ZIMPLATS

Member of the Implats Group

ZIMPLATS HOLDINGS LIMITED

ARBN: 083463058

ANNUAL FINANCIAL REPORT

30 JUNE 2012

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DIRECTORS' REPORT

The directors have pleasure in presenting their report, together with the financial report of Zimplats Holdings Limited (Zimplats) and the consolidated financial report of the group, being Zimplats and its controlled entities, for the year ended 30 June 2012.

PURPOSE OF THE COMPANY

Zimplats' main purpose is the production of platinum group metals from its reserves and resources on the Great Dyke in Zimbabwe. At present, the company's mining activities are operated by Zimbabwe Platinum Mines (Private) Limited, a controlled subsidiary.

REPORTING CURRENCY AND ROUNDING OF AMOUNTS

The financial reports have been prepared in United States dollars (US$).

Zimplats is a company of a kind referred to in ASIC Class order 98/100 dated 10 July 1998. In accordance with that Class Order, amounts in the financial reports have been rounded off to the nearest thousand dollars, unless otherwise indicated.

CAPITAL

AUTHORISED SHARE CAPITAL

The authorised share capital of the company remains unchanged since last year at 500 million ordinary shares of 10 cents each.

ISSUED SHARE CAPITAL

The issued share capital of the company remains unchanged at 107 637 649 shares.

UNISSUED SHARE CAPITAL

In terms of the Articles of Association of the company, unissued shares are under the control of the directors.

SHAREHOLDING IN THE COMPANY

The number of shares held by the majority shareholder was unchanged at 93 644 430 shares.

EMPOWERMENT

Zimplats supports the Government of Zimbabwe in its endeavours to encourage Zimbabweans to acquire meaningful investments in major companies operating in key sectors of the economy.

Shareholders have been kept informed of ongoing discussions with the Government of Zimbabwe with regards to the company's compliance with the Indigenisation and Economic Empowerment Regulations.

In summary the 25 March 2011 regulations provide for the following:

1. A controlling interest or 51% of any foreign owned mining company with a net asset value of at least US$1 is required to be held by the following designated entities:
   (a) the National Indigenisation and Economic Empowerment Fund; or
   (b) the Zimbabwe Mining Development Corporation; or
   (c) any company or other entity incorporated by the Zimbabwe Mining Development Corporation or the National Indigenisation and Economic Empowerment Fund; or
   (d) a statutory sovereign wealth fund that may be created by law; or
   (e) an employee share ownership scheme or trust, management share ownership scheme or trust or community share ownership scheme or trust
2. All foreign owned mining companies were required to submit indigenization plans in compliance with the regulations within 45 days of the issue of the regulations.
3. The approved indigenization plan should be achieved within a period of 6 months i.e. issue of shares or interests to the designated entities. The Minister responsible for indigenization may however grant a 3 month extension for compliance.
4. The value of the shares required to be disposed of to the Government agencies - the National Indigenisation and Economic Empowerment Fund, the Zimbabwe Mining Development Corporation and sovereign wealth fund when created, shall be calculated on the basis of valuation agreed to between the Minister and the company concerned and shall take into account the State's sovereign ownership of the mineral or minerals exploited or proposed to be exploited by the company.

In March 2012 Government accepted in principle the company's indigenization proposals towards achieving a 51% indigenous shareholding for transfer at fair value in the operating subsidiary Zimbabwe Platinum Mines (Private) Limited. The company's indigenisation plan has the following key elements:

(i) 10% equity to be issued to the Zimplats Mhondoro-Ngezi Chegutu Zvimba Community Share Ownership Trust.

(ii) 10% equity to be issued to an Employee Share Ownership Trust.

(iii) 31% equity to be issued to the National Indigenisation Economic Empowerment Fund.

A joint task group has been mandated to prepare a roadmap towards fulfilling the above matters which hinge on an agreed valuation model, and which are at various stages of implementation.

FINANCIAL AFFAIRS

The financial results for the year are set out on pages 7 to 44. The company recorded satisfactory results against a background of deteriorating metal prices.

No dividend has been declared for the year in view of the pressure on cash and the need to fund the $460 million Ngezi Phase II Expansion approved by the board in 2010.

No material events have occurred since the date of these financial statements and the date of approval thereof, the knowledge of which would affect the ability of the user of these statements to make proper evaluations and decisions.

The financial statements have been prepared using the appropriate accounting policies, supported by reasonable and prudent judgements and estimates. The directors have a reasonable expectation that the company has adequate resources to continue as a going concern in the foreseeable future.

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION

The Chief Executive Officer and Chief Financial Officer have made the following certification to the board:

- That the group financial reports present a true and fair view, in all material respects, of the financial condition and operational results of the group and are in accordance with relevant accounting standards.
- That the group has adopted an appropriate system of risk management and internal compliance and control which implements the policies adopted by the board and forms the basis of the statement given above.
- That the group's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

DIRECTORATE

COMPOSITION OF THE BOARD

Following his resignation as Chief Executive Officer of Impala Platinum Holdings Limited, Mr. D H Brown resigned as non-executive chairman and as a director of both the company and operating subsidiary boards with effect from 30 June 2012.

The Deputy Chairman, Mr. M A Masunda is Acting Chairman until such time as a substantive chairman is appointed.

Subsequent to his appointment as Chief Executive Officer of Implats, Mr. T Goodlace was appointed as a non-executive director of Zimplats Holdings Limited with effect from 10 August 2012.

In terms of the Articles of Association of the company, one third of the directors, excluding the Chief Executive Officer, will retire by rotation each year, and an appointment made during the year will be subject to shareholders confirmation and election.

The directors therefore retiring by rotation at the next Annual General Meeting are Ms. B Berlin and Messrs. M J Houston and P Maseva-Shayawabaya. Having been appointed during the course of the year Mr. T Goodlace offers himself for election, and all the retiring directors, being eligible offer themselves for re-election.

DIRECTORS INTERESTS AND REMUNERATION

There are no shares or share options in the company held by either non-executive or executive directors of Zimplats at the date of release of this report. None of the non-executive or executive directors had any interests in the shares of the company's subsidiaries at any time during the year and up to the release of this report, nor did they have an interest in any significant contract with the group during the year and up to the date of this report. In all the preceding instances the position is unchanged from that of the prior year.

INDEMNITY OF OFFICERS

Zimplats' Memorandum and Articles of Association includes indemnities in favour of persons who are or have been officers of the company. To the extent permitted by law, Zimplats indemnifies every person who is or has been an officer against:

- Any liability to any person (other than Zimplats or related entities) incurred while acting in their official capacity and in good faith; and
- Costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters.

For this purpose, "officer" means any director or secretary of Zimplats or any of its controlled subsidiaries, and includes any other person who is concerned, or takes part in management of Zimplats, or is an employee of Zimplats or any controlled subsidiaries thereof.

Zimplats has given similar indemnities by Deed of Indemnity in favour of certain officers in respect of liabilities incurred by them whilst acting as an officer of Zimplats or any subsidiary of Zimplats.

No claims under the abovementioned indemnities have been made against Zimplats during or since the end of the financial year.

INSURANCE FOR OFFICERS

During and since the end of the financial year under review Zimplats has paid premiums in respect of contracts insuring persons who are or have been officers of the company against certain liabilities incurred in that capacity.

For this purpose, "officer" means any director or secretary of Zimplats or any of its controlled subsidiaries, and includes any other person who is concerned, or takes part in the management of Zimplats, or is an employee of Zimplats or any controlled subsidiaries thereof.

Under the abovementioned Deeds of Indemnity, Zimplats has undertaken to the relevant officer that it will insure them against certain liabilities incurred in their capacity as an officer.

AUDITORS

Messrs. PricewaterhouseCoopers have indicated their willingness to continue as the company's auditors. A resolution to authorize their re-appointment will be proposed at the forthcoming Annual General Meeting.

In line with best practise, the auditors to the company are requested to attend the Annual General Meeting in order to be available to answer shareholder questions concerning the conduct of the audit and the preparation and content of the audit report.

ANNUAL GENERAL MEETING

The Annual General Meeting of the company will be held at The Protea Hotel Balalaika, 20 Maude Street, Sandown, Sandton, Johannesburg, South Africa, on Friday 12 October 2012 at 11:30am.

BY ORDER OF THE BOARD

THE DIRECTORS' STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2012

The Company's directors are responsible for the preparation, integrity and objectivity of financial statements, comprising the statement of financial position as at 30 June 2012, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies (Guernsey) Law 2008.

TO ENABLE THE DIRECTORS TO MEET THOSE RESPONSIBILITIES:

The Board and management set standards and management implements systems of internal control, accounting and information systems aimed at providing reasonable assurance that assets are safeguarded and the risk of error, fraud or loss is reduced in a cost effective manner, and make appropriate accounting estimates. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

The Group's internal audit function, which is outsourced and operates independently, appraises, evaluates and, when necessary, recommend improvements in the systems of internal control and accounting practices, based on audits carried out on various functions or aspects of the business.

The Audit and Risk Committee, together with the internal auditors, play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

Based on the results of a formal documented review of the system of internal controls and risk management, covering both the adequacy in design and effectiveness in implementation performed by the internal audit function during the year, the board of directors has considered:

- the information and explanations provided by line management;
- discussions held with the external auditors on the results of the year-end audit; and
- the assessment by the Audit and Risk Committee.

Nothing has come to the attention of the Board that caused it to believe that the company's system of internal controls and risk management are not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The Board's opinion is underpinned by the Audit and Risk Committee's statement.

To their best knowledge and belief, based on the above, the directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the period under review.

The directors have reviewed the performance and financial position of the Group to the date of signing of these financial statements and the prospects, based on the budgets, and are satisfied that the Group is a going concern and therefore continue to adopt the going concern assumption in the preparation of these financial statements. However, the directors believe that under the current economic environment a continuous assessment of the ability of the Group to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

It is the responsibility of the independent auditors to report on the financial statements. Their report to the members of the group is set out on page 6.

APPROVAL OF FINANCIAL STATEMENTS

The directors' report and the financial statements were approved by the Board of Directors on 10 August 2012 and were signed by:

A MHEMBERE	P. MASEVA-SHAYAWABAYA
CHIEF EXECUTIVE OFFICER	CHIEF FINANCE OFFICER

10 AUGUST 2012

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITORS' REPORT
To the shareholders of
ZIMPLATS HOLDINGS LIMITED

We have audited the consolidated and separate financial statements of Zimplats Holdings Limited set out on pages 7 to 44, which comprise the statements of financial position as at 30 June 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies (Guernsey) Law, 2008 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Zimplats Holdings Limited as at 30 June 2012, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies (Guernsey) Law, 2008.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants (Zimbabwe)
Harare

22 August 2012

PricewaterhouseCoopers, Building No. 4, Arundel Office Park, Norfolk Road, Mount Pleasant
P O Box 453, Harare, Zimbabwe
T: +263 (4) 338362-8, F: +263 (4) 338395, www.pwc.com

T I Rwodzi – Senior Partner
The Partnership's principal place of business is at Arundel Office Park, Norfolk Road, Mount Pleasant, Harare, Zimbabwe where a list of the Partners' names is available for inspection.

STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2012

		Group		Company	
	Notes	As at Jun-12 US$ 000	As at Jun-11 US$ 000	As at Jun-12 US$ 000	As at Jun-11 US$ 000
ASSETS					
Non-current assets					
Property, plant and equipment	5	881 165	647 878	6 261	6 261
Investments	6	-	-	106 108	106 300
Long term receivables	7	20 478	27 304	-	-
Prepayments	8	15 278	6 725	-	-
Inter-company receivables	9	-	-	40 000	-
Total non-current assets		916 921	681 907	152 369	112 561
Current assets					
Inventories	10	57 399	49 423	-	-
Trade and other receivables	11	133 376	164 130	863	238
Prepayments	8	30 697	25 905	-	-
Cash and cash equivalents	12	16 493	54 010	14 424	48 799
Total current assets		237 965	293 468	15 287	49 037
Total assets		1 154 886	975 375	167 656	161 598
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and share premium	13	99 929	99 929	99 929	99 929
Other reserves	14	761 810	639 451	67 354	61 155
		861 739	739 380	167 283	161 084
Non-current liabilities					
Deferred taxation	15	115 344	87 506	-	-
Mine rehabilitation provision	16	14 354	14 332	-	-
Other long term payables	17	4 317	2 913	-	-
Borrowings	18	78 118	38 066	-	-
Total non-current liabilities		212 133	142 817	-	-
Current liabilities					
Other short term payables	17	5 148	3 305	-	-
Borrowings	18	6 732	16 806	-	-
Trade and other payables	19	69 134	65 275	373	514
Current tax payable	20	-	7 792	-	-
Total current liabilities		81 014	93 178	373	514
Total equity and liabilities		1 154 886	975 375	167 656	161 598

A Mhembere
Chief Executive Officer
10 August 2012

P Maseva-Shayawabaya
Chief Financial Officer

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

		Group		Company	
	Notes	As at Jun-12 US$ 000	As at Jun-11 US$ 000	As at Jun-12 US$ 000	As at Jun-11 US$ 000
Revenue	21	473 280	527 354	-	-
Cost of sales	22	(219 854)	(204 275)	-	-
Gross profit		253 426	323 079	-	-
Other net (expenses)/income	23	(7 349)	(12 414)	7 610	8 604
Administrative expenses	24	(91 098)	(66 056)	(1 605)	(1 437)
Profit from operations		154 979	244 609	6 005	7 167
Net finance (expenses)/income	25	(3 458)	(8 531)	194	199
Interest expense		(3 987)	(13 508)	-	-
Interest income		529	4 977	194	199
Profit before taxation	26	151 521	236 078	6 199	7 366
Income tax expense	27	(29 162)	(35 657)	-	-
Net profit for the year		122 359	200 421	6 199	7 366
Other comprehensive income:					
Available-for-sale-financial assets:					
Gains arising during the year		-	1 659	-	-
Reclassification of adjustments for (gains)/losses included in profit/loss		-	(1 659)	-	-
Income tax relating to components of other comprehensive income		-	-	-	-
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the year		122 359	200 421	6 199	7 366
Basic earnings per share (cents)	28	113.68	186.20		

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	Share capital US$ 000	Share premium US$ 000	Foreign currency translation reserve US$ 000	Acquisition equity reserve US$ 000	Revaluation reserve US$ 000	Accumulated profit US$ 000	Total US$ 000
GROUP							
Balances at 30 June 2010	10 763	89 166	(18 219)	(10 045)	24 535	442 759	538 959
Capital reserve release	-	-	-	-	(1 843)	1 843	-
Total comprehensive income for the year	-	-	-	-	-	200 421	200 421
Profit for the year	-	-	-	-	-	200 421	200 421
Other comprehensive income	-	-	-	-	-	-	-
Balances at 30 June 2011	10 763	89 166	(18 219)	(10 045)	22 692	645 023	739 380
Capital reserve release	-	-	-	-	(1 810)	1 810	-
Total comprehensive income for the year	-	-	-	-	-	122 359	122 359
Profit for the year	-	-	-	-	-	122 359	122 359
Other comprehensive income	-	-	-	-	-	-	-
Balances at 30 June 2012	10 763	89 166	(18 219)	(10 045)	20 882	769 192	861 739
COMPANY							
Balances at 30 June 2010	10 763	89 166	(2 929)	-	-	56 718	153 718
Transfer to retained earnings			2 929			(2 929)	-
Total comprehensive income for the year	-	-	-	-	-	7 366	7 366
Profit for the year	-	-	-	-	-	7 366	7 366
Other comprehensive income	-	-	-	-	-	-	-
Balances at 30 June 2011	10 763	89 166	-	-	-	61 155	161 084
Total comprehensive income for the year	-	-	-	-	-	6 199	6 199
Profit for the year	-	-	-	-	-	6 199	6 199
Other comprehensive income	-	-	-	-	-	-	-
Balances at 30 June 2012	10 763	89 166	-	-	-	67 354	167 283

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

		Group		Company	
	Notes	As at Jun-12 US$ 000	As at Jun-11 US$ 000	As at Jun-12 US$ 000	As at Jun-11 US$ 000
Operating activities					
Profit before tax		151 521	236 078	6 199	7 366
Adjustments to profit before tax	30	57 660	64 718	(158)	(199)
Cash from changes in working capital	30	37 711	(109 372)	676	(425)
Payments made for mine rehabilitation		(915)	(288)	-	-
Payments made for community share ownership trust liability		(3 300)	-	-	-
Payments made for share appreciation rights		(112)	(340)	-	-
Finance cost		(6 795)	(13 508)	-	-
Income tax and withholding tax paid		(9 586)	(4 186)	(1 212)	-
Cash in flows from operating activities		226 184	173 102	5 505	6 742
Investing activities					
Acquisition of property, plant and equipment		(269 571)	(121 502)	-	-
Proceeds from disposal of assets		503	213	15	-
Proceeds from disposal of available-for-sale financial assets		-	66	-	-
Power supply prepayment		(25 000)	-	-	-
Finance income		389	4 977	105	199
Cash (out)/in flows from investing activities		(293 679)	(116 246)	120	199
Financing activities					
Finance lease liability repaid		(1 727)	(1 551)	-	-
Repayments of interest bearing loans and borrowings		(25 079)	(118 474)	-	-
Proceeds of interest bearing loans and borrowings		52 000	36 000	-	30 000
Loan advanced to subsidiary		-	-	(40 000)	-
Cash in/(out) flows from financing activities		25 194	(84 025)	(40 000)	30 000
(Decrease)/increase in cash and cash equivalents		(42 301)	(27 169)	(34 375)	36 941
Movement in cash and cash equivalents					
Cash and cash equivalents at beginning of the year		54 010	81 179	48 799	11 858
(Decrease)/increase in cash and cash equivalents		(42 301)	(27 169)	(34 375)	36 941
Cash and cash equivalents at end of the year		11 709	54 010	14 424	48 799

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

1 GENERAL INFORMATION

Zimplats Holdings Limited is a company domiciled in Guernsey, Channel Islands. The consolidated financial statements of the group for the year ended 30 June 2012 comprise the company and its subsidiaries (together the group).

The financial statements were authorised for issue by the Directors on 10 August 2012.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these group and company financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Accounting policies that refer to 'group', apply equally to the company financial statements where relevant.

2.1 BASIS OF PREPARATION

Statement of compliance

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB) and applicable Guernsey law.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except for the following:

- Certain financial assets and financial liabilities that are measured at fair value; and
- Liabilities for cash-settled share-based payment arrangements that are measured with a binomial option model

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management and the board to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The principal accounting policies have been consistently applied by the group and are consistent with those of the previous year, unless otherwise stated.

2.1.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The following standards, amendments to standards and interpretations have been early adopted in prior years:

STANDARDS AMENDMENTS INTERPRETATIONS	NATURE OF CHANGE	EFFECTIVE DATE	SALIENT FEATURES OF THE CHANGE AND IMPACT	IMPACT
Improvements to IFRS (Issued May 2010)			Annual improvements project is a collection of amendments issued under the annual improvements process, which is designed to make necessary, but non-urgent, amendments to IFRSs.	No Impact
IAS 12 - Income Taxes	Amendment	1 January 2012	The amendment provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 Investment Property.	No Impact
IFRS 7 - Financial Instruments: Disclosure	Amendment	1 July 2011	The amendment will allow users of financial statements to improve their understanding of transfer transactions of financial assets.	No Impact
IFRIC 14 - Prepayment of a Minimum Funding Requirement	Amendment	1 January 2011	This amendment applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements.	No Impact

STANDARDS AMENDMENTS INTERPRETATIONS	NATURE OF CHANGE	EFFECTIVE DATE	SALIENT FEATURES OF THE CHANGE AND IMPACT	IMPACT
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments	Amendment	1 July 2010	The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap).	No Impact

The following standards, amendments to standards and interpretations have become effective or have been early adopted:

STANDARDS AMENDMENTS INTERPRETATIONS	NATURE OF CHANGE	EFFECTIVE DATE	SALIENT FEATURES OF THE CHANGE AND IMPACT	IMPACT
IAS 1 - Presentation of Financial Statements	Amendment	1 July 2012	The amendment requires items presented in other comprehensive income (OCI) being grouped into those that will subsequently not be reclassified to profit or loss and those that will. This amendment requires disclosure in the statement of comprehensive income indicating that all items will subsequently be reclassified to profit and loss.	No impact
IAS 19 - Employee Benefits	Amendment	1 January 2013	The amendments eliminates the option to defer the recognition of actuarial gains and losses, streamlines the presentation of changes in assets and liabilities arising from defined benefit plans including the requirement that re-measurements be presented in other comprehensive income, and enhances the disclosure requirements for defined benefit plans to provide better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.	No Impact
IAS 34 - Interim Financial Reporting (effective 1 January 2013).	Amendment	1 January 2013	Consequential amendment from IFRS 13 requiring additional disclosure for Financial Instruments in the Interim Financial Report.	No impact
IFRS 13 - Fair Value Measurement.	New standard	1 January 2013	The new standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.	No Impact
Improvements to IFRSs: 2009 - 2011 Cycle.		1 January 2013	Annual improvements project is a collection of amendments issued under the annual improvements process, which is designed to make necessary, but non-urgent, amendments to IFRSs.	No Impact
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine	New interpretation	1 January 2013	The interpretation applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine.	No Impact

The following standards, amendments to standards and interpretations are not effective yet and have not been early adopted:

STANDARDS AMENDMENTS INTERPRETATIONS	NATURE OF CHANGE	EFFECTIVE DATE	SALIENT FEATURES OF THE CHANGE AND IMPACT	IMPACT
IAS 27 - Separate Financial Statements	Amendment	1 January 2013	This amendment contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity elects or is required by local regulations to present separate financial statements. The standard requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments.	No Impact
IAS 28 - Investments in Associates and Joint Ventures	Amendment	1 January 2013	The amended standard prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The standard is expected to result in any 50% investment being equity accounted, instead of being proportionately consolidated.	No impact
IFRS 9 Financial Instruments (2010)	New standard	1 January 2013		No impact

2.1.2 IMPROVEMENTS TO IFRS

Improvements to IFRS were issued in April 2009 and May 2010. They contain numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2011, respectively, with earlier application permitted. No material changes to accounting policies are expected as a result of these amendments.

2.2 CONSOLIDATION

The consolidated financial statements include those of Zimplats Holdings Limited and its subsidiaries using uniform accounting policies.

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition costs are expensed as incurred.

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

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(b) Changes in ownership interests in subsidiary without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with owners in their capacity as owners. The difference between fair value of any consideration paid and relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3 SEGMENT INFORMATION

An operating segment is a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).
- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.
- For which discrete financial information is available.

The group operates within the mining industry. The activities of the group are entirely related to the development and mining of platinum group metals in Zimbabwe.

The operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, which is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Executive Committee, which makes strategic decisions.

2.4 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in United States dollars ('US$'), which is the group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within “finance income or cost”. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within other “losses or gains”.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of fair value gain or loss. Translation differences on non monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less accumulated depreciation and less accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The present value of decommissioning cost, which is the dismantling and removal of the asset included in the environmental rehabilitation obligation, is included in the cost of the related assets and changes in the liability resulting from changes in the estimates are accounted for as follows:

- Any decrease in the liability reduces the cost of the asset. The decrease in the asset is limited to its carrying amount and any excess is accounted for in the income statement.
- Any increase in the liability increases the carrying amount of the asset. An increase to the cost of an asset is tested for impairment when there is an indication of impairment.
- These assets are depreciated over their useful lives and are expensed in the statement of comprehensive income as a cost of production.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Assets are not depreciated while the residual value equals or exceeds the carrying value of the asset. Depreciation is calculated on the carrying amount less residual value of the assets or components of the assets where applicable. Depreciation methods and depreciation rates are applied consistently within each asset class except where significant individual assets have been identified which have different depreciation patterns. Residual values and useful lives are reviewed annually. The depreciation calculation is adjusted prospectively for changes in the residual value and useful lives.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to non-distributable reserves in shareholders’ equity net of deferred income tax. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity; all other decreases are charged to the Statement of Comprehensive Income. When revalued assets are sold, the amounts included in non-distributable reserves are transferred to distributable reserves.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within ‘other (loss)/gain – net’, in the Statement of Comprehensive Income.

Mining Claims

Mining claims are not depreciated until the claims are explored and a mine is operational. Depreciation is based on the units of production method. Mining claims are the right to extract minerals from a tract of public land.

Mining Assets

Individual mining assets are depreciated using the units-of-production method based on their respective estimated economically recoverable proved and probable mineral reserves, limited to the life of mine.

Metallurgical Assets

Metallurgical assets are depreciated using the units-of-production method based on the expected estimated economically recoverable proved and probable mineral reserves to be concentrated or refined by that asset.

As at 30 June 2012, the life of mine was estimated as follows:

MINE	ESTIMATED USEFUL LIFE
Rukodzi Mine	8 years
Ngwarati Mine	11 years
Bimha Mine	22 years
Ngezi Open Pit	6 years

Land and buildings

Assets in this category, excluding land which is not depreciated, are depreciated over the life of mine using the units-of-production method and the economically recoverable proved and probable mineral reserves.

Services Assets

Services assets consist mainly of the ngezi road, internal access roads to turf houses, 330kVA substation and sewage facilities. These assets provide services to the business as a whole, and are depreciated over the life of mine using the units-of-production method and the economically recoverable proved and probable mineral reserves.

Other assets

Other assets consist mainly of furniture and fittings, information technology equipment and vehicles. These assets are depreciated using the straight line method over the useful life of the asset as follows:

ASSET TYPE	ESTIMATED USEFUL LIFE
Furniture fittings and office equipment	5 years
Information technology	3 years
Vehicles (personally allocated company vehicles)	4 years
Vehicles (personally allocated company vehicles)	5 years

Mining exploration

Expenditure on mining exploration in new areas of interest is charged against income as incurred. Costs related to property acquisitions, surface and mineral rights are capitalised to mining assets and are recorded at cost less accumulated depreciation and impairment losses.

Assets under construction

Pre-production expenditure, including evaluation costs, incurred to establish or expand productive capacity, to support and maintain that productive capacity incurred on mines is capitalised to property, plant and equipment. The recognition of costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management.

Any net income earned while the item is not yet capable of operating as intended reduces the capitalised amount. Interest on borrowings, specifically to finance the establishment of mining assets, is capitalised during the construction phase.

2.6 EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES

The group expenses all exploration and evaluation expenditures until the directors conclude that a future economic benefit is more likely than not to be realised, i.e. probable. In evaluating if expenditures meet this criterion to be capitalised, the directors utilise several different sources of information depending on the level of exploration. While the criteria for concluding that expenditure should be capitalised are always the "probability" of future benefits, the information that the directors use to make that determination depends on the level of exploration.

- Exploration and evaluation expenditure on greenfield 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 final feasibility study has been completed, after which the expenditure is capitalised within development costs, if the final 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 the directors are able to demonstrate that future economic benefits are probable through the completion of a prefeasibility study, after which the expenditure is capitalised as a mine development cost. A 'prefeasibility study' consists of a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating economic factors and the evaluation of other relevant factors

The prefeasibility study, when combined with existing knowledge of the mineral property that is adjacent to mineral deposits that are already being mined or developed, allows the directors to conclude that it is more likely than not that the group will obtain future economic benefit from the expenditures.

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 following the completion of an economic evaluation equivalent to a prefeasibility study. This economic evaluation is distinguished from a prefeasibility study in that some of the information that would normally be determined in a prefeasibility study is instead obtained from the existing mine or development. This information when combined with existing knowledge of the mineral property already being mined or developed allows the directors to conclude that more likely than not the Group will obtain future economic benefit from the expenditures.

Exploration and evaluation assets acquired in a business combination are initially recognised at fair value. Subsequently it is stated at cost less impairment provision. Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to assets under construction. No amortisation is charged during the exploration and evaluation phase.

For the purposes of assessing impairment, the exploration and evaluation assets subject to testing are grouped with existing cash-generating units of operating mines that are located in the same geographical region. Where the assets are not associated with a specific cash-generating unit, the recoverable amount is assessed using fair value less cost to sell for the specific exploration area.

Care and maintenance

Projects that are transferred to care and maintenance are carried forward to the extent to which recoupment out of revenue following the return to production or sale of the mine is reasonably assured. Amortisation is provided in respect of properties in accordance with the policy.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to depreciation are tested for impairment, at least annually, on the same date and at the end of each reporting period when an indicator of impairment exists. Assets that are subject to depreciation are reviewed for impairment at the end of each reporting period whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets are considered to be impaired when the higher of the asset's fair value less cost to sell and its value-in-use is less than the carrying amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds the recoverable amount.

The recoverability of the long-term mining assets is based on estimates of future discounted cash flows. These estimates are subject to risks and uncertainties including future metal prices and exchange rates. It is therefore possible that changes can occur which may affect the recoverability of the mining assets. The recoverable amounts of non-mining assets are generally determined by reference to market values. Where the recoverable amount is less than the carrying amount, the impairment is charged against income to reduce the carrying amount to the recoverable amount of the asset. The revised carrying amounts are depreciated over the remaining lives of such affected assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.8 LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The group leases certain property, plant and equipment. Leases of property, plant and equipment, where the group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.9 FINANCIAL ASSETS

2.9.1 CLASSIFICATION

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise they are classified as non-current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the reporting date which are classified as non-current assets. Loans and receivables include trade and other receivables, advances and cash and cash equivalents in the statement of financial position.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity, and are included in non-current assets, except for those with maturities within twelve months from the reporting date which are classified as current assets.

Held to maturity investments are subsequently carried at amortised cost using the effective interest method less any accumulated impairment loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting date.

2.9.2 RECOGNITION AND MEASUREMENT

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income as part of other income when the group's right to receive payments is established.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the Statement of Comprehensive Income as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the Statement of Comprehensive Income as part of other income. Dividends on available-for-sale equity instruments are recognised in the Statement of Comprehensive Income as part of other income when the group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

2.9.3 IMPAIRMENT OF FINANCIAL ASSETS

Assets carried at amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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 reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arreas or economic conditions that correlate with defaults.

For loans and receivables category, 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 credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Assets classified as available-for-sale

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the separate consolidated income statement.

Impairment losses recognised in the separate consolidated income statement on equity instruments are not reversed through the separate consolidated income statement. If, in a subsequent period, the fair value of assets classified as available-for-sale 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 the separate consolidated income statement.

2.10 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.11 DERIVATIVE FINANCIAL INSTRUMENTS

The group does not use derivative financial instruments to manage its exposure to foreign exchange risk.

2.12 INVENTORIES

Metal inventories (WIP and Finished goods)

Ore, concentrate and matte inventories are valued at the lower of cost (average cost of production) and estimated net realisable value. Quantities of in-process metals are based on latest available assays allocated to main products on a units produced basis.

Stores and materials

Stores and materials are stated at the lower of cost (on a weighted average basis) and net realisable value. The cost of stores and materials includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

2.13 TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected to be settled within one year or less (or in the normal operation cycle of the business if longer) they are classified as current assets. If not they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced by the impairment loss, and the amount of the loss is recognised in the Statement of Comprehensive Income within operating costs.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating costs in the Statement of Comprehensive Income.

2.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

2.15 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds. Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable to incremental transaction costs and the related income tax effects is included in equity attributable to the company's equity holders.

2.16 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of borrowings using the effective interest method.

2.16.1 BORROWING COSTS

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such times are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.17 TRADE AND OTHER PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method

2.18 PROVISIONS

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assesments of the time value of money and risk specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

2.19 ENVIRONMENTAL REHABILITATION OBLIGATIONS

These long term obligations result from environmental disturbances associated with the group's mining operations. Estimates are determined by independent environmental specialists in accordance with environmental regulations.

Decommissioning costs

This cost will arise from rectifying damage caused before production commences. The net present value of future decommissioning cost estimates as at year-end is recognised and provided for in full in the financial statements. The estimates are reviewed annually to take into account the effects of changes in the estimates. Estimated cash flows have been adjusted to reflect risks and timing specific to the rehabilitation liability. Discount rates that reflect the time value of money are utilised in calculating the present value.

Changes in the measurement of the liability, apart from unwinding the discount, which is recognised in the income statement as a finance cost, are capitalised to property, plant and equipment.

Rehabilitation costs

Restoration costs represent the cost of restoring site damage, caused after the start of production, incurred in the production of inventory. The present value of future rehabilitation cost estimated as at year end are recognised and provided for in full in the financial statements. The estimates are reviewed annually to take into account the effects of inflation and changes in estimates. Discount rates that reflect time value of money are utilised in calculating the present value. A change in the measurement of the liability, apart from unwinding the discount, is recognised in the statement of comprehensive income as a finance cost and is capitalised to the rehabilitation liability. Increases in this provision are charged to the income statement as a cost of production.

On-going rehabilitation costs

The cost of the on-going current programmes to prevent and control pollution is charged against income as incurred.

2.20 EMPLOYEE BENEFITS

Short-term employee benefits

Remuneration to employees is charged to profit or loss on an on-going basis. Provision is made for accumulated leave, incentive bonuses and other short-term employee benefits.

Defined contribution retirement plans

The group participates in defined contribution retirement plans for certain of its employees.

A defined contribution plan is a pension plan under which the group pays a fixed contribution into a separate entity. The group has no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The pension plans are funded by payments from the employees and by the relevant group companies to independently managed funds and are governed by Zimbabwean law. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Bonus plans

The group recognises a liability and an expense for bonuses based on a formula that takes into consideration production and safety performance. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Cash-settled share-based payments

Share appreciation rights

The group allocates to executives and senior managers notional shares in the ultimate majority shareholder. These notional shares will confer the conditional right on a participant to be paid a cash bonus equal to the appreciation in the share price from the date of allocation to the date of vesting of the notional share. Notional shares vest after two years of allocation to a maximum of 25% of the allocation. In subsequent years an additional 25% becomes exercisable per year. All unexercised shares lapse after 10 years from date of allocation.

2.21 CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax is realised or deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.22 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable in respect of the sale of metals produced in the ordinary course of the group's activities. Revenue, net of value added tax, returns, rebates and discounts is recognised when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below:

The group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity.

Sale of goods – Matte

The group sells white matte (a concentrate of metals) which primarily consists of platinum, rhodium, gold and nickel. All white matte is sold to one customer who is related to the company-Impala Refinery Services (IRS) (fellow subsidiary) under the terms of a contract. Revenue from sale of white matte is recognised when white matte has been delivered to Impala Refinery Services where it is subject to further processing. Prices of the individual extracted minerals/metals are based on the market prices. Quantities of the metals contained in the white matte are obtained from the assay report results from both the company and Impala Refinery Services and agreed by the two.

Interest Income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

Dividend income

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

2.23 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from proceeds. Where any group company purchases the company's equity share capital (treasury shares),the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued.

Where such shares are subsequently reissued, any consideration received, net of any directly attributable to incremental transaction costs and the related income tax effects is included in equity attributable to the company's equity holders.

2.24 DIVIDEND DISTRIBUTION

Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the board of directors.

3 FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The group's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and cash flow interest rate risk), credit risk and liquidity risk. 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.

Risk management is carried out by the Audit and Risk Committee under the policies approved by the board of directors. The Audit and Risk Committee identifies and evaluates financial risks in close cooperation with the group's operating units.

The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

3.1.1 MARKET RISK

Price risk

The group is exposed to equity securities price risk if it holds equity investments. These investments are classified on the statement of financial position either as available-for-sale or fair value through profit or loss. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. The group did not have any equity securities in the year under review.

Foreign exchange risk

The group is exposed to foreign exchange risk arising from entering into contracts of supply and borrowings mainly denominated in the South African Rand. To minimise this risk borrowings are denominated in United States Dollars. The group does not use forward exchange contracts to hedge its foreign currency risk. Currency risk as far as possible is managed by settling foreign denominated liabilities with foreign currency denominated liquid assets.

At 30 June 2012, if the currency had weakened/strengthened by 11% against the South African Rand (Rand) with all other variables held constant, post-tax profit for the year would have been $0.63 million (2011: $0.81 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Rand-denominated trade payables. Profit is less sensitive to movement in currency/Rand exchange rates in 2012 than 2011 because of the decreased amount of Rand-denominated payables.

At 30 June 2012, if the currency had weakened/strengthened by 4% against the Euro with all other variables held constant, post-tax profit for the year would have been $0.01 million (2011: $0.8 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro-denominated trade payables. Profit is less sensitive to movement in currency/Euro exchange rates in 2012 than 2011 because of the decreased amount of Euro-denominated payables.

3.1.2 CREDIT RISK

Financial assets which potentially subject the group to concentrations of credit risk consist principally of cash and cash equivalents and trade receivables and other receivables. The group's cash and cash equivalents are placed with high credit quality financial institutions. The sole customer of the group is Impala Refining Services Limited based in South Africa, which is a fellow wholly owned subsidiary of Impala Platinum Holdings Limited, the majority shareholder. Based on historic default rates and that there have been no impairments necessary (2011: Nil) against trade receivables, the credit quality of the sole customer is considered to be sound. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade receivables

	2012 US$000	2011 US$000
Counterparties without external credit rating		
Group 1	123 006	153 925
Group 2	-	-
Group 3	-	-
Unrated	-	-
Total unimpaired trade receivables	**123 006**	153 925

Group 1 – new customers/ related parties (less than 6 months).

Group 2 – existing customers/ related parties (more than 6 months) with no defaults in the past.

Group 3 - existing customers/ related parties (more than 6 months) with some defaults in the past. All defaults were fully recovered.

	2012 US$000	2011 US$000
Cash at bank and short-term deposits		
BBB+	15 647	5 375
AA-	(3 982)	47 997
Cash on hand	44	638
	11 709	54 010

External ratings for financial institutions are performed by Fitch and the Global Credit Rating Company, respectively. The group assesses the quality of institutions it does business with. The Reserve Bank of Zimbabwe also monitors all financial institutions in the country.

Other financial assets

Credit risk relating to other financial assets consists of:

- Unsecured loan to the Reserve Bank of Zimbabwe with no fixed terms of repayment
- Employee housing loans secured by a second bond over residential properties.

3.1.3 CASH FLOW INTEREST RATE RISK

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. All the group's borrowings are at variable interest rates and are denominated in United States Dollars. A treasury committee meets each month to discuss various issues including cash flow forecasts and projections, allocations of funds and other treasury related issues. The Board approves all loans, including the interest rate terms, which are benchmarked against either the London Inter-bank Offered Rate (LIBOR) or the Johannesburg Inter-bank Agreed Rate (JIBAR).

At 30 June 2012, if interest rates on Currency-denominated borrowings had been 10 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been $0.08 million (2011: $0.05 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings

3.1.4 LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The group has no undrawn committed banking facility with Standard Bank of South Africa (2011: $52 million).

The table below analyses the group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 3 Months	Between 3 months & 1 Year	Between 1 & 2 Years	Between 2 & 5 Years	Over 5 Years
At 30 June 2012					
Borrowings (excluding finance lease liabilities)	2 000 000	19 000 000	29 000 000	28 000 000	-
Finance lease liabilities	487 004	1 461 012	117 545	-	-
Trade and other payables	30 726 000	-	-	-	-
Total	**33 213 004**	**20 461 012**	**29 117 545**	**28 000 000**	**-**

	Less than 3 Months	Between 3 months & 1 Year	Between 1 & 2 Years	Between 2 & 5 Years	Over 5 Years
At 30 June 2011					
Borrowings (excluding finance lease liabilities)	15 079 380	-	-	36 000 000	-
Finance lease liabilities	431 665	1 294 996	1 948 016	117 545	-
Trade and other payables	14 686 000	-	-	-	-
Total	**30 197 045**	**1 294 996**	**1 948 016**	**36 117 545**	**-**

3.2 CAPITAL RISK MANAGEMENT

The group defines total capital as 'equity' in the consolidated statement of financial position plus debt. The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure (capital structure that involves some debt but not 100% so as to achieve a minimum weighted average cost of capital) to reduce cost of capital. The group monitors the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

The gearing ratios at 30 June 2012 and 2011 were as follows:

	2012 US$000	2011 US$000
Total borrowings (note 18)	84 850	54 872
Less: Cash and cash equivalents	16 493	(54 010)
Net debt	68 357	862
Total equity	861 739	739 380
Total capital	930 096	740 242
Gearing ratio	8%	0%

3.3 FAIR VALUE ESTIMATES

The fair value of the group's assets and liabilities approximate their carrying values.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires the group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions and in some cases actuarial techniques.

Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant areas requiring the use of management estimates and assumptions which have a significant risk resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Carrying value of property plant and equipment

Various units-of-production (UOP) depreciation methodologies are available to management e.g. centares mined, tonnes mined, tonnes milled or ounces produced. Management elected to depreciate all mining and processing assets using the centares mined methodology.

For mobile and other equipment, the straight-line method is applied over the estimated useful life of the asset which does not exceed the estimated mine life based on proved and probable mineral reserves as the useful lives of these assets are considered to be limited to the life of the relevant mine.

The calculation of the UOP rate of amortisation will be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable mineral reserves. This would generally result from changes in any of the factors or assumptions used in estimating mineral reserves. Changes in mineral reserves will similarly have an impact on the useful lives of assets depreciated on a straight-line basis, as these lives are limited to the life of the mine.

Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the recoverable amount of goodwill and tangible assets are inherently uncertain and could materially change over time.

They are significantly affected by resources, exploration potential and production estimates, together with economic factors such as spot and future metal prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

Production start date

The group assesses the stage of each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location. The group considers various relevant criteria to assess when the mine is substantially complete, ready for its intended use and moves into the production stage.

Some of the criteria would include, but are not limited to the following:

- the level of capital expenditure compared to the construction cost estimates;
- completion of a reasonable period of testing of the mine plant and equipment;
- ability to produce metal in saleable form (within specifications); and
- Ability to sustain on-going production of metal.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for costs related to mining asset additions or improvements; that are capitalised, underground mine development or mineable reserve development.

Income taxes (note 27)

Significant judgment is required in determining 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 group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The current tax charge to the statement of comprehensive income is $29.2 million (2011:$35.7 million).The tax rate is fixed by the Mining Lease Agreement at 15%.

Metal in process and product inventories

Costs that are incurred in or benefit the production process are accumulated as stockpiles, metal in process and product inventories. Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing metal prices, less estimated costs to complete production and bring the product to sale.

Although the quantities of recoverable metal are reconciled by comparing the grades of ore to the quantities of metal actually recovered (metallurgical balancing), the nature of the process inherently limits the ability to precisely monitor recoverability levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time.

Environmental rehabilitation provisions

The group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates can affect the carrying amount of this provision. The total provision for rehabilitation as at 30 June 2012 is $14.4 million (2011: $14.3 million).

Refer to note 16 for assumptions used in calculating the provision.

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the group's environmental policy taking into account current technological, environmental and regulatory requirements. Provisions for future rehabilitation costs have been determined, based on calculations which require the use of estimates.

Mineral reserves

The estimation of reserves impact the amortisation of property, plant and equipment, the recoverable amount of property, plant and equipment, the timing of rehabilitation expenditure and purchase price allocation.

Factors impacting the determination of proved and probable reserves are:

- the grade of mineral reserves may vary significantly from time to time (i.e. differences between actual grades mined and resource model grades);
- differences between actual commodity prices and commodity price assumptions;
- unforeseen operational issues at mine sites;
- changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

Revenue recognition

The group has recognised revenue amounting to $473 million (2011:$527 million) for metal sales to Impala Refining Services Limited ("IRS") in the financial year to June 2012. Sales to IRS are governed by a contract which stipulates when payments are received and the prices to be used. During the course of the year, assays done by the group are compared against those by IRS and averages for the parties are used to determine sales volume. The group believes that based on past experience, these assays will not vary much.

At year end, deliveries to IRS not yet paid for (based on the lower of assays between IRS and Zimplats) are valued using spot prices at 30 June 2012. A 1% variation in assays will result in an adjustment of $1.2 million (June 2011: $1.5 million) in the income statement. Appropriate adjustments will be made in the following year when they fall due for payment. Total sales for the year comprise current year sales and prior year adjustments.

Long-term receivables

The fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The group has used discounted cash flow analysis for the long-term receivable as it is not traded in an active market. The RBZ balance as at 30 June 2012 is $20.5 million ($2011: $27.3 million).

Share appreciation rights

The group issues cash-settled share-based payments to employees. Cash-settled share-based payments are valued on the reporting date and recognised over the vesting period. The fair value of share-based payments is calculated using the binomial option pricing model.

The average inputs into this model are as follows:

	Cash-settled share appreciation scheme (5)		
	Note	2012	2011
Weighted average option value (Rand)	1	21.30	41.97
Weighted average share price on valuation date (Rand)	2	135.25	182.19
Weighted average exercise price (Rand)	3	179.53	169.17
Volatility	4	31.62	33.29
Dividend yield (%)		4.10	2.31
Risk-free interest rate (%)		6.64	7.70

1. The weighted average option value for cash settled shares are calculated on the reporting date.
2. The value of cash settled share appreciation rights are calculated at year end based on the year-end closing price.
3. The weighted average exercise price for cash settled shares is calculated taking into account the exercise price on each grant date.
4. Volatility for cash shares is the four hundred day average historical volatility on those major shareholders shares on each valuation date.
5. Cash –settled share based payments.

Contingencies (note 35)

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involves the use of significant judgement and estimation of the outcome of future events. The group has no APT contingent liability in the current year (2011:$36.3 million).

This is based on an amended tax assessment issued by the Zimbabwe Revenue Authority (ZIMRA) of $26.9 million in respect of the period to June 2007. An objection lodged against the amended assessment was dismissed after which the company lodged an appeal at the Special Court of Tax Appeals. The case is still to be heard. ZIMRA has however agreed that payment of the disputed liability be deferred until the court has ruled on the matter. For the year ended 30 June 2012, there is no APT liability. However, if the tax losses brought forward from the year to 30 June 2010 are not allowed as deductions in the APT computation as argued by ZIMRA, there will be an APT liability in the sum of $9.4 million.

5 PROPERTY, PLANT AND EQUIPMENT

	Land, buildings & mining claims US$ 000	Mining assets US$ 000	Metallurgical assets US$ 000	Vehicles US$ 000	Service and other assets US$ 000	Assets under construction US$ 000	Total US$ 000
GROUP							
Cost/valuation							
Opening balances at 1 July 2011	93 447	168 851	255 583	98 933	67 896	120 453	805 163
Additions	10 353	13 993	36 047	40 053	19 825	155 796	276 067
Disposals	-	-	-	(1 905)	(2)	-	(1 907)
Balances at 30 June 2012	103 800	182 844	291 630	137 081	87 719	276 249	1 079 323

Assets under construction consists mainly of capital expenditure on the Ngezi Phase 2 expansion project. Borrowing costs of US$ 4 771 000 were capitalised to assets under construction during the year. Refer to note 25. The capitalisation rate of borrowing costs is 55%.

	Land, buildings & mining claims US$ 000	Mining assets US$ 000	Metallurgical assets US$ 000	Vehicles US$ 000	Service and other assets US$ 000	Assets under construction US$ 000	Total US$ 000
Accumulated depreciation							
Opening balances at 1 July 2011	6 434	42 816	33 344	59 208	15 465	18	157 285
Depreciation charge	2 950	7 755	9 519	19 154	3 188	-	42 566
Disposals	-	-	-	(1 691)	(2)		(1 693)
Balances at 30 June 2012	9 384	50 571	42 863	76 671	18 651	18	198 158
Carrying amount 2012	94 416	132 273	248 767	60 410	69 068	276 231	881 165
Carrying amount 2011	87 013	126 035	222 239	39 725	52 431	120 435	647 878

	Mining claims US$ 000	Vehicles US$ 000	Total US$ 000
COMPANY			
Cost			
Opening balances at 1 July 2011	6 261	138	6 399
Disposals	-	(138)	(138)
Balances at 30 June 2012	6 261	-	6 261
Accumulated depreciation			
Opening balances at 1 July 2011	-	138	138
Disposals	-	(138)	(138)
Balances at 30 June 2012	-	-	-
Carrying amount 2012	6 261	-	6 261
Carrying amount 2011	6 261	-	6 261

	GROUP Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
Service assets include the following amounts where the group is a lessee under a finance lease:		
Cost - Capitalised finance leases	8 618	8 618
Accumulated depreciation	(6 919)	(5 388)
Net book value	1 699	3 230

5A PROPERTY, PLANT AND EQUIPMENT

	Land, buildings & mining claims	Mining assets	Metallurgical assets	Vehicles	Service and other assets	Assets under construction	Total
	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000
GROUP							
Cost/valuation							
Opening balances at 1 July 2010	91 124	127 983	248 860	83 989	76 418	58 822	687 196
Additions	2 323	40 868	6 723	16 196	805	61 631	128 546
Disposals	-	-	-	(1 252)	(9 327)	-	(10 579)
Balances at 30 June 2011	93 447	168 851	255 583	98 933	67 896	120 453	805 163

Assets under construction consists mainly of capital expenditure on the Ngezi Phase 2 expansion project.

	Land, buildings & mining claims	Mining assets	Metallurgical assets	Vehicles	Service and other assets	Assets under construction	Total
Accumulated depreciation							
Opening balances at 1 July 2010	3 970	37 030	25 789	43 972	13 837	-	124 598
Depreciation charge	2 464	5 786	7 555	16 342	2 155	18	34 320
Disposals	-	-	-	(1 106)	(527)	-	(1 633)
Balances at 30 June 2011	6 434	42 816	33 344	59 208	15 465	18	157 285
Carrying amount 2011	87 013	126 035	222 239	39 725	52 431	120 435	647 878
Carrying amount 2010	87 154	90 953	223 071	40 017	62 581	58 822	562 598

	Mining claims	Vehicles	Total
	US$ 000	US$ 000	US$ 000
COMPANY			
Cost			
Opening balances at 1 July 2010	6 261	138	6 399
Balances at 30 June 2011	6 261	138	6 399
Accumulated depreciation			
Opening balances at 1 July 2010	-	138	138
Balances at 30 June 2011	-	138	138
Carrying amount 2011	6 261	-	6 261
Carrying amount 2010	6 261	-	6 261

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
6	**INVESTMENTS**				
	Investment in Hartley Minerals Zimbabwe Pty Ltd	-	-	27 959	27 959
	Investment in the Ngezi/SMC Project	-	-	25 730	25 730
	Investment in Mhondoro Holdings Limited (UK)	-	-	3 158	3 129
	Investment in Zimbabwe Platinum Mines (Private) Limited	-	-	49 261	49 482
		-	-	106 108	106 300
	The entity carries all its investments at cost less impairment losses. There were no impairment losses recognised in the year (2011:NIL)				
7	**LONG TERM RECEIVABLES**				
	Reserve Bank of Zimbabwe loan:				
	Beginning of the year	27 304	29 403	-	-
	Unwinding of interest	-	4 727	-	-
	Impairment loss	(6 826)	(6 826)	-	-
	Carrying amount	20 478	27 304	-	-

Prior to the ''dollarisation" of the Zimbabwe economy in February 2009, the company brought funds into the country to meet its Zimbabwe dollar expenses, ahead of time. The funds were placed with the Reserve Bank of Zimbabwe until such time that they were required and drawings were then made in Zimbabwe dollars. In February 2009, the Zimbabwe dollar ceased to be a functional currency and at that time the outstanding balance of funds placed with the Reserve Bank of Zimbabwe amounted to $34 130 000 ($29 403 289 after fair value adjustment). The Reserve Bank of Zimbabwe has acknowledged the full indebtedness and has recommended to the Government of Zimbabwe to assume the debt. Given the circumstances, provision has been made for the long-term real value of the outstanding amount.

		Group Year to Jun-12 US$ 000	Group Year to Jun-11 US$ 000	Company Year to Jun-12 US$ 000	Company Year to Jun-11 US$ 000
8	**PREPAYMENTS**				
	Zesa Holdings (Pvt) Ltd	27 849	11 521	-	-
	Other vendors	18 126	21 109	-	-
		45 975	32 630	-	-
	Short-term portion	(30 697)	(25 905)	-	-
	Long-term portion	15 278	6 725	-	-

Prepayments include the unrecovered portion of the cost incurred by the company in constructing the 330KV Selous Substation for the national power utility (Zesa Holdings) and a loan to the national power utility which it applied to reduce its indebtedness to Hidroelectrica De Cahora Bassa (HCB) of Mozambique for power imports. For the Selous substation $26 million was spent on the project of which 40% is recoverable through power credits against power consumption. The power credits were determined using an agreed power tariff. A $25 million loan was availed to Zesa Holdings during the 2012 financial year and was used to reduce the power utility's indebtedness to HCB. The loan principal and interest thereon were converted into power units at an agreed tariff. The power units will be redeemed over a three year period starting in May 2012. Both agreements are part of the arrangements made to secure continuous and reliable electricity supplies for current and future group operations.

		Group Year to Jun-12 US$ 000	Group Year to Jun-11 US$ 000	Company Year to Jun-12 US$ 000	Company Year to Jun-11 US$ 000
9	**INTER-COMPANY RECEIVABLES**				
	Non-current	-	-	40 000	-

A loan denominated in US$ of US$50 million was extended to Zimbabwe Platinum Mines (Private) Limited by Zimplats Holdings Limited as part finance towards the Ngezi Phase II expansion project. The loan is repayable in twelve equal monthly instalments commencing in January 2015, with the final payment in December 2015. Interest is paid quartely and is accrued daily at LIBOR plus 1.0% margin at the interest rate prevailing on the interest payment date. At the end of the period the undrawn portion of the facility amounted to $10 million.

The loan is subordinated in favour of Standard Bank of South Africa with whom the operating subsidiary has loan facilities (refer note 18).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
10	INVENTORIES				
	Ore, concentrate and matte stocks	14 011	9 987	-	-
	Consumables	45 167	41 802	-	-
	Less: provision for obsolete consumables	(1 779)	(2 366)	-	-
		57 399	49 423	-	-
11	TRADE AND OTHER RECEIVABLES				
	Receivables from related parties	123 006	153 925	-	-
	Zimbabwe Revenue Authority	7 460	9 152	-	-
	Other receivables	2 910	1 053	863	238
		133 376	164 130	863	238

As at 30 June 2012, the fair values of trade and other receivables were equal to their carrying amounts.

Receivables from related parties consist of trade receivables from Impala Refining Services Limited. As payment terms are contractual, trade receivables were fully performing and none were past due or impaired as of 30 June 2012. There is no impairment of the trade and other receivables balance (2011:NIL).

The carrying amounts of the group's trade and other receivables are all denominated in United States Dollars.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The company does not hold any collateral as security.

12	CASH AND CASH EQUIVALENTS				
	Cash and cash equivalents include the following for the purposes of the statement of cash flows:				
	Cash and cash equivalents	16 493	54 010	14 424	48 799
	Revolving debtor discounting facility (note 18)	(4 784)	-	-	-
		11 709	54 010	14 424	48 799
	The net exposure to foreign currency denominated balances was:				
	Bank balances (ZAR000's)	2 241	2 137	2 241	2 137
	The exposure by country is as follows:				
	Europe	15 426	53 412	14 424	48 799
	Zimbabwe	1 067	598	-	-
		16 493	54 010	14 424	48 799

The carrying amount of the cash and cash equivalents approximates its fair value. Cash and cash equivalents comprise US$ 11 114 086 (2011:US$ 35 151 000) in short term deposits.

	Group		Company	
	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
13 SHARE CAPITAL AND SHARE PREMIUM				
a) Authorised				
500 000 000 ordinary shares of 10 cents each	50 000	50 000	50 000	50 000
b) Issued and fully paid				
107 637 649 (2011:107 637 649) ordinary shares of 10 cents each	10 763	10 763	10 763	10 763
c) Share premium	89 166	89 166	89 166	89 166
At the end of the year	99 929	99 929	99 929	99 929

86 594 482 shares were issued at a premium of 52 cents per share on 27/28 July 1998, giving rise to a share premium of $45 029 131. On 28 July 1998, a bonus issue of 1 767 236 shares was effected utilising $176 724 of the share premium reserve. On 18 March 2005, a further 14 873 160 shares were issued to Impala at a premium of $2.83 per share resulting in a share premium of $42 022 254.

d) The unissued shares are under the control of the directors. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

14 OTHER RESERVES

	Group Jun-12	Group Jun-11	Company Jun-12	Company Jun-11
Foreign currency translation reserve (a)	(18 219)	(18 219)	-	-
Asset revaluation reserve (b)	20 882	22 692	-	-
Acquisition equity reserve (c)	(10 045)	(10 045)	-	-
Retained earnings (d)	769 192	645 023	67 354	61 155
	761 810	639 451	67 354	61 155

a) This comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the Group.

b) This reserve arises from the fair values assigned to assets acquired in a business combination. The assets were purchased from BHP at a notional fee and amounts set to give assets value.

c) On 5 November 2004, shareholders approved the acquisition of Impala Platinum Holding Limited's 30% interest in Zimbabwe Platinum Mines (Private) Limited (formerly Makwiro Platinum Mines (Private) Limited) in exchange for 14 873 160 shares in Zimplats Holdings Limited at an issue price of AU$3.75 each. The effective premium on the share purchase was $10 044 750.

d) Represents accumulated profits to 30 June 2012.

	Group		Company	
	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
15 DEFERRED INCOME TAX				
Deferred tax assets and liabilities are attributable to the following items:				
Deferred tax assets				
Deferred tax assets to be recovered within 12 months	(12 679)	(727)	-	-
Deferred tax assets to be recovered after 12 months	(2 393)	(3 941)	-	-
Deferred tax liabilities				
Deferred tax liabilities to be settled within 12 months	6 864	3 875	-	-
Deferred tax liabilities to be settled after 12 months	123 552	88 299	-	-
Deferred tax liabilities, net	115 344	87 506	-	-
The gross movement on the deferred income tax account is as follows:				
Beginning of the year	87 507	63 828	-	-
Statement of comprehensive income	27 837	23 678	-	-
End of the year	115 344	87 506	-	-
Deferred tax assets and liabilities are attributable to the following items:				
Deferred tax assets				
Rehabilitation provisions	(2 153)	(2 149)	-	-
Lease liabilities	(301)	(560)	-	-
Share based payments	(581)	(933)	-	-
Impairment loss	-	(1 024)	-	-
Assessed tax losses	(12 088)	-	-	-
Other - exchange rate differences	51	(2)	-	-
	(15 072)	(4 668)	-	-
Deferred tax liabilities				
Recognised directly in the statement of comprehensive income:				
Property, plant and equipment	123 552	88 299	-	-
Prepayment for goods	6 864	3 166	-	-
Other	-	709	-	-
	130 416	92 174	-	-
Net deferred tax liability	115 344	87 506	-	-

The deferred tax assets will be utilised against future profits.

		Group		Company	
		Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
16	**MINE REHABILITATION PROVISION**				
	Rehabilitation obligation:				
	At the beginning of the year	14 332	14 434	-	-
	Change in estimate - rehabilitation asset	(492)	(1 257)	-	-
	Interest accrued - present value adjustment	1 429	1 443	-	-
	Utilised during the year	(915)	(288)		
	At the end of the year	14 354	14 332	-	-

The provision is based on a mines and environmental rehabilitation plan that was approved by the board. It is mandatory for mines operating in Zimbabwe to have a plan for the rehabilitation of the environment they operate in. The provision is the present value of the expected rehabilitation costs at the end of the life of the mine. The present value of the future rehabilitation obligation was calculated by discounting the current rehabilitation cost over 3 to 33 years for mining and processing operations.

The current cost of the rehabilitation estimate is $14.4 million (2011: US$14.3 million).

		Group Jun-12	Group Jun-11	Company Jun-12	Company Jun-11
17	**OTHER LONG TERM PAYABLES**				
	Summary:				
	Share appreciation rights	3 871	6 218	-	-
	Community share ownership trust donation	5 594	-	-	-
		9 465	6 218	-	-
	Short term payables portion	5 148	3 305		
	Long term payables portion	4 317	2 913	-	-
		9 465	6 218	-	-
	Share appreciation rights:				
	At the beginning of the year	6 218	-	-	-
	Expense	(2 235)	6 558	-	-
	Paid to employees	(112)	(340)	-	-
	At the end of the year	3 871	6 218	-	-
	Short term payables portion	2 534	3 305	-	-
	Long term payables portion	1 337	2 913	-	-
		3 871	6 218	-	-

The group allocates to executives and senior managers notional shares in the ultimate majority shareholder. These notional shares will confer the conditional right on a participant to be paid a cash bonus equal to the appreciation in the share price from the date of allocation to the date of vesting of the notional share. Notional shares vest after two years of allocation to a maximum of 25% of the allocation. In subsequent years an additional 25% becomes exercisable per year. All unexercised shares lapse after 10 years from date of allocation. Refer to note 4 for details of assumptions used.

	Group Jun-12	Group Jun-11	Company Jun-12	Company Jun-11
Community share ownership trust donation:				
At the beginning of the year	-	-	-	-
Expense	8 141	-	-	-
Interest accrued present value adjustment	753	-	-	-
Paid	(3 300)	-	-	-
At the end of the year	5 594	-	-	-
Short term payables portion	2 614	-	-	-
Long term payables portion	2 980	-	-	-
	5 594	-	-	-

		Group		Company	
		Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
18	BORROWINGS				
	Non-current				
	Bank borrowings	78 000	36 000	-	-
	Finance lease liability	118	2 066	-	-
		78 118	38 066	-	-
	Current				
	Revolving debtor discounting facility	4 784	-		
	Bank borrowings	-	15 079	-	-
	Finance lease liability	1 948	1 727	-	-
		6 732	16 806	-	-
	Total borrowings	84 850	54 872	-	-

The carrying amounts and the corresponding fair values for the non-current borrowings for which fair values can be established for the group are as follows:

	Carrying amount		Fair value	
	2012	2011	2012	2011
Bank borrowings	78 000	36 000	65 845	29 728
Finance lease liability	118	2 066	104	1 664
Total borrowings	78 118	38 066	65 949	31 392

The fair values are based on cash flows rate based on the borrowing rate of 7.4% (7.4%: 2011). The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The carrying amounts of the group's borrowings are all denominated in the United States Dollars.

The exposure of the group's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

	June '12'	June '11'
6 months or less	-	-
6-12 months	4 784	15 079
1-5 years	80 066	39 783
Over 5 years	-	-
	84 850	54 872

Bank borrowing

A loan facility from Standard Bank of South Africa Limited to finance the Ngezi phase 2 expansion is in place. The loan is secured by a cession over cash, debtors and revenue. Impala Platinum Holdings Limited has provided political and commercial guarantees.

The loan is denominated in US dollars, is a revolving facility of $88 million and bears interest at 3 months LIBOR plus 7% margin. Capital repayments are required if the loan balance exceeds the available facility. The final maturity date is 31 December 2014. At the end of the reporting period the outstanding balance amounted to $78 million and the group had no undrawn borrowing facility.

Revolving debtor discounting facility

A 12 month revolving debtor discounting facility was established on 15 June 2012 to provide for the sale of a portion of Zimbabwe Platinum Mines (Private) Limited's debtors to Stanbic Bank Zimbabwe Limited, the proceeds of which will be used for general working capital purposes at a discount rate of LIBOR plus 2.6% per annum. The facility is secured by a cession over the company's cash and debtors. At year end no debtors had been sold to Stanbic Bank Zimbabwe Limited.

Finance lease liabilities

This libilility is secured by two finance lease agreements in respect of ore haulage vehicles. On the first agreement, the effective interest rate is 12% per annum with annual instalments of $2 064 183 which commenced on 1 November 2007 with the final payment on 30 June 2013. Contingent rent is payable based on the standby rate per hour per truck. The second lease is subject to interest at 8% per annum with a minimum annnual instalment of $94 362 which commenced on 1 July 2009 with the final payment on 30 June 2014.

Finance lease liabilities continued	2012 Minimum Lease Payment	2012 Interest	2012 Principal	2011 Minimum Lease Payment	2011 Interest	2011 Principal
Less than one year	2 189	241	1 948	2 176	447	1 727
Betweed 1 and 5 years	126	9	118	2 315	250	2 065
More than 5 years	-	-	-	-	-	-
	2 315	250	2 066	4 491	697	3 792

		Group Year to Jun-12 US$ 000	Group Year to Jun-11 US$ 000	Company Year to Jun-12 US$ 000	Company Year to Jun-11 US$ 000
19	TRADE AND OTHER PAYABLES				
	Trade payables	30 726	14 686	373	514
	Employee payables	10 240	11 993	-	-
	Leave liability	5 214	5 894	-	-
	Other payables	2 489	2 636	-	-
	Accruals - Utilties	17 549	15 378	-	-
	Royalties	2 916	14 688	373	514
		69 134	65 275	373	514

Leave liability

Employee entitlements to annual leave are recognised on an ongoing basis. The liability for annual leave as a result of services rendered by employees is accrued up to the reporting date.

		Group Year to Jun-12 US$ 000	Group Year to Jun-11 US$ 000	Company Year to Jun-12 US$ 000	Company Year to Jun-11 US$ 000
20	CURRENT TAX PAYABLE				
	Beginning of the year	7 792	-	-	-
	Charge from the income statement	1 325	11 978	-	-
	Payments made during the year	(9 117)	(4 186)	-	-
	End of the year	-	7 792	-	-
21	REVENUE				
	Current year sales	470 683	527 089	-	-
	Pipeline sales adjustments	2 597	265	-	-
	Total	473 280	527 354	-	-

Revenue consists entirely of matte sales to Impala Refinery Services Limited, a related party. Pipeline adjustments arise from value changes between year end and actual amounts received in consequence of market price fluctuations and the results of assays.

		Group Year to Jun-12 US$ 000	Group Year to Jun-11 US$ 000	Company Year to Jun-12 US$ 000	Company Year to Jun-11 US$ 000
22	COST OF SALES				
	Included in cost of sales:				
	On mine operations	118 312	104 322	-	-
	Labour	29 497	26 283	-	-
	Materials and other mining costs	85 497	75 085	-	-
	Utilities	3 318	2 954	-	-
	Concentrating and smelting operations	63 856	63 404	-	-
	Labour	11 713	10 954	-	-
	Other costs	35 597	35 525	-	-
	Utilities	16 546	16 925	-	-
	Depreciation of operating assets	41 714	33 584	-	-
	Decrease in inventories	(4 028)	2 965	-	-
		219 854	204 275	-	-

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
23	OTHER NET (EXPENSES)/INCOME				
	Gain on disposal of plant and equipment	301	60	15	-
	Foreign exchange gain/(losses)	250	(8 004)	(51)	(6)
	Impairment of long term receivable (note 7)	(6 826)	(6 826)	-	-
	Other expenses/(income)	(1 074)	2 356	7 646	8 610
	Total other net (expenses)/income	(7 349)	(12 414)	7 610	8 604
24	ADMINISTRATIVE EXPENSES				
	Other costs comprise the following principal categories:				
	Royalties	37 733	20 513	-	-
	Community share ownership trust donation	8 141	-	-	-
	Staff costs	24 188	22 213	341	393
	Other corporate costs	21 036	23 330	1 264	1 044
		91 098	66 056	1 605	1 437
25	NET FINANCE EXPENSES/(INCOME)				
	Interest expense:				
	Interest paid on bank borrowings (note 18)	6 129	11 636	-	-
	Interest paid on finance leases (note 18)	447	632	-	-
	Rehabilitation unwinding of the discount (note 16)	1 429	1 443	-	-
	Community share ownership trust donation unwinding of the discount (note 17)	753	-	-	-
	Borrowing cost capitalised (note 5)	(4 771)	(203)	-	-
		3 987	13 508	-	-
	Interest income:				
	Interest received	(529)	(250)	(194)	(199)
	Long term receivable: unwinding of the discount	-	(4 727)	-	-
		(529)	(4 977)	(194)	(199)
	Net finance expenses/(income)	3 458	8 531	(194)	(199)
26	PROFIT BEFORE INCOME TAX				
	The following disclosable items have been charged in arriving at profit before tax:				
	Auditors' fees	312	262	22	22
	Directors' fees	471	443	355	332
	Depreciation of property, plant and equipment (note 5)	42 566	34 320	-	-
	Employee benefit expense (note 29)	63 003	60 905	341	393
	Professional service fees	507	544	-	-

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
27	INCOME TAX EXPENSE				
	Current income tax	1 325	11 979	-	-
	Current year	-	11 974	-	-
	Prior year	(110)			
	Withholding tax	1 435	5	-	-
	Deferred tax - statement of comprehensive income charge (note15)	27 837	23 678	-	-
	Income tax expense	29 162	35 657	-	-
	Reconciliation of tax charge:				
	Profit before tax	151 521	236 078	-	-
	Notional Tax on profit for the year	22 728	35 412		
	Tax effect of:				
	Amounts not in profit which are taxable	51 211	-		
	Income not subject to tax	(798)	(718)		
	Expenses not tax deductible	9 621	6 940		
	Expenses not in profit which are tax deductible	(54 016)	-		
	Adjustment in respect of prior years	(111)	-		
	Other items	527	5 977		
	Tax charge	29 162	36 567		
	Company tax rate	15.00%	15.00%		
28	EARNINGS PER SHARE				
	Basic earnings per share				
	Basic earnings per share is calculated by dividing the net profit by the weighted average number of ordinary shares in issue during the year.				
	Profit attributable to equity holders of the company			122 359	200 421
	Weighted average number of ordinary shares in issue			107 638	107 638
	Basic earnings per share US$(cents)			113.68	186.20
29	EMPLOYEE BENEFIT EXPENSES				
	Wages and salaries	62 215	51 997	341	393
	Share appreciation scheme	(2 235)	6 558	-	-
	Pension costs - defined contribution plans	3 023	2 350	-	-
		63 003	60 905	341	393
	Average number of employees during the year	2 848	2 629	4	4

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

		Group		Company	
		Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
30	CASH GENERATED FROM/(USED IN) OPERATIONS				
	Adjustments to profit before tax:				
	Net finance cost/(income)	3 458	8 531	(194)	(199)
	Depreciation	42 566	34 320	-	-
	Foreign currency adjustment	(250)	8 004	51	-
	Provision for obsolete inventories	(587)	(404)	-	-
	Provision for share appreciation rights (note 17)	(2 235)	6 558	-	-
	Provision for community trust donation	8 141	-	-	-
	Bad debts	42	945	-	-
	Impairment loss on long-term receivables	6 826	6 826	-	-
	Gain on disposal of property, plant and equipment	(301)	(60)	(15)	-
	Fair value gain	-	(2)	-	-
	Total adjustment to profit before tax:	57 660	64 718	(158)	(199)
	Changes in working capital :				
	Trade and other receivables	40 195	(111 273)	817	3 962
	Per the statement of financial position	40 237	(110 328)	817	7 110
	Bad debts	(42)	(945)	-	-
	Inter company receivables	-	-	-	(3 148)
	Inventories	(7 389)	(3 639)	-	-
	Per the statement of financial position	(7 976)	(4 043)	-	-
	Provision for obsolete inventories	587	404	-	-
	Trade and other payables	4 905	5 540	(141)	(4 387)
	Cash from changes in working capital	37 711	(109 372)	676	(425)

	Group	
	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
31 CAPITAL COMMITMENTS		
The Group has entered into contracts for the following and is committed to incur capital expenditure in respect thereof:		
Commitments contracted for	113	204
Approved expenditure	128	298
	241	502

In May 2010 the board authorised a total of $460 million to be incurred on the Ngezi Expansion Phase II project over the period to 2014.

The capital commitments will be financed from internal resources and borrowings as referred to in note 18.

	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
32 PENSION OBLIGATIONS		
Mining Industry Pension Fund		
Pensions for certain employees are provided for through the Mining Industry Pension Fund in Zimbabwe. This is a defined contribution retirement fund. Contributions to the fund are 7.5% of pensionable remuneration. The Group's contributions for the year amounted to:	2 514	2 164
National Social Security Scheme		
This scheme was promulgated under the National Social Security Authority Act 1989. Contributions by all Zimbabwe employees are 4% of pensionable remuneration, which is capped at $1 000 per annum for the purposes of this defined benefit scheme. The Group's contributions for the year amounted to:	509	186
	3 023	2 350

33 RELATED PARTIES

33.1 RELATED PARTY RELATIONSHIPS

a) **Controlling entities**

The immediate holding company is Impala Platinum BV which directly holds an 87% equity interest in Zimplats Holdings Limited (Guernsey). The ultimate holding company is Impala Platinum Holdings Limited (incorporated in South Africa) which directly holds a 100% equity interest in Impala Platinum BV.

b) **Group enterprises**

Subsidiaries	Country of incorporation	Ownership interest 2012 %	2011 %
Mhondoro Holdings Limited	United Kingdom	100	100
Always Investments (Private) Limited	Zimbabwe	100	100
Baydonhill Investments (Private) Limited	Zimbabwe	100	100
Duckbrooke Mine (Private) Limited	Zimbabwe	100	100
Hartley Minerals Zimbabwe Proprietary Limited	Australia	100	100
Jalta Investments (Private) Limited	Zimbabwe	100	100
Matreb Investments (Private) Limited	Zimbabwe	100	100
Ngezi Platinum Limited	Zimbabwe	100	100
Selous Platinum (Private) Limited	Zimbabwe	100	100
Zimbabwe Platinum Mines (Private) Limited	Zimbabwe	100	100
Zimplats Corporate Services (Private) Limited	Zimbabwe	100	100

The functional currency of all subsidiaries is the United States Dollar.

c) **Directors and key management personnel**

The directors named in the directors' report held office as directors of the company during the years ended 30 June 2012 and 2011. Mr. D H Brown resigned as a director with effect from 1 July 2012 and Mr. T Goodlace was appointed a non-executive director on 10 August 2012.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

	Group		Company	
	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000	Year to Jun-12 US$ 000	Year to Jun-11 US$ 000
33.2 RELATED PARTY TRANSACTIONS AND BALANCES				
a) Revenue				
Sales of matte to Impala Refining Services Limited (note 21)	473 280	527 354	-	-

The Group's only customer is Impala Refining Services Limited, which is a fellow wholly owned subsidiary of Impala Platinum Holdings Limited. Sales thereto are based on a long term agreement.

	Group Jun-12	Group Jun-11	Company Jun-12	Company Jun-11
b) Inter-company receivables				
Impala Refinery Services Limited	123 006	153 925	-	-
Zimbabwe Platinum Mines (Private) Limited	-	-	-	-
Due from subsidiaries (refer note 11)	123 006	153 925	-	-

The Group had an outstanding trade receivable balance as at 30 June 2012 amounting to $123 005 593 (2011: $153 925 009) with one of its fellow subsidiary companies (refer notes 11 and 33.2a).

The receivable arises mainly from sale transactions and are due within 5 months of year end/date of sale. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties. (2011: $NIL).

	Group Jun-12	Group Jun-11	Company Jun-12	Company Jun-11
c) Loans to related parties				
Beginning of the year	-	-	-	30 000
Loan advanced during the year (refer note 9)	-	-	40 000	-
Loan repayments	-	-	-	(30 000)
Interest charged	-	-	62	43
Interest paid	-	-	-	(43)
End of the year	-	-	40 062	-

d) Transactions with directors and key management personnel

In addition to their salaries, the group also provides non-cash benefits to directors and executive officers. There were no loans extended to directors or executive officers during the year, nor were there any loans or transactions between the company and companies linked to directors or executive officers.

Fees paid during the year to non-executive directors totalled $471 000 (2011: $443 000), and remuneration to executive directors and key management personnel amounted to $7 864 000 (2011: $6 759 000).

34 FINANCIAL INSTRUMENTS BY CATEGORY

	Group	
	Loans and recievables US$ 000	Total US$ 000
At 30 June 2012		
Asset per consolidated statement of financial position		
Long term receivable	20 478	20 478
Trade and other receivables (excluding prepayments)	133 376	133 376
Cash and cash equivalents	16 493	16 493
	170 347	170 347
	Financial liabilities at amortised cost	Total
Liabilities per consolidated statement of financial position		
Borrowings (excluding finance lease liabilities)	78 000	78 000
Finance lease liability	2 066	2 066
Trade and other payables (excluding statutory liabilities)	55 916	55 916
	135 982	135 982
	Loans and recievables	Total
At 30 June 2011		
Asset per consolidated statement of financial position		
Long term receivable	27 304	27 304
Trade and other receivables (excluding prepayments)	164 130	164 130
Cash and cash equivalents	54 010	54 010
	245 444	245 444
	Financial liabilities at amortised cost	Total
Liabilities per consolidated statement of financial position		
Borrowings (excluding finance lease liabilities)	51 079	51 079
Finance lease liability	3 793	3 793
Trade and other payables (excluding statutory liabilities)	38 594	38 594
	93 466	93 466

35 OPERATING SEGMENTS

Vertically integrated operations

Management has determined that the chief operating decision-maker is the Executive Committee.

The Group operates as a vertically integrated mining concern and is managed as a single segment.

The chief operating decision maker makes strategic decisions based on internal reports on the Group's performance as a whole.

Analysis of Revenue

The Group derives its revenue from the following metal products:	2012 US$ 000	2011 US$ 000
Platinum	261,681	284,991
Palladium	87,004	98,347
Gold	32,896	26,636
Rhodium	18,714	30,030
Nickel	52,921	66,135
Other	20,064	21,215
Total	473,280	527,354
Major Customer:		
Revenue from Group's sole customer, Impala Refinery Services, is:	473,280	527,354

36 CONTINGENT LIABILITY

Additional Profits Tax (APT)	US$ 000
The group has a contingent liability of $33.9 million in respect of additional profits tax (APT) made up as follows:	
i. Disputed additional APT liability arising from amended assessment for the period to 30 June 2007	26 900
ii. APT that would be payable for the year to 30 June 2011 in the event that appeal case fails	6 994
Total APT Contingent Liability	33 894

In December 2010, the Zimbabwe Revenue Authority (ZIMRA) issued an amended APT assessment for the period to 30 June 2007 on which the deduction of prior year income tax losses were disallowed as a deduction in the computation of APT. As a result of the disallowance, the previously assessed and paid APT liability for the period to June 2007 increased by $26.9 million to $50.4 million. An objection lodged against the amended assessment was dismissed after which the company lodged an appeal at the Special Court of Tax Appeals. ZIMRA has however agreed that payment of the disputed liability be deferred until the court has ruled on the matter. The court hearing is expected to be set down in the near future.

For the year ended 30 June 2012, there is no APT liability. However, for the year ended 30 June 2011, if the tax losses brought forward from the year to 30 June 2010 are not allowed as deductions in the APT computation as argued by ZIMRA, there will be an APT liability in the sum of $7 million. The potential additional APT for the year to 30 June 2011 has been revised from the provisional $9.4 million to $7 million to adjust for changes made in the final computation for 2011.

37 EVENTS AFTER REPORTING PERIOD

There are no significant post balance sheet events that were noted that require disclosure in the financial statements or adjustments to be effected on the reported amounts.