restoration cost at the end of the various operations' lives.

The balance of the fund comprises:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Balance at the beginning of the year	102 233	93 647	48 274	43 204
Income earned during the year (note 34)	8 393	8 586	7 059	5 070
Balance at the end of the year	110 626	102 233	55 333	48 274

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

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Stanlib Balanced Fund R	1 766	1 634	883	772
Stanlib Income Fund B2	67 596	59 097	33 798	27 905
Stanlib Institutional Money Market Fund B3	41 224	41 502	20 612	19 597
Cash and cash equivalents	40	–	40	–
Balance at the end of the year	110 626	102 233	55 333	48 274

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

Contributions relating to rehabilitation will no longer be limited to contributions to the Northam Platinum Restoration Trust Fund. The group may make use of any approved financial vehicles in terms of regulations and legislation, also see note 12.

For details with regards to the rehabilitation and decommissioning liability provision, please refer to note 22.

12. Environmental guarantee investment

The investment held with regards to the environmental guarantee investment was issued in terms of guarantees relating to the group's environmental liability. The investment as noted below has been provided as security for guarantees issued.

The balance of the fund comprises:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Balance at the beginning of the year	68 104	60 345	54 507	49 187
Contributions made during the year	6 142	–	937	–
Income earned during the year (refer note 36)	189	7 759	189	5 320
Guarantee fees (refer note 37)	(5 536)	–	–	–
Balance at the end of the year	68 899	68 104	55 633	54 507

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

This investments are managed by Guardrisk Insurance Company Limited and Centriq Insurance Company Limited.

Below is a summary of the various guarantees issued:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Northam Platinum Limited (Zondereinde)				
GR/G/20396/0312/0031	31 000	31 000	31 000	31 000
GR/G/20396/0314/165	18 000	18 000	18 000	18 000
GR/G/20396/0315/0231	18 000	18 000	18 000	18 000
GR/G/20396/0617/0454	35 000	35 000	35 000	35 000
CQ/G/30381/1217/003	28 807	–	28 807	–
GR/G/20396/0618/0544	11 543	–	11 543	–
Booysendal Platinum Proprietary Limited				
GR/G/20396/0311/0011	65 900	65 900	–	–
GR/G/20396/0315/0232	25 000	25 000	–	–
GR/G/20396/0317/0433	–	50 000	–	–
GR/G/20396/0417/0434	1 908	1 908	–	–
GR/G/20396/0517/0459	2 085	–	–	–
GR/G/02396/0618/0535	2 267	–	–	–
GR/G/02396/0618/0536	1 267	–	–	–
Eland Platinum Proprietary Limited			–	
CQ/G/3038/01181/004	129 545	–	–	–
CQ/G/30381/0118/005	31 096	–	–	–
	401 418	244 808	142 350	102 000

13. Buttonshope Conservancy Trust

The balance of the fund comprises:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Balance at the beginning of the year	11 126	10 445	–	–
Contributions received from Booysendal Platinum Proprietary Limited	450	425	–	–
Interest received during the year	759	795	–	–
Fair value adjustments	63	(16)	–	–
Funds utilised to acquire a property	–	(398)	–	–
Less expenditure paid during the year	(195)	(125)	–	–
Balance at the end of the year	12 203	11 126	–	–

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

Funds of R4.0 million (2017: R2.9 million) are invested with Standard Bank Limited in a call account and R8.2 million (2017: R8.2 million) is held in an extra income fund with Stanlib Collective Investments (RF) Limited.

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

On an annual basis, Booysendal Platinum Proprietary Limited will donate a fixed amount of R400 000 per annum from F2016 regardless of the operational performance with a fixed increase of R25 000 per annum. During the current year an amount of R450 000 was donated (2017: R425 000).

In addition all land management costs are carried by Booysendal Platinum Proprietary Limited.

The Buttonshope Conservancy Trust also owns Portion 1 of Sheeprun 50, property measuring 256.9596 hectares held under Title deed T4813/2017.

14. Long-term prepayments

In terms of the agreement with Doppelmayr Transport Technology GmbH, the aerial ropeway manufacturer, prepayments for both the North and South aerial conveyor system had to be made in terms of the manufacturing costs.

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Opening balance	336 409	–	–	–
Amounts paid to Doppelmayr Transport Technology GmbH	202 691	336 409	–	–
Amounts transferred to property, plant and equipment (refer note 3)	(449 492)	–	–	–
	89 608	336 409	–	–

15. Subsidiary loans

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Booysendal Platinum Proprietary Limited	–	–	–	1 720 088
Norplats Properties Proprietary Limited	–	–	66 596	81 893
Windfall 38 Properties Proprietary Limited	–	–	–	9 689
Mining Technical Services Proprietary Limited	–	–	22 909	26 543
Northam Platinum Investments (US) Incorporated	–	–	1 667	–
Northam Recovery Services LLC	–	–	6 780	–
Northam Property Company LLC	–	–	1 273	–
	–	–	99 225	1 838 213

All loans are interest free, denominated in South African rand, unsecured and repayable on demand.

The loan between Booysendal Platinum Proprietary Limited and Northam Platinum Limited was capitalised to the investment during the year under review.

Details of the subsidiaries are set out in the related party note (note 45), which forms part of these notes.

16. Inventories

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Metals on hand and in transit				
Platinum	1 611 709	982 568	1 672 670	976 504
Palladium	851 336	424 903	882 958	422 172
Rhodium	674 197	197 320	696 200	196 268
Gold	61 056	28 163	63 776	28 058
Total metal inventories	3 198 298	1 632 954	3 315 604	1 623 002
Consumable stores at cost	188 497	96 148	66 140	49 998
Total inventories at the lower of cost and net realisable value	3 386 795	1 729 102	3 381 744	1 673 000

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Ore stockpile inventory	348 930	240 506	325 627	230 554
Concentrate in process	295 487	91 853	280 822	91 853
Concentrate before the smelter	919 639	574 767	975 552	574 767
Smelter inventory	1 021 334	295 321	1 083 430	295 321
Base metal removal plant inventory	112 669	47 130	119 519	47 130
Precious metal refiner inventory	496 287	382 081	526 461	382 081
Finished product inventory on hand	3 952	1 296	4 193	1 296
Total metal inventories	3 198 298	1 632 954	3 315 604	1 623 002

	oz	oz	oz	oz
Metals on hand and in transit				
Platinum	152 590	92 646	148 974	85 139
Palladium	74 768	45 641	73 076	42 047
Rhodium	29 171	18 485	28 664	17 272
Gold	4 033	1 950	3 923	1 850
	260 562	158 722	254 637	146 308

The metals above include ore stockpiles, in process metal as well as finished goods. Metal inventory is allocated as follows in the process:

	oz	oz	oz	oz
Metals on hand and in transit				
Ore stockpile inventory	28 427	23 377	25 008	10 963
Concentrate in process	24 073	8 928	21 567	8 928
Concentrate before the smelter	74 922	55 867	74 922	55 867
Smelter inventory	83 207	28 705	83 207	28 705
Base metal removal plant inventory	9 179	4 581	9 179	4 581
Precious metal refiner inventory	40 432	37 138	40 432	37 138
Finished product inventory on hand	322	126	322	126
	260 562	158 722	254 637	146 308

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

Included in cost of sales are metals on hand that were written down by R156.5 million (2017: R444.3 million) to net realisable value. Inventory to the value of R535.8 million (2017: R478.4 million) is disclosed at net realisable value.

Inventory in the pipeline is considered to be between 80 000 and 90 000 ounces of metal at any given time. All inventory over and above pipeline material is considered excess inventory.

No inventories are encumbered.

Significant judgements and estimates: Net realisable value and measurement of inventory

Work in progress metal inventory is valued at the lower of net realisable value and the average cost of production or purchase less net revenue from sales of other metals in the ratio of the contribution of these metals to gross sales revenue. Production costs are allocated to platinum, palladium, rhodium and gold (joint products) by dividing the mine output into total mine production costs, determined on a six-month rolling average basis except for concentrates purchased which is recognised in the month in which it is purchased and not on a six-month rolling average. The quantity of ounces of joint products in work in progress is calculated based on the following factors. The theoretical inventory at that point in time which is calculated by adding the inputs to the previous physical inventory and then deducting the outputs for the inventory period. The inputs and outputs include estimates due to the delay in finalising analytical values. The estimates are subsequently trued up to the final metal accounting quantities when available. The theoretical inventory is then converted to a refined equivalent inventory by applying appropriate recoveries depending on where the material is within the production pipeline. The recoveries are based on actual results as determined by the inventory count and are in line with industry standards.

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

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained 4E ounces is based on assay data, and the estimated recovery percentage is based on the expected processing method.

Stockpile tonnages are verified by independent third party surveyors.

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

Below is a summary of the commodity prices and exchange rate used to determine the net realisable value of inventories:

		Group		Company	
		2018	2017	2018	2017
Platinum price	USD/oz	865	921	865	921
Palladium price	USD/oz	959	867	959	867
Rhodium price	USD/oz	2 250	1 001	2 250	1 001
Gold price	USD/oz	1 265	1 247	1 265	1 247
Exchange rate	USD/ZAR	13.73	13.06	13.73	13.06

17. Trade and other receivables

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Trade receivables	539 133	283 146	441 506	231 195
Accrued interest	3 564	11 989	2 386	9 712
Prepayments	47 022	44 797	43 929	40 067
Deposits	4 233	2 889	300	164
South African Revenue Service – Value Added Tax	234 270	143 775	182 342	117 740
South African Revenue Service – mineral royalties	1 174	17 258	1 441	17 226
Current portion of long-term receivables (refer note 10)	8 022	7 334	–	–
Current portion of interest-free home loans (refer note 10)	1 482	6 367	992	4 764
Receivable from Booysendal Platinum Proprietary Limited	–	–	213 478	–
Receivable from Eland Platinum Proprietary Limited	–	–	33 450	13 616
Receivable from Northam Zondereinde Community Trust	–	–	–	2 351
Receivable from Northam Booysendal Community Trust	–	–	–	2 351
Receivable from Northam Employee Trust	–	–	–	2 352
Other	85 185	31 442	73 579	46 418
	924 085	548 997	993 403	487 956

The exposure to foreign currency denominated balances included in trade receivables as at 30 June was as follows:

	Group		Company	
	2018	2017	2018	2017
	USD000	USD000	USD000	USD000
US dollars	17 220	13 279	17 220	13 279

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

At 30 June 2018, R Nil was impaired (2017: R Nil). The table below summarises the maturity profile of the company and group's trade and other receivables:

Neither past due nor impaired	630 904	452 542	782 141	400 766
30 to 60 days	210 116	48 565	155 137	45 579
60 to 90 days	53 726	21 885	53 672	17 921
More than 90 days*	29 339	26 005	2 453	23 690
	924 085	548 997	993 403	487 956

** Management considers these amounts to be fully recoverable*

Trade receivables and advances by country are as follows:

South Africa	687 688	372 347	757 006	311 306
United Kingdom	67 062	40 510	67 062	40 510
Australia	–	3 749	–	3 749
Germany	68 300	63 232	68 300	63 232
France	2 562	–	2 562	–
Japan	10 981	3 288	10 981	3 288
United States of America	87 492	65 871	87 492	65 871
	924 085	548 997	993 403	487 956

Prepayments relates to amounts prepaid on insurance as well as machinery and equipment.

Refer to note 44 for fair value and financial risk disclosure.

18. Cash and cash equivalents

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Cash at bank and on hand	9 310	478 974	1 981	468 213
Restricted cash	97 708	103 949	23 000	23 000
Short-term deposits	281 684	1 203 942	255 935	905 464
Cash and cash equivalent	388 702	1 786 865	280 916	1 396 677
Less bank overdraft	(95 535)	–	(95 228)	–
Cash and cash equivalents as per the statement of cash flows	293 167	1 786 865	185 688	1 396 677

The exposure to foreign currency denominated balances as at 30 June were as follows:

	Group		Company	
	2018	2017	2018	2017
	USD000	USD000	USD000	USD000
US dollars	40	35 655	10	35 655

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

The weighted average effective interest rate on short-term deposits was 6.9% (2017: 8.2%) and these deposits are all immediately available (2017: have a maximum maturity of 90 days).

At 30 June 2018 the group had R1.5 billion (2017: R1.0 billion) of undrawn committed borrowing facilities, of which R250.0 million was drawn down on subsequent to year end.

Restricted cash includes a guarantee of R23.0 million (2017: R23.0 million) relating to an electricity supply agreement between Northam Platinum Limited and Eskom Holdings SOC Limited. Restricted cash also includes money ring-fenced for the benefit of the Northam Employee Trust, the Northam Zondereinde Community Trust, the Northam Booysendal Community Trust and Zambezi Platinum (RF) Limited which may only be spent in terms of the various Trust Deeds and Memorandum of Incorporation.

For the purposes of the statement of cash flows, cash and cash equivalents comprise both the cash and cash equivalents balance as well as the overdraft.

Also refer to note 44 for fair value and financial risk disclosure.

19. Stated capital

	Group		Company	
	2018	2017	2018	2017
	Number of shares	Number of shares	Number of share	Number of shares
Authorised share capital				
2 000 000 000 share capital at no par value				
Issued share capital				
Issued share capital	509 781 212	509 781 212	509 781 212	509 781 212
Treasury shares	(159 905 453)	(159 905 453)	–	–
	349 875 759	349 875 759	509 781 212	509 781 212

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Issued share capital	13 778 114	13 778 114	13 778 114	13 778 114
Treasury shares	(6 556 123)	(6 556 123)	–	–
	7 221 991	7 221 991	13 778 114	13 778 114

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

Treasury shares relates to the shares owned by Zambezi Platinum (RF) Limited.

20. Equity-settled share-based payment reserve

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Equity-settled share-based payment reserve	874 448	874 448	1 173 756	1 173 756
	874 448	874 448	1 173 756	1 173 756

The Northam Platinum Limited Black Economic Empowerment (BEE) transaction via Zambezi Platinum (RF) Limited constitutes a share-based payment as defined which is classified as an equity-settled share-based payment to be delivered after the 10-year lock-in period. IFRS 2 requires equity-settled transactions to be accounted for at the fair value at grant date, defined as the date at which the entity and other party agree to a share-based payment arrangement, being the date when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement.

There are no vesting conditions attached to the BEE equity that are held by the BEE participants. This resulted in the full share-based payment in respect of the BEE transaction being incurred on day one of the BEE transaction.

There were no new equity-settled share-based payment transactions during the current or previous year and therefore no changes to the above reserve.

21. Deferred tax asset and liability

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

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Deferred tax assets				
Employee benefits relating to leave pay and bonus provisions	85 950	70 513	74 022	61 624
Decommissioning and environmental restoration provisions	83 814	85 352	36 902	39 560
Share-based payment liability	44 055	45 826	25 161	27 502
Metal inventory	30 165	11 096	–	–
Deferred income	36 736	39 200	18 107	19 600
Calculated capital and tax losses	349	–	2 480	–
	281 069	251 987	156 672	148 286
Deferred tax liabilities				
Property, plant and equipment	(1 069 400)	(803 660)	(825 898)	(725 865)
Metal inventory	–	–	(16 159)	(13 580)
Restoration Trust Fund	(30 975)	(28 625)	(15 493)	(13 517)
Items accounted for directly through other comprehensive income	–	–	–	(589)
Section 24C allowances in respect of long-term receivables	(5 139)	(5 585)	–	–
	(1 105 514)	(837 870)	(857 550)	(753 551)
Net deferred tax liability	(824 445)	(585 883)	(700 878)	(605 265)
The charge in the deferred tax balance is reconciled as follows:				
Net deferred tax liability at the beginning of the year	(585 883)	(446 305)	(605 265)	(594 935)
Items accounted for directly through other comprehensive income	–	–	589	(589)
Charge for the year	(238 562)	(139 578)	(96 202)	(9 741)
Employee benefits	15 437	10 945	12 398	9 281
Decommissioning and environmental restoration provisions	(1 538)	12 885	(2 658)	4 251
Share-based payment liabilities	(1 771)	6 324	(2 341)	387
Deferred income	(2 464)	39 200	(1 493)	19 600
Calculated capital and tax losses	349	(965)	2 480	–
Property, plant and equipment	(265 740)	(219 851)	(100 033)	(42 244)
Depreciation component included in metals on hand and in transit	19 069	13 482	(2 579)	404
Restoration Trust Fund	(2 350)	(2 404)	(1 976)	(1 420)
Section 24C allowance in respect of long-term receivables	446	806	–	–
Net deferred tax liability	(824 445)	(585 883)	(700 878)	(605 265)
The net deferred tax liability is made up as follows:				
Deferred tax asset	349	–	–	–
Deferred tax liability	(824 794)	(585 883)	(700 878)	(605 265)
Net deferred tax liability	(824 445)	(585 883)	(700 878)	(605 265)

Significant judgements and estimates: utilisation of a deferred tax asset

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

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

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

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

The utilisation of a deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences. In light of Eland Platinum Proprietary Limited financial performance and the uncertainty of future taxable profits to account against its deferred tax asset, management concluded, following due assessment, that it was prudent not to raise a deferred tax asset amounting to R177.9 million (2017: R29.3 million). This position will continuously be assessed going forward.

Similarly for the various US entities no deferred tax asset was raised for tax losses amounting to R12.2 million.

22. Long-term provisions

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Rehabilitation provision opening balance	304 829	258 808	141 284	126 101
Recognition of a decommissioning liability	335 323	12 937	–	1 791
Change in estimate relating to the decommissioning costs	(39 961)	(8 407)	(21 991)	(7 612)
Change in estimate relating to restoration costs	2 087	–	(2 505)	–
Recognition of a restoration liability	5 469	–	–	–
Unwinding of discount (refer note 35)	32 381	41 491	15 005	21 004
Total rehabilitation and decommissioning liability provision	640 128	304 829	131 793	141 284
Below is a breakdown of the rehabilitation and decommission liability provision				
Provision for decommissioning costs				
Balance at the beginning of the year	248 047	208 279	110 385	98 169
Recognition of a decommissioning liability	335 323	12 937	–	1 791
Change in estimate relating to the decommissioning costs	(39 961)	(8 407)	(21 991)	(7 612)
Unwinding of discount (refer note 35)	26 352	35 238	11 725	18 037
	569 761	248 047	100 119	110 385
Provision for restoration costs				
Balance at the beginning of the year	56 782	50 529	30 899	27 932
Recognition of a restoration liability	5 469	–	–	–
Change in estimate	2 087	–	(2 505)	–
Unwinding of discount (refer note 35)	6 029	6 253	3 280	2 967
	70 367	56 782	31 674	30 899
Total rehabilitation and decommissioning liability provision	640 128	304 829	131 793	141 284
The rehabilitation provision is made up of the provision relating to:				
Northam Platinum Limited (Zondereinde)	131 793	141 284	131 793	141 284
Booysendal Platinum Proprietary Limited	167 543	163 545	–	–
Eland Platinum Proprietary Limited	340 792	–	–	–
	640 128	304 829	131 793	141 284

The South African National Environmental Management Act 107 of 1998, as well as the Mineral and Petroleum Resources Development Act no 28 of 2002 (MPRDA), which applies to all prospecting and mining operations, requires that operations are carried out in accordance with generally accepted principles of sustainable development. It is a MPRDA requirement that an applicant for a mining right must make prescribed financial provision for the rehabilitation or management of negative environmental impacts, which must be reviewed annually.

In terms of, *inter alia*, the MPRDA, mining operations are required to make financial provision for its decommissioning and restoration costs that will be incurred upon the cessation of mining activities.

Northam Platinum Limited makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis. The provision is based on the current best estimate for rehabilitation and decommissioning costs and is determined using commercial closure cost assessments and not the Department of Mineral Resources published rates. Management believes using commercial closure cost assessments more accurately reflect the potential future costs. The commercial closure costs assessment is significantly more than what the liability would have been should the current published Department of Mineral Resources rates have been used.

Financial provision is not however required to be made for the decommissioning of certain structures, such as housing, which may have an alternative use.

Significant judgements and estimates: assessment of decommissioning and restoration provision

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

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

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

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

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

		Group		Company	
		2018	2017	2018	2017
Long-term South African inflation rate	%	7.2	8.71	7.2	8.71
Long-term real discount rate	%	9.8	10.62	9.8	10.62
Discounting period					
Zondereinde	years	23	24	23	24
Booysendal	years	21	22	–	–
Eland	years	18	–	–	–
Value of the undiscounted commercial closure rehabilitation costs					
Zondereinde	R000	228 699	197 626	228 699	197 626
Booysendal	R000	277 117	222 044	–	–
Eland	R000	530 920	–	–	–

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

Cash flows relating to rehabilitation costs will occur at the end of the life of the operations which is currently determined as the expiry date of the mining licences.

As part of the one environmental system, regulations governing financial provisions for the Rehabilitation, Closure and Post Closure of Prospecting, Exploration, Mining or Production Operations were published under the National Environmental Management Act, No. 107 of 1998 in November 2015 (FP Regulations). Fairly significant increases in financial provision are anticipated as a result of the FP Regulations.

The FP Regulations were amended in October 2016 and existing right holders (which would include Northam and its subsidiaries) now have until February 2019 to comply with the FP Regulations; submit an assessment of the financial provision required for their mining operations under the FP Regulations to the Department of Mineral Resources; and increase the financial provision in accordance with such assessment, when requested by the Department of Mineral Resources

However, whilst the intention of the 2016 amendments was to provide much needed clarity for the sector, there is still a substantial amount of regulatory uncertainty and an overhaul of the financial provision regime has been proposed with the publication of a new set of Proposed Regulations by the Environmental Minister on 10 November 2017. The FP Regulations are also the subject of High Court proceedings, with several provisions being challenged.

There is therefore still significant uncertainty as to when the FP Regulations will apply to Northam and its subsidiaries and the impact of the FP Regulations on them.

On 20 November 2015, the National Environmental Management Act No. 107 of 1998 (NEMA) Financial Provisioning Regulations, 2015 were promulgated, resulting in significant changes from the requirements contained in the Mineral and Petroleum Resources Development Act (MPRDA) Regulations, 2004.

The 2015 Regulations were immediately applicable to applicants for a prospecting right, mining permit, mining right, exploration right or production right (i.e. new applicants). Holders and holders of a right and permit were allowed to choose the transitional period, being either within three months of their financial year end or 15 months from promulgation of the 2015 Regulations. Due to an outcry from the minerals industry around the practical implications of complying within such a limited time frame, holders and holders of a right and permit were granted an extended transitional period of 39 months from date of promulgation and now have until 19 February 2019 to comply.

The group is evaluating the implications of the release of the financial provision regulations under NEMA and intends to comply with the new financial provision regulations.

The rehabilitation provision represents the present value of rehabilitation and decommissioning costs relating to mine sites, which is expected to be incurred in subsequent years. These provisions have been based on assessments prepared by a third party independent expert, SRK Consulting (South Africa) Proprietary Limited.

The present value of the environmental restoration obligation was determined by applying a pre-tax discount rate of 9.8% (2017: 10.62%) and a long-term inflation rate of 7.2% (2017: 8.71%) over the remaining life of the various mines.

However, actual rehabilitation and decommissioning costs will ultimately depend upon future market prices for necessary rehabilitation works which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation will likely depend on when the various operations cease to produce at economically-viable rates which will, in turn, depend on future commodity prices and exchange rates, which are inherently uncertain.

Northam Platinum Limited’s mining activities are subject to extensive environmental laws and regulations. These laws and regulations are continually changing and are generally becoming more restrictive. Northam has incurred, and expects to incur in future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such expenditures. Estimated future rehabilitation costs are based on current legal and regulatory requirements.

Below is a breakdown of the rehabilitation and decommissioning labilities of the various operations:

	Zondereinde (Northam Platinum Limited)	Booysendal (Booysendal Platinum Proprietary Limited)	Eland (Eland Platinum Proprietary Limited)	Total
	2018	2018	2018	2018
	R000	R000	R000	R000
Provision for decommissioning costs				
Balance at the beginning of the year	110 385	137 662	–	248 047
Recognition of a decommissioning liability	–	–	335 323	335 323
Change in estimate relating to the decommissioning costs	(21 991)	(17 970)	–	(39 961)
Unwinding of discount	11 725	14 627	–	26 352
	100 119	134 319	335 323	569 761
Provision for restoration costs				
Balance at the beginning of the year	30 899	25 883	–	56 782
Recognition of a restoration liability	–	–	5 469	5 469
Change in estimate	(2 505)	4 592	–	2 087
Unwinding of discount	3 280	2 749	–	6 029
	31 674	33 224	5 469	70 367
Total rehabilitation and decommissioning liability provision	131 793	167 543	340 792	640 128

	Zondereinde (Northam Platinum Limited)	Booysendal (Booysendal Platinum Proprietary Limited)	Eland (Eland Platinum Proprietary Limited)	Total
	2017	2017	2017	2017
	R000	R000	R000	R000
Provision for decommissioning costs				
Balance at the beginning of the year	98 169	110 110	–	208 279
Recognition of a decommissioning liability	1 791	11 146	–	12 937
Change in estimate relating to the decommissioning costs	(7 612)	(795)	–	(8 407)
Unwinding of discount	18 037	17 201	–	35 238
	110 385	137 662	–	248 047
Provision for restoration costs				
Balance at the beginning of the year	27 932	22 597	–	50 529
Unwinding of discount	2 967	3 286	–	6 253
	30 899	25 883	–	56 782
Total rehabilitation and decommissioning liability provision	141 284	163 545	–	304 829

At the reporting date the net unfunded future obligations were as follows, based on the current Department of Mineral Resources requirements:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Undiscounted decommissioning and restoration obligation based on the Department of Mineral Resources' rates	475 211	269 338	168 177	152 978
Less funds held by Northam Platinum Restoration Trust Fund (note 11)	(110 626)	(102 233)	(55 333)	(48 274)
Less environmental guarantees (note 12)	(401 418)	(244 808)	(142 350)	(102 000)
Total (overfunded)/unfunded current rehabilitation obligation	(36 833)	(77 703)	(29 506)	2 704

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

Going forward the environmental obligation will be financed either by way of guarantees or other insurance products and not through cash contributions to the Northam Platinum Restoration Trust Fund, due to the uncertainty created by changes in legislation.

The group has procured the issue of guarantees in respect of the unfunded decommissioning and restoration costs, not covered by the investment held through the Northam Platinum Restoration Trust Fund.

Refer to note 11 and 12 for further details on the Northam Platinum Restoration Trust Fund as well as the various guarantees taken out.

23. Long-term loans

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Security of supply contribution	131 200	38 992	64 669	38 992
Heraeus Deutschland GmbH & Co. KG	75 403	223 870	75 403	223 870
Total long-term loans	206 603	262 862	140 072	262 862
Current portion of security of supply contribution	(15 140)	(4 034)	(7 496)	(4 034)
Current portion of Heraeus Deutschland GmbH & Co. KG	(9 400)	(9 400)	(9 400)	(9 400)
	182 063	249 428	123 176	249 428

The exposure to foreign currency denominated balances as at 30 June was as follows:

	Group		Company	
	2018	2017	2018	2017
	€000	€000	€000	€000
Amounts denominated in € included in long-term loans	–	10 000	–	10 000

The security of supply contribution relates to advances for the supply of future product for a period of 10 years. These advances will be recognised over the 10-year supply period.

Heraeus Deutschland GmbH & Co. KG contributed the first €10.0 million to the new 20MW furnace during the F2016 financial year. The contribution received was recognised as a liability in the previous periods, as the company was obligated to refund the amount to Heraeus Deutschland GmbH & Co. KG if, and only if the furnace was not commissioned on time. On commissioning, the second €10.0 million was received, and the €20.0 million (R303.1 million) was deducted from the cost of the smelter as the value contributed is effectively considered a rebate in terms of IAS 16. The contribution was previously included in the balances above.

In terms of an agreement entered into by the company and Heraeus Deutschland GmbH & Co. KG an annual payment of R9.4 million is made for development and research costs for a period of 20 years. A liability was recognised at contract inception, being 16 April 2016. The liability is measured at the present value of the R9.4 million payments over 20 years using the prevailing South African prime interest rate. The contra side of the entry was included as cost to the furnace.

The present value of these annual payments amounted to R75.4 million (2017: R74.7 million) and is included in the table above.

24. Financial guarantee liability

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Zambezi Platinum (RF) Limited financial guarantee liability	–	–	7 535 944	7 535 944
	–	–	7 535 944	7 535 944

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

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

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

Even though the company currently holds a number of the Zambezi Platinum (RF) Limited preference shares (refer note 8), these preference shares are still outstanding and therefore no change will be accounted for relating to the guarantee liability.

25. Domestic medium term notes

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Non-current domestic medium term notes				
Domestic medium term notes (NHM002)	175 000	175 000	175 000	175 000
Transaction costs relating to the NHM002 issue	(1 256)	(1 256)	(1 256)	(1 256)
Amortisation of transaction costs over 60 months	544	292	544	292
	174 288	174 036	174 288	174 036
Domestic medium term notes (NHM003)	250 000	250 000	250 000	250 000
Transaction costs relating to the NHM003 issue	(4 627)	(4 627)	(4 627)	(4 627)
Amortisation of transaction costs over 36 months	3 213	1 672	3 213	1 672
Transfer to current domestic medium term notes	(248 586)	–	(248 586)	–
	–	247 045	–	247 045
Total non-current domestic medium term notes	174 288	421 081	174 288	421 081
Current domestic medium term notes				
Transferred from non-current assets (NHM003)	248 586	–	248 586	–
Domestic medium term notes issued (NHM004)	450 000	–	450 000	–
Transaction costs relating to the NHM004 issue	(2 778)	–	(2 778)	–
Amortisation of transaction costs over 12 months	538	–	538	–
	447 760	–	447 760	–
Domestic medium term notes issued (NHM005)	550 000	–	550 000	–
Transaction costs relating to the NHM005 issue	(3 304)	–	(3 304)	–
Amortisation of transaction costs over 12 months	398	–	398	–
	547 094	–	547 094	–
Total current domestic medium term notes	1 243 440	–	1 243 440	–
Total domestic medium term notes	1 417 728	421 081	1 417 728	421 081

On 13 May 2016, Northam issued NHM002, which is R175.0 million's worth of five-year senior unsecured fixed rate notes (NHM002) under the DMTN programme. The notes bear a fixed coupon of 13.50% per annum, payable semi-annually in May and November of every year, and will be redeemed on 12 May 2021 and are therefore disclosed as non-current. The funds were used for general corporate purposes.

The Industrial Development Corporation of South Africa Limited subscribed to NHM003 for R250.0 million, three-year senior unsecured floating rate notes (NHM003) under the DMTN programme on 10 June 2016. The notes attract a floating coupon rate of 3-month JIBAR plus 390 basis points, payable on a quarterly basis in August, November, February and May of every year for a three-year period and will mature on 9 June 2019. These notes are therefore stated as current. The proceeds were applied for the development of the Booysendal expansion project.

During the current year, Northam issued NHM004 (20 April 2018) for R450.0 million and NHM005 (18 May 2018) for R550.0 million, one-year senior unsecured fixed rate notes. The notes bear a fixed coupon of 11.0% per annum, payable on the redemption date. These notes are therefore stated as current.

Transation costs are amortised over the period of the financial liability.

These notes were issued under the R2.0 billion DMTN programme dated 3 August 2012.

26. Preference share liability

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Opening balance	8 636 558	7 575 697	–	–
Accrued preference share dividends	1 182 093	1 060 861	–	–
Preference shares liability relating to Zambezi Platinum (RF) Limited	9 818 651	8 636 558	–	–
Derecognition of Zambezi Platinum (RF) Limited preference shares through the investment in the preference shares together with the accrued dividends	(259 784)	(226 976)	–	–
Liquidity fees amortised over the 10-year lock-in period relating to the black economic empowerment transaction	(163 903)	(163 903)	–	–
Amortisation of liquidity fees	50 536	34 146	–	–
	9 445 500	8 279 825	–	–

On 18 May 2015, 159 905 453 cumulative redeemable preference shares were issued by Zambezi Platinum (RF) Limited at an issue price of R41 per share. The preference shares are redeemable in 10 years' time at R41 plus the cumulative preference dividends, which will be May 2025. The preference shareholders are entitled to receive a dividend equal to the issue price multiplied by the dividend rate of the South African prime interest rate plus 3.5% calculated on a daily basis based on a 365-day year compounded annually and capitalised at the end of December of every year.

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

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

Subscription undertakings for the full value of the preference shares were secured at a 2.5% liquidity fee.

The liquidity fees are amortised over the 10-year lock-in period.

Below is a reconciliation of the accrued dividends as per the preference share liability relating to Zambezi Platinum (RF) Limited and the amounts recognised in profit or loss:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Accrued dividends	1 182 093	1 060 861	–	–
Less interest capitalised to property, plant and equipment in terms of IAS 23 Borrowing costs	(44 270)	(24 261)	–	–
Less dividends accrued to Northam Platinum Limited with regards to the Zambezi Platinum (RF) Limited preference shares owned (refer note 34)	(31 139)	(19 204)	–	–
	1 106 684	1 017 396	–	–

In terms of the Northam BEE transaction, Zambezi Platinum (RF) Limited holds a combined 31.4% interest in Northam's issued share capital.

The transaction was financed by way of 159 905 453 new Zambezi listed preference shares, redeemable at the end of a 10-year period. These BEE preference shares are guaranteed by Northam and as a result of the guarantee consolidated into the Northam group results.

The redemption of the preference share liability will occur in part through 90% of the dividends received from Northam Platinum Limited. There is however no obligation to settle the preference share liability during the 10-year lock in period should no dividends be received from Northam Platinum Limited. After the lock-in period of 10 years, the preference share liability will be redeemed in a bullet payment through the possible sell-off of the Northam shares owned by Zambezi into the market to realise the capital value. In the event that this is not sufficient to settle the liability, the preference share liability will be secured in terms of a financial guarantee issued by Northam. Should a liability arise under the Northam guarantee, Northam may settle this liability by capitalising Zambezi with cash and/or Northam shares before the redemption amount becomes due or making payment directly to the preference shareholders. The manner of settlement is a choice and is not contractually specified between the two ways mentioned above.

Significant judgements and estimates: consolidation of Zambezi Platinum (RF) Limited

In terms of the preference share agreement between Zambezi Platinum (RF) Limited and its preference shareholders, the preference shareholders will be entitled to receive dividends equal to the South African prime interest rate plus 3.5% over the 10-year period. The preference shares will be compulsorily redeemable on the day immediately preceding the 10th anniversary of the implementation date. The preference shares can only be redeemable before this date upon the occurrence of an early redemption event which is defined in the agreement. The redemption price will be equal to the preference shares' issue price. In terms of the preference shares agreement, the preference dividends will accumulate (compounded) at the rate mentioned above for the 10-year period if not paid by Zambezi. On the redemption date, Zambezi has to settle any outstanding dividends accumulated, together with the redemption price. Zambezi does not have any discretion to avoid the payment of cumulative preference dividends or the payment of the redemption price, and is therefore obliged to settle this amount by delivering cash, a variable number of Northam shares or a combination of the two. The preference shares as well as any accumulated and unpaid preference dividends meet the definition of a financial liability, and are accounted for as such in the statement of financial position of Zambezi, and consolidated in the financials of Northam in terms of International Financial Reporting Standards. This means that the Northam group reflects the BEE equity issued shares as treasury shares (for accounting purposes) and the BEE preference shares are reflected as a liability.

Zambezi was created and designed for the sole purpose of providing Northam with BEE credentials and as a structure to hold the listed BEE preference shares. If Northam does not comply with the HDSA requirements in the Mining Charter they will not be able to retain their mining rights. Northam is able to direct the strategic direction of Zambezi and as per the subscription and relationship agreement between the two companies, Zambezi's memorandum of incorporation may not be amended or replaced without Northam's prior written consent. Northam assumes full responsibility for the administration of Zambezi as well as any costs incurred by Zambezi up to a certain limit. Furthermore, Northam provides a guarantee for Zambezi's obligation in respect of the preference shares. All these points indicate that Northam has been involved from the inception of the transaction, to ensure that the design and operation of Zambezi achieves the purpose for which it was created.

In terms of the transaction, an 'N' share was issued to Northam, which gave them the right to implement mitigating action should Zambezi not comply with certain undertakings as per the transaction's agreements and in other limited instances aimed at maintaining the integrity of the transaction at all times. Zambezi also cannot dispose of the Northam ordinary shares without the prior consent of Northam. Northam has significant exposure to the variable returns of Zambezi, through the creation and maintenance of the BEE credentials during the 10-year lock-in period as well as through the guarantee provided by Northam. The decision-making power of Zambezi's board of directors is restricted to maintaining Northam's BEE credentials and funding arrangements.

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

27. Share-based payment liability

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Performance and retention share-based payment liability	129 129	153 277	75 756	93 027
Lock-in and incentive mechanism share-based payment liability	28 210	10 388	14 105	5 194
Total share-based payment liability	157 339	163 665	89 861	98 221
Short-term portion of share-based payment liability	(78 340)	(75 026)	(44 604)	(45 988)
Long-term share-based payment liability	78 999	88 639	45 257	52 233
The movement in the share-based payment liability is made up as follows:				
Opening balance	163 665	141 077	98 221	96 838
Share-based payment expense during the year (note 33)	107 344	96 083	76 980	63 809
Options/incentive shares cash settled during the year	(113 670)	(73 495)	(85 340)	(62 426)
Total share-based payment liability	157 339	163 665	89 861	98 221

The short-term portion is based on the options/shares which will be settled or expire in the next 12 months, all other share-based payment liabilities are disclosed as non-current due to the contractual payment terms as per the share incentive plan.

Share option scheme (the scheme)

As at 30 June 2018 there were no share options outstanding. Below is a reconciliation of the options exercised during the year:

Grant date	12 Oct 2010		
Expiry date	**11 Oct 2017**	**Claw back**	
Exercise price in ZAR	**46.57**	**40.00**	**Total**
Opening balance 1 July 2017	202 500	7 938	210 438
Options exercised during the year	(202 500)	(7 938)	(210 438)
July	–	–	–
August	–	–	–
September	(107 500)	(4 214)	(111 714)
October	(95 000)	(3 724)	(98 724)
November	–	–	–
December	–	–	–
January	–	–	–
February	–	–	–
March	–	–	–
April	–	–	–
May	–	–	–
June	–	–	–
Balance as at 30 June 2018	–	–	–

Grant date	5 Nov 2009	1 July 2010	12 Oct 2010		
Expiry date	**4 Nov 2016**	**30 June 2017**	**11 Oct 2017**	**Claw back**	
Exercise price in ZAR	**36.95**	**45.59**	**46.57**	**40.00**	**Total**
Opening balance 1 July 2016	265 000	–	1 795 000	80 767	2 140 767
Options forfeited during the year	(12 500)	–	–	(497)	(12 997)
Options exercised during the year	(252 500)	–	(1 592 500)	(72 332)	(1 917 332)
July	–	–	(90 000)	(3 534)	(93 534)
August	(45 000)	–	(25 000)	(2 746)	(72 746)
September	(182 500)	–	(370 000)	(21 684)	(574 184)
October	–	–	(347 500)	(13 544)	(361 044)
November	(25 000)	–	–	(980)	(25 980)
December	–	–	(45 000)	(1 767)	(46 767)
January	–	–	(471 500)	(18 515)	(490 015)
February	–	–	(243 500)	(9 562)	(253 062)
March	–	–	–	–	–
April	–	–	–	–	–
May	–	–	–	–	–
June	–	–	–	–	–
Balance as at 30 June 2017	–	–	202 500	7 938	210 438

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

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

The following table lists the inputs to the model used for the share option scheme for the year ended 30 June 2017:

Grant date	12 Oct 2010
Dividend yield (%)	–
Expected volatility (%)	46.60
Risk-free interest rate (%)	7.51
Expected life of share options (years)	0.25
Spot price (ZAR)	40.45
Model used*	Market value

* *Given that the value of the shares will be paid out, and not just the growth in the price, an option valuation model is not appropriate, but the share price at year end adjusted for dividends forfeited during the vesting period was used.*

Share incentive plan (the SIP)

Below is an analysis of share incentives held as at 30 June 2018:

Retention shares	4 Nov 2014 Share award	11 Nov 2015 Share award	8 Nov 2016 Share award	2 Nov 2017 Share award	Total
Balance 1 July 2017	527 700	709 100	508 900	–	1 745 700
Shares awarded during the year	–	–	–	709 000	709 000
Shares forfeited	(38 350)	(32 950)	(5 800)	(13 800)	(90 900)
Shares cash settled during the year	(489 350)	(26 200)	(14 600)	(8 700)	(538 850)
Balance at 30 June 2018	–	649 950	488 500	686 500	1 824 950
Balance 1 July 2016	600 200	811 800	–	–	1 412 000
Shares awarded during the year	–	–	550 400	–	550 400
Shares forfeited	(16 340)	(36 660)	(22 100)	–	(75 100)
Shares cash settled during the year	(56 160)	(66 040)	(19 400)	–	(141 600)
Balance at 30 June 2017	527 700	709 100	508 900	–	1 745 700

Performance shares	15 Nov 2013 Share award	4 Nov 2014 Share award	11 Nov 2015 Share award	8 Nov 2016 Share award	2 Nov 2017 Share award	Total
Balance 1 July 2017		1 561 100	2 100 700	1 504 600	–	5 166 400
Shares awarded during the year		–	–	–	2 095 200	2 095 200
Shares forfeited/adjusted for performance conditions met during the year		(114 000)	(97 850)	(17 600)	(40 600)	(270 050)
Shares cash settled during the year		(1 447 100)	(77 500)	(42 900)	(25 500)	(1 593 000)
Balance at 30 June 2018		–	1 925 350	1 444 100	2 029 100	5 398 550
Balance 1 July 2016	897 000	1 775 100	2 405 300	–	–	5 077 400
Shares awarded during the year	–	–	–	1 626 600	–	1 626 600
Shares forfeited/adjusted for performance conditions met during the year	(415 800)	(47 840)	(108 860)	(65 000)	–	(637 500)
Shares cash settled during the year	(481 200)	(166 160)	(195 740)	(57 000)	–	(900 100)
Balance at 30 June 2017	–	1 561 100	2 100 700	1 504 600	–	5 166 400

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

The social, ethics and human resources (SE&HR) committee elects the settlement of all SIP awards of conditional shares in cash or with shares. Forfeitable share awards will only be settled through the issue of shares, in order to ensure that a participant's interests remain aligned with those of shareholders. It allows the SE&HR committee to more effectively manage cash commitments and shareholder dilution arising pursuant to the settlement of awards under the SIP on the group's behalf.

Before the changes approved at the AGM in November 2016, the SIP provided for the settlement amount using the volume weighted average price (VWAP) of a share calculated on the day preceding settlement. The rules were amended to provide for the settlement amount using the 30-day VWAP of a share calculated on the day preceding settlement.

The rules of the SIP relating to the issue, acceptance and settlement of awards during prohibited periods have been amended to allow for deferred issue, acceptance and settlement of awards as a result of a prohibited period preventing these actions. Furthermore, if settlement of an award is deferred, the values to be used when settlement actually occurs will be the same values that would have been used if settlement had not been deferred and rather taken place on the last date allowed under the rules (i.e. the 30th day following vesting).

Previously, if a participant retired before the age of 60, a portion of their awards would lapse. This resulted in employees that were required (for financial reasons related to the rules governing their retirement funds) to retire early, potentially being penalised despite only retiring a few days or weeks before their retirement date. Although arguably the current rules cater for these exceptional circumstances, the relevant provisions were ambiguous. The rules were therefore amended to clearly provide that, in the event a participant retires within one year of their prescribed retirement date, the committee may resolve to deem this to be retirement as opposed to early retirement. This amendment more clearly allows for the penalties attached to early retirement to be avoided in instances where they would unfairly prejudice a participant.

The updated rules were amended to allow the SE&HR committee to delay the making, of an award and/or settlement or vesting of conditional shares or forfeitable shares as a result of labour unrest, strikes or similar events affecting the group.

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

The following table lists the inputs to the model used for the share incentive plan for the year ended 30 June 2018:

	11 Nov 2015	11 Nov 2015	8 Nov 2016	8 Nov 2016	2 Nov 2017	2 Nov 2017
	Retention shares	Performance shares	Retention shares	Performance shares	Retention shares	Performance shares
Dividend yield (%)	–	–	–	–	–	–
Forfeiture rate (%)	10.0	10.0	10.0	10.0	10.0	10.0
Expected life of share awards (years)	0.37	0.37	1.36	1.36	2.35	2.35
Spot price (ZAR)	36.68	36.68	36.68	36.68	36.68	36.68
Model used*	Market value	Market value	Market value	Market value	Market value	Market value

* *Given that the value of the shares will be paid out, and not just the growth in the price, an option valuation model is not appropriate, but the share price at year end adjusted for dividends forfeited during the vesting period was used.*

The following table lists the inputs to the model used for the share incentive plan for the year ended 30 June 2017:

	4 Nov 2014	4 Nov 2014	11 Nov 2015	11 Nov 2015	8 Nov 2016	8 Nov 2016
	Retention shares	Performance shares	Retention shares	Performance shares	Retention shares	Performance shares
Dividend yield (%)	–	–	–	–	–	–
Forfeiture rate (%)	9.0	9.0	9.0	9.0	9.0	9.0
Expected life of share awards (years)	0.25	0.35	1.37	1.37	2.36	2.36
Spot price (ZAR)	40.45	40.45	40.45	40.45	40.45	40.45
Model used*	Market value	Market value	Market value	Market value	Market value	Market value

* *Given that the value of the shares will be paid out, and not just the growth in the price, an option valuation model is not appropriate, but the share price at year end adjusted for dividends forfeited during the vesting period was used.*

The expected life is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur.

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options/incentive shares is indicative of future trends, which may not necessarily be the actual outcome.

Lock-in and incentive mechanism (LIM)

Northam was requested by certain of its key institutional shareholders to consider the creation of a mechanism which would appropriately incentivise Northam's senior management to address the financial risks associated with the guarantee provided by Northam in favour of the Zambezi preference shareholders. A lock-in and incentive mechanism (LIM) which is specifically structured to incentivise the mitigation of those risks introduced by and unique to the guarantee, as well as, retaining key members of Northam's senior management as employees until the redemption of the Zambezi Platinum (RF) Limited preference shares (preference shares) in May 2025 was approved.

The SIP incentivises Northam's management over the short to medium term (three years) and is primarily focused on motivating the achievement by management of various technical and financial targets. Although these measures are appropriate and essential to the viability of the group, the SIP did not allow for performance measures relating to the guarantee liability. This required a long-term incentive mechanism premised on the exact variables which will determine the guarantee liability.

It is further recognised that Northam's market position relative to its peers has altered significantly with Northam having become a sizable and respected market participant. This success increases the risk of Northam losing members of its senior management, making it a strategic imperative for the company to retain management and prevent the loss of critical skills before the redemption date. In the circumstances, Northam and the relevant committees of its board of directors resolved to amend the rules to incorporate the LIM, with a view to appropriately incentivising the management team in order to prevent the guarantee liability from materialising and simultaneously lock in their skill-set until the redemption date. This objective is consistent with the interests of Northam's shareholders.

The LIM comprises two separate mechanisms structured with specific reference to the terms of the BEE transaction and, more specifically, the potential guarantee liability.

Long-term BEE transaction incentive plan (BIP)

The BIP addresses the long-term incentivisation and retention of its participants by aligning their interests with shareholders through equity participation. The BIP is to be implemented through the SIP, which was amended to incorporate the specific elements of the BIP. The BIP is implemented in addition to the SIP and does not replace or affect the SIP.

The company limits participants in the BIP to the key members of Northam's current and future key executive management team including, the chief executive officer (CEO), chief financial officer (CFO), chief commercial officer (CCO), chief geologist (CG), chief technical officer (CTO), executive officer HR (EHR) and the senior general managers of Booysendal and Zondereinde mines (GM) (participants). The position of the CTO has not been filled and remains subject to the employment of a suitable candidate by the group and the BEE CPS allocated to this positions will not be issued in the event that it is not filled.

In terms of the BIP an aggregate of 5 million shares will be conditionally awarded to the participants through the creation and award of 5 000 000 BEE CPS under the SIP.

Below is details of the BEE CPS awarded:

	2018	2017
	Number of BEE CPS shares	Number of BEE CPS shares
Chief executive officer	1 500 000	1 500 000
Chief financial officer	700 000	700 000
Chief commercial officer	500 000	500 000
Chief geologist	500 000	–
Executive officer HR	500 000	500 000
General manager Zondereinde mine	200 000	200 000
General manager Booysendal mine	200 000	200 000
	4 100 000	3 600 000

The aggregate number of BEE CPS issued represents less than 1% of Northam's current issued share capital and may be settled in cash or shares at the election of the independent committee of the board responsible for administering the SIP at that time.

Vesting will be subject to the satisfaction of the performance condition that Zambezi Platinum (RF) Limited fully settles the redemption amount; and fully settles or makes adequate provision for all its tax liabilities arising from settlement of the redemption amount, on the basis that no guarantee liability will arise and no member of the group will be required to give any direct or indirect financial assistance for the purposes of or in connection with the settlement of the redemption amount.

Vesting of BEE CPS will occur 30 business days after the date on which the BIP performance condition is fulfilled (which is expected to be 18 May 2025) or, in the event that vesting of the BEE CPS is accelerated in certain exceptional instances, as set out in the current rules in relation to conditional shares, including a change of control of Northam or an earlier date determined in accordance with the rules.

	2018	2017
	Number of BEE CPS shares	Number of BEE CPS shares
Opening balance	3 600 000	–
Shares awarded during the year	500 000	3 600 000
Balance as at 30 June 2018	4 100 000	3 600 000

The following table lists the inputs to the model used for the long-term BEE transaction incentive plan for the year ended 30 June 2018:

	BEE CPS shares
Dividend yield (%)	–
Forfeiture rate (%)	–
Expected life of share awards (years)	6.91
Spot price (ZAR)	36.68
Model used*	Market value

* *Given that the value of the shares will be paid out, and not just the growth in the price, an option valuation model is not appropriate, but the share price at year end adjusted for dividends forfeited during the vesting period was used.*

The following table lists the inputs to the model used for the long-term BEE transaction incentive plan for the year ended 30 June 2017:

	BEE CPS shares
Dividend yield (%)	–
Forfeiture rate (%)	–
Expected life of share awards (years)	7.92
Spot price (ZAR)	40.45
Model used*	Market value

* *Given that the value of the shares will be paid out, and not just the growth in the price, an option valuation model is not appropriate, but the share price at year end adjusted for dividends forfeited during the vesting period was used.*

28. Revolving credit facility/other assets

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Opening balance	–	–	–	–
Amounts drawn down on the revolving credit facility	2 000 000	–	2 000 000	–
Amounts repaid during the year	(500 000)	–	(500 000)	–
Total facility utilised	1 500 000	–	1 500 000	–
Transaction costs incurred	(17 055)	(8 593)	(17 055)	(8 593)
Amortisation of transaction cost over the facility period	3 550	1 002	3 550	1 002
	1 486 495	(7 591)	1 486 495	(7 591)

The group has a revolving credit facility with Nedbank Limited. The facility was effective from November 2016 for a period of 60 months to the value of R2.0 billion. Commitment fees are payable on the revolving credit facility amounting to 0.99% per annum on the unutilised portion of the facility.

During the year, an additional R1.0 billion facility was negotiated for period of 24 months effective 18 April 2018 with all other terms and conditions remaining the same as the original facility.

Subsequent to year end an amount of R250.0 million was drawn down.

Interest accrues at JIBAR plus 3.30% on any outstanding loan balance.

The revolving credit facility is disclosed as non-current as Northam Platinum Limited has the discretion, to refinance or roll over the outstanding facility for at least 12 months after the year end under the existing loan facility.

29. Trade and other payables

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Trade payables	590 045	503 007	246 042	199 797
Accruals	875 656	337 386	833 437	304 954
Capital accruals	84 978	29 977	15 577	29 977
South African Revenue Service – Value Added Tax	15 920	11 024	–	–
Accrued interest and commitment fees	52 684	5 741	52 684	5 741
Amounts payable to Booysendal Platinum Proprietary Limited	–	–	–	476 547
Employee related accruals	248 645	193 690	196 401	157 242
Provisional pricing payables	30 740	122 802	18 220	73 251
Other	67 307	64 545	6 603	7 354
	1 965 975	1 268 172	1 368 964	1 254 863

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

The carrying value of trade and other payables approximate their fair value, due to the their short term nature.

Below are the uncovered foreign currency denominated balances as at 30 June included in trade and other payables above:

	Group		Company	
	2018	2017	2018	2017
	€000	€000	€000	€000
Amounts denominated in € included in trade and other payables	3 360	288	1 474	–

30. Short-term provisions

Short-term provisions consist of the provision for leave pay:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Balance at the beginning of the year	155 204	125 788	145 972	131 015
Additional amounts raised	246 539	197 246	224 775	173 831
Provision for leave pay utilised	(204 602)	(167 830)	(194 844)	(158 874)
	197 141	155 204	175 903	145 972

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

31. Other long-term employee benefits

The company entered into an agreement with the representative unions at the Zondereinde mine in terms of which the company has undertaken to contribute 4% of its after tax profits to the Toro Employee Empowerment Trust, providing Northam's Zondereinde 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 from September 2013.

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

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Assets as at 1 July	114 181	112 427	114 181	112 427
Interest income	8 768	8 702	8 768	8 702
Employer contributions	8 191	312	8 191	312
Benefits paid	(2 286)	(1 687)	(2 286)	(1 687)
Actuarial loss	(8 057)	(5 234)	(8 057)	(5 234)
Administration costs	(467)	(339)	(467)	(339)
Assets as at 30 June	120 330	114 181	120 330	114 181
Unrecognised due to asset ceiling limit*	50 009	76 172	50 009	76 172
Below is a breakdown of other long-term employee benefits:				
Other long-term employee benefit as at 1 July	38 009	29 616	38 009	29 616
Service costs	12 761	12 167	12 761	12 167
Interest cost	3 687	3 167	3 687	3 167
Actuarial loss/(gain)	18 617	(4 915)	18 617	(4 915)
Benefits	(2 286)	(1 687)	(2 286)	(1 687)
Administration costs	(467)	(339)	(467)	(339)
Other long-term employee benefit as at 30 June	70 321	38 009	70 321	38 009
Asset/(liability) recognised on the statement of financial position	–	–	–	–

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

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.

Significant judgements and estimates: determining other long-term employee benefits

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

	Group		Company	
	2018	2017	2018	2017
Discount rate	7.80%	7.50%	7.80%	7.50%
Expected rate of return on assets	10.40%	8.20%	10.40%	8.20%

The rate used to discount pre-retirement benefit obligations should be determined by reference to market yields at the reporting date on high-quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds should be used. There is however no deep market in corporate bonds in South Africa and as such reference to the nominal bond curve, as compiled by the JSE has been used. In terms of the accounting standards, historical yields are less important and we consequently consider it appropriate to use the discount rate as noted above per annum.

32. Sales revenue

Sales revenue comprises revenue from the following metals:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Platinum	3 466 598	3 692 945	3 466 598	3 692 945
Palladium	1 723 269	1 316 374	1 723 269	1 316 374
Rhodium	814 506	453 084	814 506	453 084
Gold	110 050	99 322	110 050	99 322
Iridium	182 978	126 340	182 978	126 340
Ruthenium	116 580	32 276	116 580	32 276
Silver	1 650	1 681	1 650	1 681
Nickel	257 760	171 766	257 760	171 766
Copper	65 547	42 303	65 547	42 303
Cobalt	10 691	3 800	10 691	3 800
Chrome	802 552	925 294	393 264	455 145
	7 552 181	6 865 185	7 142 893	6 395 036

Revenue per metal and per segment:

	Zondereinde segment	Booysendal segment	Intercompany elimination	Total
	2018	2018	2018	2018
	R000	R000	R000	R000
Platinum	3 466 598	1 286 051	(1 286 051)	3 466 598
Palladium	1 723 269	666 754	(666 754)	1 723 269
Rhodium	814 506	399 885	(399 885)	814 506
Gold	110 050	37 821	(37 821)	110 050
Iridium	182 978	66 740	(66 740)	182 978
Ruthenium	116 580	69 374	(69 374)	116 580
Silver	1 650	–	–	1 650
Nickel	257 760	83 664	(83 664)	257 760
Copper	65 547	15 297	(15 297)	65 547
Cobalt	10 691	–	–	10 691
Chrome	393 264	409 288	–	802 552
	7 142 893	3 034 874	(2 625 586)	7 552 181

	Zondereinde segment	Booysendal segment	Intercompany elimination	Total
	2017	2017	2017	2017
	R000	R000	R000	R000
Platinum	3 692 945	1 284 164	(1 284 164)	3 692 945
Palladium	1 316 374	500 433	(500 433)	1 316 374
Rhodium	453 084	189 076	(189 076)	453 084
Gold	99 322	19 328	(19 328)	99 322
Iridium	126 340	52 319	(52 319)	126 340
Ruthenium	32 276	15 709	(15 709)	32 276
Silver	1 681	–	–	1 681
Nickel	171 766	35 789	(35 789)	171 766
Copper	42 303	7 475	(7 475)	42 303
Cobalt	3 800	–	–	3 800
Chrome	455 145	470 149	–	925 294
	6 395 036	2 574 442	(2 104 293)	6 865 185

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

	Zondereinde segment	Booysendal segment	Total
	2018	2018	2018
	R000	R000	R000
Europe	2 967 616	–	2 967 616
Japan	1 306 910	–	1 306 910
Asia	393 264	409 288	802 552
North America	1 584 056	–	1 584 056
South Africa	891 047	–	891 047
	7 142 893	409 288	7 552 181

	Zondereinde segment	Booysendal segment	Total
	2017	2017	2017
	R000	R000	R000
Europe	2 896 100	–	2 896 100
Japan	1 079 020	–	1 079 020
North America	1 088 496	–	1 088 496
Australia	42 303	–	42 303
South Africa	1 289 117	470 149	1 759 266
	6 395 036	470 149	6 865 185

The following customers each account for more than 10% of the total sales revenue of the group, either in the current or prior year:

	2018	2017
	R000	**R000**
Customer 1	629 388	658 404
Customer 2	1 231 214	1 079 020
Customer 3	664 546	660 461
Customer 4	461 326	784 459
Customer 5	906 269	634 894
Customer 6	1 769 405	1 391 378
Customer 7	802 552	925 294
Other	1 087 481	731 275
	7 552 181	6 865 185

33. Operating costs

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Labour	2 306 559	1 906 518	2 034 063	1 733 561
Stores	1 355 946	1 072 836	1 122 180	923 642
Utilities	785 861	703 898	642 276	564 702
Sundries and contractors	1 869 634	1 992 765	441 732	495 696
	6 318 000	5 676 017	4 240 251	3 717 601

The various components of operating costs as a percentage of the total operating costs:

	Group		Company	
	2018	2017	2018	2017
	%	%	%	%
Labour	36.5	33.6	48.0	46.6
Stores	21.5	18.9	26.5	24.9
Utilities	12.4	12.4	15.1	15.2
Sundries and contractors	29.6	35.1	10.4	13.3
	100.0	100.0	100.0	100.0

Below are the operating costs per segment.

	Zondereinde segment	Booysendal segment	Intercompany	Total
	2018	2018	2018	2018
	R000	R000	R000	R000
Labour	2 034 063	272 496	–	2 306 559
Stores	1 122 180	233 766	–	1 355 946
Utilities	642 276	143 585	–	785 861
Sundries and contractors	441 732	1 427 902	–	1 869 634
	4 240 251	2 077 749	–	6 318 000

The various components of operating costs as a percentage of the total operating costs:

	Zondereinde segment	Booysendal segment	Intercompany	Total
	2018	2018	2018	2018
	%	%	%	%
Labour	48.0	13.1	–	36.5
Stores	26.5	11.3	–	21.5
Utilities	15.1	6.9	–	12.4
Sundries and contractors	10.4	68.7	–	29.6
	100.0	100.0	–	100.0

Labour costs in terms of the contracting mining at the Booysendal operations were included in sundries and contractors costs and not in labour costs. With the changeover to owner operator mining, all labour costs will be disclosed as such in future years.

	Zondereinde segment	Booysendal segment	Intercompany	Total
	2017	2017	2017	2017
	R000	R000	R000	R000
Labour	1 733 561	172 957	–	1 906 518
Stores	923 642	149 194	–	1 072 836
Utilities	564 702	139 196	–	703 898
Sundries and contractors	495 696	1 503 069	(6 000)	1 992 765
	3 717 601	1 964 416	(6 000)	5 676 017

The various components of operating costs as a percentage of the total operating costs:

	Zondereinde segment	Booysendal segment	Intercompany	Total
	2017	2017	2017	2017
	%	%	%	%
Labour	46.6	8.8	–	33.6
Stores	24.9	7.6	–	18.9
Utilities	15.2	7.1	–	12.4
Sundries and contractors	13.3	76.5	100.0	35.1
	100.0	100.0	100.0	100.0

Labour costs included in operating costs

The aggregate earnings and benefits to employees, including directors, amounted to:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Salaries, wages and other benefits	1 952 070	1 608 649	1 732 667	1 478 292
Contributions to retirement benefit funds	155 700	128 674	139 160	120 002
Contributions to health care funds	91 445	73 112	85 256	71 458
Share-based payment expense (refer note 27)	107 344	96 083	76 980	63 809
	2 306 559	1 906 518	2 034 063	1 733 561
Fees paid to non-executive directors	4 552	4 216	4 552	4 216
	2 311 111	1 910 734	2 038 615	1 737 777

Key management compensation is disclosed in the related party note (note 45).

34. Investment revenue

Investment revenue consists of the following:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Interest received on cash and cash equivalents	21 536	96 847	15 710	77 277
Dividend income received from short-term investments	7 450	47 942	4 711	18 094
Interest and liquidation dividends received from subsidiaries	–	–	–	3 891
Interest received on instalment sales agreements	8 940	9 768	–	–
Interest received relating to the Northam Platinum Restoration Trust Fund (note 11)	8 393	8 586	7 059	5 070
Interest received relating to the Buttonshope Conservancy Trust	822	686	–	–
Accrued dividends from Zambezi Platinum (RF) Limited	–	–	31 139	19 205
Deemed interest on the interest free home loans	943	456	715	370
Interest received from the South African Revenue Service	4 549	3 017	4 427	2 134
Other financial assets	–	4	–	2
	52 633	167 306	63 761	126 043

35. Finance costs excluding preference share dividends

Finance costs consists of the following:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Finance costs relating to the domestic medium term notes	(68 264)	(51 797)	(68 263)	(51 797)
Finance costs relating to the revolving credit facility	(110 868)	–	(110 868)	–
Amounts capitalised in terms of IAS 23 Borrowing costs	179 132	51 797	11 813	23 625
Commitment fees and borrowing facilities	(7 535)	(7 435)	(7 535)	(7 435)
Interest on the loan from the *Nederlandse Financierings Maatschappij voor Ontwikkelingslanden NV*	–	(3 402)	–	–
Amortisation of the transaction costs relating to the domestic medium term notes (refer note 25)	(2 729)	(1 794)	(2 729)	(1 794)
Amortisation of the transaction costs relating to the revolving credit facility (refer note 28)	(2 548)	(1 003)	(2 548)	(1 003)
Unwinding of rehabilitation liability (refer note 22)	(32 381)	(41 491)	(15 005)	(21 004)
Unwinding of research and development liability (refer note 23)	(10 118)	(7 990)	(10 118)	(7 990)
Other financial liabilities	(13 170)	(8 070)	(5 175)	(5 114)
	(68 481)	(71 185)	(210 428)	(72 512)

36. Sundry income

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Treatment charges in respect of concentrate purchased	45 174	18 846	45 174	18 846
Rent received	8 093	6 647	1 763	4 516
Sale of scrap	14 751	5 652	2 986	3 407
Profit on sale of property, plant and equipment	–	1 762	–	1 762
Accommodation and housing income	8 794	11 286	3 420	2 895
Business rescue proceeds from Valditime Proprietary Limited settlement	–	7 654	–	7 654
Write back of impairment of Pandora joint venture	–	–	–	7 879
Environmental guarantee investment income (refer note 12)	189	7 759	189	5 320
Management fees received from associate	4 698	2 644	–	–
Corporate action once-off income	134 816	–	32 916	–
Other	490	11 111	237	11 954
	217 005	73 361	86 685	64 233

37. Sundry expenditure

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Corporate action costs and once-off project costs	(96 474)	(56 541)	(46 474)	(55 570)
Booysendal land management	(5 218)	(5 452)	–	–
Booysendal South care and maintenance	(31 139)	(23 983)	–	–
Eland care and maintenance	(106 565)	(11 982)	–	–
Accommodation and housing expenses	(13 467)	(14 551)	(3 362)	(2 900)
Black Economic Empowerment Trust operating costs	(3 222)	(8 546)	–	–
Administrative costs relating to Zambezi Platinum (RF) Limited	(1 655)	(552)	(1 655)	(552)
Loss on sale of property, plant and equipment	(4 706)	–	(4 706)	–
Recycling operation care and maintenance	(12 176)	–	–	–
Transition costs	(86 405)	–	–	–
Environmental guarantee costs (refer note 12)	(5 536)	–	–	–
Donation to the Northam Employee Trust	–	–	(1 000)	(1 000)
Impairment of available for sale investment	–	–	(11 075)	–
Other expenditure	(14 381)	(9 236)	(2 069)	(565)
	(380 944)	(130 843)	(70 341)	(60 587)

In terms of the Trust Deed of the Northam Employee Trust, Northam Platinum Limited has committed to contribute R1.0 million per annum for the duration of the lock-in period.

38. Taxation

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Current income tax				
Current income tax charge – non-mining tax	10 235	70 327	6 449	63 204
Adjustment in respect of current income tax of previous years	(17 679)	(219)	(16 027)	–
	(7 444)	70 108	(9 578)	63 204
Dividend withholding tax				
Current year withholding tax	855	–	–	–
Deferred tax				
Relating to origination and reversal of temporary differences for the current and previous financial year (refer note 21)	238 562	139 578	96 202	9 741
Other	–	2 335	–	120
	238 562	141 913	96 202	9 861
Income tax expense reported in profit or loss	231 973	212 021	86 624	73 065
A reconciliation of the standard rate of South African tax compared with that charged in the statement of profit or loss and other comprehensive income is set out below:	%	%	%	%
South African normal tax	28.0	28.0	28.0	28.0
Adjustment in respect of prior period deferred tax	–	(7.8)	–	3.8
Adjustment in respect of current income tax of previous years	(3.7)	–	(7.0)	–
Exempt income received	0.4	5.2	(4.4)	(7.1)
Expenditure incurred which is not deductible	(8.3)	(7.0)	3.8	3.7
Contribution received for capital assets	(8.4)	–	17.4	–
Amortisation of liquidity fees paid on preference shares	(1.0)	(1.2)	–	–
Deferred tax asset not raised	9.5	–	–	–
Preference share dividends disallowable	(65.5)	(67.2)	–	–
Effective tax rate	(49.0)	(50.0)	37.8	28.4

The current rate of mining tax applicable to the company is 28% (2017: 28%). Non-mining income is subject to a rate of 28% (2017: 28%). Deferred tax is provided at the statutory rate of 28% for all temporary differences. Dividend withholding tax is levied at 20% (2017: 20%) for local shareholders, who are not companies.

Capital gains tax at an effective rate of 22.4% (2017: 22.4%) is payable on any gains realised on the disposal of investments or mining properties.

39. Loss and dividend per share

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

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Loss attributable to shareholders	(704 998)	(635 943)		
Loss/(profit) on the sale of property, plant and equipment	4 706	(1 762)		
Taxation impact	(1 318)	493		
IFRS 5 adjustment to fair value less cost to sell	–	841		
Taxation impact	–	–		
Headline loss	(701 610)	(636 371)		

Fully diluted earnings per share amounts are calculated by dividing the loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Fully diluted headline loss per share are based on the headline loss and the average number of potential diluted shares in issue.

Dividends per share (cents)	–	–	–	–

The weighted average number of ordinary shares in issue outside the group for the purpose of calculating the loss per share and the weighted average number of ordinary shares for diluted earnings per share are calculated as the number of shares in issue less the treasury shares held:

Average number of ordinary shares in issue during the year	349 875 759	349 875 759
Average number of potentially diluted ordinary shares in issue	349 875 759	349 875 759
Number of shares in issue	509 781 212	509 781 212
Treasury shares in issue	159 905 453	159 905 453
Shares in issue adjusted for treasury shares	349 875 759	349 875 759
Loss per share in cents	(201.5)	(181.8)
Fully diluted loss per share in cents	(201.5)	(181.8)
Headline loss per share in cents	(200.5)	(181.9)
Fully diluted headline loss per share in cents	(200.5)	(181.9)

40. Cash generated from operations

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
(Loss)/profit before taxation	(473 025)	(423 922)	229 236	257 075
Adjusted for non-cash items:				
Loss/(profit) on sale of property, plant and equipment	4 706	(1 762)	4 706	(1 762)
Depreciation and write-offs	441 865	452 584	152 041	182 650
Changes in long-term provisions	7 556	4 530	(2 505)	(5 821)
Changes in long-term receivables	(3 152)	5 972	(8 451)	–
Changes in short-term provisions	41 937	15 404	29 931	14 957
Share of earnings from associates	(4 162)	(4 870)	–	–
Finance charges on preference shares	1 106 684	1 017 396	–	–
Liquidity fees on the preference shares	16 390	16 390	–	–
Loss on derecognition of preference share liability	8	901	–	–
IFRS 5 adjustment to fair value less costs to sell	–	841	–	(7 879)
Net foreign exchange movement	(2 368)	46 729	4 135	32 564
Other	(13 774)	(1 521)	(14 768)	(5 717)
Movement in share-based payment liability	(6 326)	22 588	(8 360)	1 383
Finance charges excluding preference share dividends	68 481	71 185	210 428	72 512
Investment revenue	(52 633)	(167 306)	(63 761)	(106 838)
	1 132 187	1 055 139	532 632	433 124

41. Change in working capital

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Inventories	(1 657 693)	(398 832)	(1 708 744)	(364 744)
Trade and other receivables	(383 513)	(173 793)	(512 773)	(213 603)
Trade and other payables	493 959	390 237	81 558	369 505
	(1 547 247)	(182 388)	(2 139 959)	(208 842)

42. Taxation refund received/(paid)

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Balance owing at the beginning of the year	64 177	46 847	(37 923)	(45 716)
Amounts recognised in profit or loss	(108 489)	70 108	(9 578)	63 204
Balance owing at the end of the year	15 391	(64 177)	10 150	37 923
	(28 921)	52 778	(37 351)	55 411

43. Changes in liabilities arising from financing activities

Below is a reconciliation of the changes in liabilities arising from financing activities:

	Opening balance	Changes from financing cash inflows	Changes from financing cash outflows	Interest	Other	Closing balance
	2018	2018	2018	2018	2018	2018
Group	**R000**	**R000**	**R000**	**R000**	**R000**	**R000**
Security of supply contribution	38 992	100 000	–	–	(7 792)	131 200
Heraeus Deutschland GmbH & Co. KG	223 870	–	(9 400)	10 118	(149 185)	75 403
Domestic medium term notes	421 081	1 000 000	(57 498)	68 263	(14 118)	1 417 728
Preference shares liability	8 279 825	–	(1 677)	1 182 093	(14 741)	9 445 500
Revolving credit facility	(7 591)	2 000 000	(590 646)	110 868	(26 136)	1 486 495

	Opening balance	Changes from financing cash inflows	Changes from financing cash outflows	Interest	Other	Closing balance
	2018	2018	2018	2018	2018	2018
Company	**R000**	**R000**	**R000**	**R000**	**R000**	**R000**
Security of supply contribution	38 992	30 000	–	–	(4 323)	64 669
Heraeus Deutschland GmbH & Co. KG	223 870	–	(9 400)	10 118	(149 185)	75 403
Domestic medium term notes	421 081	1 000 000	(57 498)	68 263	(14 118)	1 417 728
Financial guarantee liability	7 535 944	–	–	–	–	7 535 944
Revolving credit facility	(7 591)	2 000 000	(590 646)	110 868	(26 136)	1 486 495

44. Financial risk management objectives and policies

The group's activities are exposed to a variety of financial risks, market risk (including currency risk, interest rate risk and price risks), credit risk and liquidity risks. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Financial risk management is carried out by the finance department. Policies are approved by the board of directors, which sets guidelines to identify, evaluate and manage financial risks in cooperation with the operating units.

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

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

Market risk

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

Foreign currency risk

The group operates on international commodity markets and is therefore exposed to foreign exchange risk primarily with respect to the US dollar. Foreign exchange risks arises from future commercial transactions and are recognised both in financial assets and liabilities. To manage foreign exchange risks arising from future commercial transactions, the group, from time to time, may use forward exchange contracts within board-approval limits.

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 functional currency. The majority of the group's sales are denominated in currencies other than functional currency of the operating unit making the sale, whilst most of the costs are denominated in the functional currency, the South African rand.

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

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
ZAR weakening by 10% to the USD	23 694	63 884	23 652	63 884
ZAR strengthening by 10% to the USD	(23 694)	(63 884)	(23 652)	(63 884)
ZAR weakening by 10% to the €	(5 389)	(15 350)	(2 364)	(14 920)
ZAR strengthening by 10% to the €	5 389	15 350	2 364	14 920
At year end the foreign currency value of items under their respective statement of financial position classifications were as follows:				
Accounts receivable: USD	17 220	13 279	17 220	13 279
Cash and cash equivalents: USD	40	35 655	10	35 655
Accounts payable: €	(3 360)	(288)	(1 474)	–
Long-term loans: €	–	(10 000)	–	(10 000)
Exchange rates at year end				
ZAR/USD	13.73	13.06	13.73	13.06
ZAR/€	16.04	14.92	16.04	14.92

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. PGMs are sold to third party clients, with prices being fixed based on contractual terms relating to the month in which the product was sold. Trade receivables relating to PGM debtors settle the outstanding receivable balance between 2 – 5 days.

For nickel, copper and chrome receivables, there is a commodity price risk that is retained. The following is an indication of the effect that changes in the nickel, copper and chrome prices would have on the profit before tax, based on the outstanding accounts receivable balance at year end:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Weakening by 10% of the respective commodity prices	21 510	516	15 351	3 472
Strengthening by 10% of the respective commodity prices	(21 510)	(516)	(15 351)	(3 472)
At year end the balances outstanding relating to provisional prices receivables amounted to:				
Nickel receivable	75 777	30 398	75 777	30 398
Copper receivable	2 668	3 749	2 668	3 749
Chrome receivable	139 425	35 593	75 062	15 595
Chrome payable	(2 773)	(64 576)	–	(15 025)

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

Credit risk

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

With respect to credit risk arising from other financial assets of the group, which comprise cash and cash equivalents, 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.

There is no material concentration of credit risk in cash and cash equivalents, trade and other receivables and loans. The group has policies that limit the amount of credit exposure related to cash and cash equivalents to any single financial institution by only dealing with well-established financial institutions of high credit quality standing. The credit exposure to any one of the counterparties is managed by setting exposure limits which are approved by the board.

With regard to trade and other receivables, the group has policies in place to ensure that sales are only made to customers with an appropriate credit history. Trade debtors comprise a number of customers, dispersed across different geographical areas. Credit evaluations are performed on the financial conditions of these and other receivables from time to time. Trade receivables are presented in the statement of financial position net of any provision for impairment.

Credit risk relating to loans mainly consists of employee housing loans (note 10). These loans are secured by a second bond over residential properties. The maximum credit risk relating to the long-term receivables amount to R96.4 million.

The maximum credit risk relating to the financial guarantee liability amounts to R23.5 billion (refer note 24).

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, preference shares and DMTNs with floating interest rates and the long-term loan.

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

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

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Cash and cash equivalents				
Increase of 1%	2 932	17 867	1 857	13 967
Decrease of 1%	(2 932)	(17 867)	(1 857)	(13 967)
Floating rate borrowings (including domestic medium term notes and revolving credit facility)				
Increase of 1%	(29 250)	(4 211)	(29 250)	(4 211)
Decrease of 1%	29 250	4 211	29 250	4 211
Preference share liability				
Increase of 1%	(98 187)	(82 798)	–	–
Decrease of 1%	98 187	82 798	–	–

The group monitors its exposure to fluctuating interest rates. Cash and cash equivalents are primarily invested with short-term maturity dates, which exposes the group to cash flow interest rate risks.

Fair value

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

The fair values have been determined using available market information and appropriate valuation methodologies.

Management applies the established fair value hierarchy that categorises the inputs into valuation techniques used to measure fair value into three levels:

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

Level 2 – a technique where all inputs that have an impact on the value are observable, either directly or indirectly.

Level 3 – a technique where all inputs that have an impact on the value are not observable.

The following assets and liabilities are measured at fair value:

	Carrying amount	Fair value	Carrying amount	Fair value
	2018	2018	2017	2017
	R000	R000	R000	R000
Non-current assets held for sale	–	–	49 222	49 222

The non-current asset held for sale is classified within level 3 of the fair value hierarchy. For further information on this classification, refer to note 5. The fair value was determined based on the sales value as per the signed agreement plus the arrangement to reimburse all cash calls.

With regards to financial instruments, the carrying amount of financial assets and financial liabilities approximate their fair value with the exception of the following:

	Carrying amount	Fair value	Carrying amount	Fair value
	2018	2018	2017	2017
	R000	R000	R000	R000
Financial guarantee (company results)	(7 535 944)	(3 693 070)	(7 535 944)	(1 941 405)
Preference share liability (group results)	(9 445 500)	(9 184 803)	(8 279 825)	(8 540 309)

The preference share liability is classified as level 2. Previously it was classified as level 1 but due to the low level of activity in the South African debt market, the preference share liability has now been classified as a level 2 financial liability.

The fair value of the financial guarantee has been determined as level 3. Measuring the guarantee contract liability required the use of estimates, at the grant date, which included a dividend yield rate of 0.30%, a 30.0% volatility and a risk free rate of 8.42%. These assumptions have not changed.

The fair value of the preference share liability has been determined by reference to the closing price of the preference shares on the debt market at year-end:

	2018	2017
Zambezi Platinum (RF) Limited (preference share code ZPLP) closing preference share price	R59.00	R54.85
Number of preference shares outstanding	155 674 634	155 702 999

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. The group has undrawn general banking facilities of R1.5 billion, of which R250.0 million was drawn subsequent to year end (2017: R1.0 billion of undrawn facilities).

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

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

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

Revolving credit facility (RCF)

During the year, the Nedbank Limited five year R1.5 billion revolving credit facility was renegotiated, increasing the five (5) year facility by R500.0 million to R2.0 billion. In addition, a new facility of R1.0 billion was negotiated for a period of two (2) years.

The new facility strengthens Northam's balance sheet capability in support of the group's key strategic initiatives, including the development of the Booysendal expansion projects. Together with existing cash reserves, the new facility provides Northam with increased financial flexibility, ensuring that the group's growth initiatives remain fully funded in the medium term.

Under the revolving credit facility, Northam, without the prior written approval of Nedbank Limited, may not create or permit any security over any of its assets or enter into any financial indebtedness.

As at 30 June 2018, R1.5 billion was drawn from this facility (2017: R Nil), with an additional amount of R250.0 million drawn subsequent to year end.

Domestic medium term note (DMTN) programme

On 13 May 2016, Northam issued R175.0 million's worth of five-year senior unsecured fixed rate notes (NHM002) under the DMTN programme. The notes bear a fixed coupon of 13.50% per annum, payable semi-annually, and will be redeemed on 12 May 2021.

The Industrial Development Corporation of South Africa Limited subscribed for R250.0 million, three-year senior unsecured floating rate notes (NHM003) under the DMTN programme on 10 June 2016. The notes attract a floating coupon rate of 3-month JIBAR plus 390 basis points and will mature on 9 June 2019. The proceeds were applied for the development of the Booysendal expansion project.

During the current year, Northam issued NHM004 (20 April 2018) of R450.0 million and NHM005 (18 May 2018) of R550.0 million, one-year senior unsecured fixed rate notes. The notes bear a fixed coupon of 11.0% per annum, payable on the redemption date.

The above notes were issued under the R2.0 billion DMTN programme dated 3 August 2012.

Zambezi Platinum (RF) Limited preference share liability

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

Management regularly monitors rolling forecasts of the liquidity reserve comprising undrawn borrowing facilities and cash and cash equivalents on the basis of expected cash flows.

The maturity profile of the group's financial liabilities for the year ended 30 June 2018 is set out below, into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date representing the undiscounted contractual cash flows:

	Payable on demand	1 – 6 months	More than 6 months	More than a year	Total
	2018	2018	2018	2018	2018
Group	**R000**	**R000**	**R000**	**R000**	**R000**
Trade payables	590 045	–	–	–	590 045
Accruals	–	875 656	–	–	875 656
Capital accruals	–	84 978	–	–	84 978
Accrued interest and commitment fees	–	52 684	–	–	52 684
Employee-related accruals	–	248 645	–	–	248 645
Provisional pricing payables	–	30 740	–	–	30 740
Other	60 704	6 603	–	–	67 307
Long-term loans	–	–	9 400	150 400	159 800
Domestic medium term notes	–	–	1 250 000	175 000	1 425 000
Preference share liability*	–	–	–	23 541 674	23 541 674
Revolving credit facility	–	–	–	1 500 000	1 500 000

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

	Payable on demand	1 – 6 months	More than 6 months	More than a year	Total
	2018	2018	2018	2018	2018
Company	**R000**	**R000**	**R000**	**R000**	**R000**
Trade payables	246 042	–	–	–	246 042
Accruals	–	833 437	–	–	833 437
Capital accruals	–	15 577	–	–	15 577
Accrued interest and commitment fees	–	52 684	–	–	52 684
Employee related accruals	–	196 401	–	–	196 401
Provisional pricing payables	–	18 220	–	–	18 220
Other	–	6 603	–	–	6 603
Long-term loans	–	–	9 400	150 400	159 800
Domestic medium term notes	–	–	1 250 000	175 000	1 425 000
Financial guarantee liability*	–	–	–	23 541 674	23 541 674
Revolving credit facility	–	–	–	1 500 000	1 500 000

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

The maturity profile of the group's financial liabilities for the year ended 30 June 2017 is set out below, into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date representing the undiscounted contractual cash flows:

	Payable on demand	1 – 6 months	More than 6 months	More than a year	Total
	2017	2017	2017	2017	2017
Group	**R000**	**R000**	**R000**	**R000**	**R000**
Trade payables	503 007	–	–	–	503 007
Accrued interest on the domestic medium term notes	–	5 741	–	–	5 741
Accruals	–	367 363	–	–	367 363
Employee-related accruals	–	193 690	–	–	193 690
Provisional pricing payables	–	122 802	–	–	122 802
Other	–	–	–	64 545	64 545
Long-term loans	–	149 168	9 400	159 800	318 368
Domestic medium term notes	–	25 825	25 825	523 900	575 550
Preference share liability*	–	–	–	23 951 323	23 951 323

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

	Payable on demand	1 – 6 months	More than 6 months	More than a year	Total
	2017	2017	2017	2017	2017
Company	**R000**	**R000**	**R000**	**R000**	**R000**
Trade payables	199 797	–	–	–	199 797
Accrued interest on the domestic medium term notes	–	5 741	–	–	5 741
Accruals	–	334 931	–	–	334 931
Amounts payable to Booysendal Platinum Proprietary Limited	–	476 547	–	–	476 547
Employee-related accruals	–	157 242	–	–	157 242
Provisional pricing payables	–	73 251	–	–	73 251
Other	–	7 354	–	–	7 354
Long-term loans	–	149 168	9 400	159 800	318 368
Domestic medium term notes	–	25 825	25 825	523 900	575 550
Financial guarantee liability*	–	–	–	23 951 323	23 951 323

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

Capital management (including equity risk)

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. In addition, capital management objectives include the group's ability to continue as a going concern, in order to provide returns for shareholders and benefits to other stakeholders while maintaining an optimal capital structure to reduce the cost of capital.

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

It is important to note that the groups BEE partner, Zambezi Platinum (RF) Limited, own 31.4% of the issued capital of Northam Platinum Limited. Zambezi Platinum (RF) Limited's prospects are however limited in nature in that they are dependent on the prospects of the Northam Platinum Limited share price and the returns attributable to the preference shares are constant and fluctuate only in accordance with prevailing interest rates. Various characteristics of the preference shares, such as the Northam guarantee and redemption payment structure, provide the holders of the Zambezi preference shares with additional security regarding the recoverability of their dividends and capital.

The preference shareholders retain equity risk as a result of the redemption being ultimately underpinned by the value of Northam Platinum Limited share performance and/or Northam Platinum Limited's ability to continue as a going concern. The preference shares therefore present their holders with a combination of the risks and rewards associated with equity and debt instruments.

Northam Platinum Limited's prospects for growth and continued profitability are subject to various external and internal factors which cannot be accurately predicted, forecasted or controlled by Zambezi Platinum (RF) Limited as an investor in Northam Platinum Limited.

The redemption of the preference shares is planned to occur through cash accumulation from dividends received from Northam Platinum Limited, and after the lock-in the possible sell-off of Northam Platinum Limited shares into the market to realise the capital value, to redeem the preference shares. In the event that this is not sufficient to settle the liability, it will be secured by the company in terms of a financial guarantee (Northam guarantee).

Should a liability arise under the Northam guarantee, Northam Platinum Limited may settle this liability by capitalising Zambezi Platinum (RF) Limited with cash and/or Northam Platinum Limited shares before the redemption amount becomes due or making payment directly to the preference shareholders. The manner of settlement is not contractually specified and is at the discretion of Northam Platinum Limited.

Therefore, should the Northam Platinum Limited share price not increase in value over the next 10 years there could be a significant dilution in value for all Northam Platinum Limited shareholders, should additional shares be issued to the preference shareholders.

No changes were made in the objectives, policies or processes during the years ended 30 June 2018 and 30 June 2017.

Categories of financial instruments

The following table summarises the classification of financial instruments for the group and company for the year ended 30 June 2018:

	Available for sale investment	Loans and receivables	Financial liabilities at amortised cost	Non- financial instruments	Total
	2018	2018	2018	2018	2018
Group	**R000**	**R000**	**R000**	**R000**	**R000**
Long-term receivables	–	86 897	–	–	86 897
Investment in the Northam Platinum Restoration Trust Fund	–	110 626	–	–	110 626
Environmental Guarantee Investment	–	68 899	–	–	68 899
Buttonshope Conservancy Trust	–	12 203	–	–	12 203
Trade and other receivables	–	637 455	–	286 630	924 085
Cash and cash equivalents	–	388 702	–	–	388 702
Long-term loans	–	–	(182 063)	–	(182 063)
Domestic medium term notes	–	–	(1 417 728)	–	(1 417 728)
Preference share liability	–	–	(9 445 500)	–	(9 445 500)
Revolving credit facility	–	–	(1 486 495)	–	(1 486 495)
Current portion of long-term loans	–	–	(24 540)	–	(24 540)
Trade and other payables	–	(1 950 055)	–	(15 920)	(1 965 975)
Bank overdraft	–	(95 535)	–	–	(95 535)

	Available for sale investment	Loans and receivables	Financial liabilities at amortised cost	Non- financial instruments	Total
	2018	2018	2018	2018	2018
Company	**R000**	**R000**	**R000**	**R000**	**R000**
Other investments	249 618	–	–	–	249 618
Long-term receivables	–	8 451	–	–	8 451
Investment in the Northam Platinum Restoration Trust Fund	–	55 333	–	–	55 333
Environmental Guarantee Investment	–	55 633	–	–	55 633
Subsidiary loans receivable	–	99 225	–	–	99 225
Trade and other receivables	–	765 391	–	228 012	993 403
Cash and cash equivalents	–	280 916	–	–	280 916
Long-term loans	–	–	(123 176)	–	(123 176)
Financial guarantee liability	–	–	(7 535 944)	–	(7 535 944)
Domestic medium term notes	–	–	(1 417 728)	–	(1 417 728)
Revolving credit facility	–	–	(1 486 495)	–	(1 486 495)
Current portion of long-term loans	–	–	(16 896)	–	(16 896)
Trade and other payables	–	–	(1 368 964)	–	(1 368 964)
Bank overdraft	–	–	(95 228)	–	(95 228)

Categories of financial instruments

The following table summarises the classification of financial instruments for the group and company for the year ended 30 June 2017:

	Available for sale investment	Loans and receivables	Financial liabilities at amortised cost	Non- financial instruments	Total
	2017	2017	2017	2017	2017
Group	**R000**	**R000**	**R000**	**R000**	**R000**
Long-term receivables	–	83 745	–	–	83 745
Investment in the Northam Platinum Restoration Trust Fund	–	102 233	–	–	102 233
Environmental Guarantee Investment	–	68 104	–	–	68 104
Buttonshope Conservancy Trust	–	11 126	–	–	11 126
Other assets	–	–	–	7 591	7 591
Trade and other receivables	–	340 278	–	208 719	548 997
Cash and cash equivalents	–	1 786 865	–	–	1 786 865
Long-term loans	–	–	(249 428)	–	(249 428)
Domestic medium term notes	–	–	(421 081)	–	(421 081)
Preference share liability	–	–	(8 279 825)	–	(8 279 825)
Current portion of long-term loans	–	–	(13 434)	–	(13 434)
Trade and other payables	–	–	(1 257 148)	(11 024)	(1 268 172)

	Available for sale investment	Loans and receivables	Financial liabilities at amortised cost	Non- financial instruments	Total
	2017	2017	2017	2017	2017
Company	**R000**	**R000**	**R000**	**R000**	**R000**
Other investments	230 505	–	–	–	230 505
Investment in the Northam Platinum Restoration Trust Fund	–	48 274	–	–	48 274
Environmental Guarantee Investment	–	54 507	–	–	54 507
Other assets	–	–	–	7 591	7 591
Subsidiary loans receivable	–	1 838 213	–	–	1 838 213
Trade and other receivables	–	312 759	–	175 197	487 956
Cash and cash equivalents	–	1 396 677	–	–	1 396 677
Long-term loans	–	–	(249 428)	–	(249 428)
Financial guarantee liability	–	–	(7 535 944)	–	(7 535 944)
Domestic medium term notes	–	–	(421 081)	–	(421 081)
Current portion of long-term loans	–	–	(13 434)	–	(13 434)
Trade and other payables	–	–	(1 254 864)	–	(1 254 864)

45. Related parties

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

	Effective holding	Share capital and premium	Investment	Indebtedness
	2018	2018	2018	2018
Company	**%**	**R000**	**R000**	**R000**
Mining Technical Services Proprietary Limited	100.0	**	*	22 909
Booysendal Platinum Proprietary Limited	100.0	8 675 932	11 886 088	–
Eland Platinum Proprietary Limited	100.0	325 000	325 000	–
Mvelaphanda Resources Proprietary Limited	100.0	4 358	–	–
Norplats Properties Proprietary Limited	100.0	**	*	66 596
Northam Platinum Investments (US) Incorporated	100.0	*	140 747	1 667
Northam Recovery Services LLC	Indirect holding	–	–	6 780
Northam Platinum Company LLC	Indirect holding	–	–	1 273
Zambezi Platinum (RF) Limited	N/A	–	***	–
Northam Zondereinde Community Trust	–	–	–	–
Northam Booysendal Community Trust	–	–	–	–
Northam Employee Trust	–	–	–	–
Buttonshope Conservancy Trust	–	–	–	–
Northam Restoration Trust Fund	–	–	–	–
			12 351 835	99 225

*** *Investment held in Zambezi Platinum (RF) Limited preference shares*
** *Issued capital is less than R1 000*
* *Investment less than R1 000*

As part of the simplification of the group, the assets in Windfall 38 Properties Proprietary Limited was transferred to Booysendal Platinum Proprietary Limited. Windfall 38 Properties Proprietary Limited is currently in the process of being deregistered.

The deregistration process relating to Northam Chrome Proprietary Limited is still in process.

	Effective holding	Share capital and premium	Investment	Indebtedness
	2017	2017	2017	2017
Company	%	R000	R000	R000
Mining Technical Services Proprietary Limited	100.0	***	*	26 543
Khumama Platinum Proprietary Limited#	100.0	7 106 126	10 166 000	–
Booysendal Platinum Proprietary Limited#	100.0	6 955 843	**	1 720 088
Eland Platinum Proprietary Limited	100.0	50 000	50 000	–
Mvelaphanda Resources Proprietary Limited	100.0	4 358	–	–
Northam Chrome Proprietary Limited	–	–	–	–
Windfall 38 Properties Proprietary Limited	–	***	*	9 689
Norplats Properties Proprietary Limited	100.0	***	*	81 893
Zambezi Platinum (RF) Limited	N/A	–	****	–
Northam Zondereinde Community Trust	–	–	–	–
Northam Booysendal Community Trust	–	–	–	–
Northam Employee Trust	–	–	–	–
Buttonshope Conservancy Trust	–	–	–	–
Northam Restoration Trust Fund	–	–	–	–
			10 216 000	1 838 213

**** *Investment held in Zambezi Platinum (RF) Limited preference shares*
*** *Issued capital is less than R1 000*
** *Indirectly held subsidiary through Khumama Platinum Proprietary Limited*
* *Investment less than R1 000*

These loans will no longer be required, as these loans have either been capitalised or are in the process of being capitalised as part of the restructuring of the Northam group.

Northam Chrome Proprietary Limited and Windfall 38 Properties Proprietary Limited are both in members' voluntary liquidation.

Below is a summary of the various transactions and other balances outstanding from group companies, which was eliminated on consolidation:

	Revenue interest and dividends received	Concentrate purchased	Operating as well as sundry costs	Trade and other receivables	Trade and other payables
	2018	2018	2018	2018	2018
Company	**R000**	**R000**	**R000**	**R000**	**R000**
Mining Technical Services Proprietary Limited	–	–	(25 460)	–	–
Booysendal Platinum Proprietary Limited	–	(2 625 586)	–	213 478	–
Eland Platinum Proprietary Limited	–	–	–	33 450	–
Norplats Properties Proprietary Limited	–	–	–	–	–
Northam Platinum Investments (US) Incorporated	–	–	–	–	–
Northam Recovery Services LLC	–	–	–	–	–
Northam Platinum Company LLC	–	–	–	–	–
Zambezi Platinum (RF) Limited	–	–	(1 655)	–	–
Northam Zondereinde Community Trust	–	–	–	–	–
Northam Booysendal Community Trust	–	–	–	–	–
Northam Employee Trust	–	–	(1 000)	–	–

	Revenue interest and dividends received	Concentrate purchased	Operating as well as sundry costs	Trade and other receivables	Trade and other payables
	2017	2017	2017	2017	2017
Company	**R000**	**R000**	**R000**	**R000**	**R000**
Mining Technical Services Proprietary Limited	–	–	(3 000)	–	–
Khumama Platinum Proprietary Limited	–	–	(1)	–	–
Booysendal Platinum Proprietary Limited	–	(2 104 293)	–	–	(476 547)
Eland Platinum Proprietary Limited	–	–	–	13 616	–
Windfall 38 Properties Proprietary Limited	2 329	–	–	–	–
Norplats Properties Proprietary Limited	1 560	–	–	–	–
Zambezi Platinum (RF) Limited	–	–	(552)	–	–
Northam Zondereinde Community Trust	–	–	–	2 351	–
Northam Booysendal Community Trust	–	–	–	2 351	–
Northam Employee Trust	–	–	(1 000)	2 352	–

In terms of the Trust Deed of the Northam Employee Trust, Northam Platinum Limited has committed to contribute R1.0 million per annum for the duration of the lock-in period.

Guarantees, subordination agreements and letters of support

Northam Platinum Limited currently has finance facilities available in the form of a revolving credit facility of R3.0 billion (2017: R1.0 billion) with Nedbank Limited, and has issued R1.4 billion (2017: R425.0 million) on the debt capital market.

Booysendal Platinum Proprietary Limited has signed a letter of guarantee concerning both these facilities and Eland Platinum Proprietary Limited has signed a letter of guarantee concerning the revolving credit facility.

Previously Northam Platinum Limited confirmed that they will ensure that Mvelaphanda Resources Proprietary Limited would meet its financial obligations as and when they fall due as Mvelaphanda Resources Proprietary Limited's liabilities exceeded its assets in previous financial years. The guarantee only remained in force and effect as long as the liabilities (including contingent liabilities) exceeded its assets, fairly valued, and lapsed forthwith upon the date that the assets, so valued, exceeded its liabilities.

Zambezi Platinum (RF) Limited consolidated in the Northam group

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

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

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

BEE Community and ESOP Trusts

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

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

Key management remuneration

The table below summarises the executive as well as the non-executive directors' remuneration for the year under review:

	Fees	Remuneration package	Performance bonus and retention bonus payments	Benefits	Gain on share-based payments	Total
	2018	2018	2018	2018	2018	2018
	R000	R000	R000	R000	R000	R000
Executive						
PA Dunne	–	8 000	7 868	1 000	7 839	24 707
AZ Khumalo	–	3 830	3 816	518	4 178	12 342
	–	11 830	11 684	1 518	12 017	37 049
Non-executive						
KB Mosehla	518	–	–	–	–	518
R Havenstein	803	–	–	–	–	803
DH Brown*	367	–	–	–	–	367
CK Chabedi	591	–	–	–	–	591
HH Hickey	496	–	–	–	–	496
NY Jekwa**	263	–	–	–	–	263
TE Kgosi	676	–	–	–	–	676
TI Mvusi	307	–	–	–	–	307
JG Smithies	372	–	–	–	–	372
PL Zim***	159	–	–	–	–	159
	4 552	–	–	–	–	4 552

The directors' remuneration for the year ended 30 June 2017 was as follows:

	Fees	Remuneration package	Performance bonus	Benefits	Gain on share-based payments	Total
	2017	2017	2017	2017	2017	2017
	R000	R000	R000	R000	R000	R000
Executive						
PA Dunne	–	7 291	6 217	191	–	13 699
AZ Khumalo	–	3 555	3 018	168	3 158	9 899
	–	10 846	9 235	359	3 158	23 598
Non-executive						
PL Zim	409	–	–	–	–	409
R Havenstein	825	–	–	–	–	825
CK Chabedi	624	–	–	–	–	624
HH Hickey	418	–	–	–	–	418
TE Kgosi	732	–	–	–	–	732
AR Martin	245	–	–	–	–	245
KB Mosehla	515	–	–	–	–	515
TI Mvusi	284	–	–	–	–	284
JG Smithies	164	–	–	–	–	164
	4 216	–	–	–	–	4 216

No individuals other than executive directors are considered to be prescribed officers. Details of the non-executive fees are disclosed in the directors' report.

Details of share options granted to directors

During the 2018 financial year, all options expired and there are therefore no further open share options granted to directors as at 30 June 2018.

A summary of the options still held by executive directors at 30 June 2017 is as follows:

Earliest and latest exercise date	Price per share R	Total number of options
PA Dunne	–	–
AZ Khumalo		
12 October 2012 and 11 October 2017	46.57	62 500
Claw back rights options	40.00	2 450
Number of options held at 30 June 2017		64 950

These options were all exercised by AZ Khumalo during the 2018 financial year on which he made a profit of R0.3 million.

Details of share incentives granted to directors

Below is an analysis of share incentives held as at 30 June 2018:

	4 Nov 2014 Share award	11 Nov 2015 Share award	8 Nov 2016 Share award	2 Nov 2017 Share award	Total
Retention shares and performance shares					
PA Dunne					
Balance at 1 July 2017	150 300	193 200	170 100	–	513 600
Retention shares awarded during the year	–	–	–	46 200	46 200
Performance shares awarded during the year	–	–	–	137 000	137 000
Shares adjusted for performance conditions met during the year	(702)	–	–	–	(702)
Shares cash settled during the year	(149 598)	–	–	–	(149 598)
Balance at 30 June 2018	–	193 200	170 100	183 200	546 500
Balance at 1 July 2016	150 300	193 200	–	–	343 500
Retention shares awarded during the year	–	–	42 900	–	42 900
Performance shares awarded during the year	–	–	127 200	–	127 200
Shares cash settled during the year	–	–	–	–	–
Balance at 30 June 2017	150 300	193 200	170 100	–	513 600

Below is an analysis of share incentives held as at 30 June 2018:

	15 Nov 2013 Share award	4 Nov 2014 Share award	11 Nov 2015 Share award	8 Nov 2016 Share award	2 Nov 2017 Share award	Total
Retention shares and performance shares						
AZ Khumalo						
Balance at 1 July 2017	–	150 300	193 200	82 900	–	426 400
Retention shares awarded during the year	–	–	–	–	22 100	22 100
Performance shares awarded during the year	–	–	–	–	65 600	65 600
Shares adjusted for performance conditions	–	(75 620)	(96 600)	–	–	(172 220)
Shares cash settled during the year	–	(74 680)	–	–	–	(74 680)
Balance at 30 June 2018	–	–	96 600	82 900	87 700	267 200
Balance at 1 July 2016	78 000	150 300	193 200	–	–	421 500
Retention shares awarded during the year	–	–	–	20 900	–	20 900
Performance shares awarded during the year	–	–	–	62 000	–	62 000
Shares adjusted for performance conditions met during the year	(20 280)	–	–	–	–	(20 280)
Shares cash settled during the year	(57 720)	–	–	–	–	(57 720)
Balance at 30 June 2017	–	150 300	193 200	82 900	–	426 400

Details of lock-in and incentive mechanism (LIM) shares granted to directors

Summary of the LIM shares held by executive directors at 30 June 2018 are as follows, which is unchanged from the previous year:

	PA Dunne	AZ Khumalo
Balance at 1 July 2017	1 500 000	700 000
Shares awarded during the year	–	–
Balance at 30 June 2018	1 500 000	700 000

Also refer to the remuneration report included in the annual integrated report for further details on key management remuneration.

46. Commitments

At year end, the group and company had the following commitments arising in the ordinary course of business:

	Group		Company	
	2018	2017	2018	2017
	R000	R000	R000	R000
Capital expenditure – Booysendal mine				
Authorised but not contracted	981 666	273 288	–	–
Contracted	318 334	1 076 712	–	–
	1 300 000	1 350 000	–	–
Capital expenditure – Zondereinde mine				
Authorised but not contracted	430 424	313 436	577 690	313 436
Contracted	119 576	1 385 807	119 576	1 385 807
	550 000	1 699 243	697 266	1 699 243
Capital expenditure – Eland mine				
Authorised but not contracted	200 000	–	–	–
Contracted	–	–	–	–
	200 000	–	–	–
Information Technology – outsource service provider				
Due within one year	18 370	24 104	6 317	15 536
Due within two to five years	–	4 055	–	2 408
	18 370	28 159	6 317	17 944
Operating lease rentals – office equipment				
Due within one year	3 884	2 615	2 276	1 774
Due within two to five years	3 939	2 657	2 370	1 431
	7 823	5 272	4 646	3 205
Operating lease rentals – premises as lessee				
Due within one year	12 790	5 414	2 746	5 414
Due within two to five years	39 505	15 772	3 982	15 772
	52 295	21 186	6 728	21 186
The lease rental for the corporate office contains an option to renew the lease for an additional five years				
Bank guarantees				
Eskom Holdings SOC Limited	73 895	73 895	48 505	48 505
Department of Mineral Resources (relating to the Pandora joint venture)	–	1 477	–	1 477
Other	398	598	398	598
	74 293	75 970	48 903	50 580
Guarantees - Department of Mineral Resources (refer note 12)	401 418	244 808	142 350	102 000

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

Guarantees to the Department of Mineral Resources were in respect of future environmental rehabilitation relating to the Pandora joint venture. With the sale of Northam Platinum Limited's 7.5% share in the Pandora joint venture, these guarantees were no longer required.

47. Contingent liability

Northam Platinum Limited is currently awaiting judgement on a labour court case in which employees claim they were unfairly dismissed when they did not return to work after an unprotected work stoppage in 2016. The company believes that it followed due process and acted in accordance with the requirements of the Labour Relations Act and our internal disciplinary policy and procedure. Due to the uncertainty of the outcome of the case, no provision has been raised.

Should the judgement go against Northam, the company will apply for leave to appeal.

48. Events after the reporting period

There has been no events subsequent to the year-end, which require additional disclosure or adjustment to these financial results, other than what was disclosed in note 28.