ROYAL BAFOKENG PLATINUM
MORE THAN MINING

Annual Financial Statements 2021

Creating economic value for all our stakeholders by delivering
MORE THAN MINING

CONTENTS



STRATEGY

CORPORATE STRATEGY

STRATEGIC PILLARS

OPERATIONAL

1 Towards operational excellence
- Optimise volumes to achieve economic sustainability
- Achieve cost efficiencies that contribute to the sustainability of the business
- Achieve zero harm
- Transform our workforce to achieve gender equality and inclusivity
- Effective corporate governance designed to protect and grow value
- Contributing to community sustainability
- Environmental stewardship

2 Build flexibility to ensure sustainability
- Maintain our IMS panel ratio at BRPM
- Maintain IMS section ratio at Styldrift
- Processing flexibility and capacity
- Capital allocation

GROWTH

3 Grow organically
- Positioning RBPlat to compete over the long term

4 Pursue value enhancing opportunities
- Royalty agreements
- Mergers and acquisitions
- Gold streaming

SHORT TERM (One year)	MEDIUM TERM (3 – 5 years)	LONG TERM (More than five years)
Completion of the MF2 upgrade of the Maseve concentrator		Brownfields project: mining of UG2 at Styldrift
Conversion of BRPM South shaft to UG2 as Merensky Reserves are depleted		Potential greenfields project: Styldrift II
Styldrift shallow twin vertical shaft (average mining depth of 680m) mechanised bord and pillar mine – over 40 years life of mine as a mechanised mine using the XLP mining method		

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The Board of Directors is responsible for the preparation, integrity and fair presentation of the annual financial statements of the Royal Bafokeng Platinum Group. The financial statements presented on pages 14 to 90 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and IFRIC interpretations (collectively IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act 71 of 2008 of South Africa, and include amounts based on judgements and estimates made by management.

The Board considered whether in preparing the financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Board is satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position of the Group at year-end.

The Board has responsibility for ensuring that proper records are kept to enable the preparation of the financial statements in compliance with relevant legislation.

The going concern basis of accounting has been adopted in preparing the financial statements. The directors have no reason to believe that the Company and the Group will not be a going concern in the foreseeable future.

The annual financial statements were audited by KPMG Inc. who expressed an unqualified opinion thereon.

BOARD APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements for the year ended 31 December 2021 are set out on pages 14 to 90. The preparation thereof was supervised by the Financial Director, Hanré Rossouw, and approved by the Board of Directors on 08 March 2022 and are signed on its behalf by:

O Phetwe
Chair

SD Phiri
Chief Executive Officer

CERTIFICATE OF THE COMPANY SECRETARY

I, the undersigned, certify that to the best of my knowledge and in my capacity as the Company Secretary, the Company has lodged all such returns with the Companies Intellectual and Property Commission in compliance with the Companies Act 71 of 2008.

All the filed required returns and notices are true, correct and up to date.

LC Jooste
Company Secretary

08 March 2022

CHIEF EXECUTIVE OFFICER AND THE FINANCIAL DIRECTOR'S RESPONSIBILITY STATEMENT

The directors, whose names are stated below, hereby confirm that:

(a) the annual financial statements set out on pages 14 to 90, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

SD Phiri	**HA Rossouw**
Chief Executive Officer	*Financial Director*

08 March 2022

AUDIT AND RISK COMMITTEE REPORT

This report is provided by RBPlat's independent Audit and Risk Committee for the financial year ended 31 December 2021.
The committee has discharged its responsibilities:
- as mandated by the Board
- statutory duties in compliance with the Companies Act 71 of 2008 and the JSE Listings Requirements
- governance role and responsibilities by applying the principles relevant to our committee, as set out in the King IV Report on Corporate Governance™ for South Africa 2016 (King IV™*)

The committee's terms of reference (available on the Company's website, www.bafokengplatinum.co.za), are aligned with the legislation, regulations and the code set out above.

COMPOSITION AND MEETINGS

The committee's membership comprises four independent non-executive directors. Brief profiles of the committee members are available on pages 25 and 26 of the 2021 integrated report and the Company's website. The committee had four meetings during the year. At year-end the four independent non-executive members of the committee were:

	Attendance at meetings
Members	
Louisa Stephens (Chair)	4/4
Peter Ledger	4/4
Zanele Matlala	4/4
Mark Moffett	4/4

Key members of RBPlat's management attend meetings of the committee by invitation. During the year under review committee member only closed sessions were held, as were closed sessions with internal audit, external audit, risk and finance.

COMMITTEE ASSESSMENT

During 2021 our Board and its committees conducted self-assessments and evaluated progress in terms of the actions identified in the 2020 independent assessment, which included re-evaluating the committee's processes and policies, clarifying IT and technology governance and setting clear KPAs for to drive key organisational strategies and activities. While the outcome of the assessments and evaluations was positive overall, areas for improvement were identified. These will be addressed during 2022.

EXECUTION OF FUNCTIONS

The committee executed its role with specific reference to the following key areas of responsibility:
- performing its statutory duties as prescribed by the Companies Act, with specific reference to audit quality, auditor independence and financial policies and reporting concerns
- considering the financial performance, financial position, cash flow and treasury status of the Company every quarter, including the solvency and liquidity of entities in the Group
- recommending the dividend to the Board for approval
- overseeing, assessing and approving the internal and external audit functions with respect to workplans, quality of work executed, matters arising from the work performed and independence

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- considering the enterprise risk management framework and policy, including compliance matters, risk appetite and tolerances, as well as the risk profile of the Company, for recommendation to the Board for consideration and approval, as applicable
- overseeing the governance of information technology within the Group
- overseeing the combined assurance framework and plan, including the quality of and reporting by assurance services within the Company and assurance providers in order to ensure the integrity of information for internal and stakeholder decision-making, as well as the adequacy and effectiveness of internal controls
- considering the skills and capacity of the finance function in general and the Financial Director in particular
- recommending the interim and annual financial statements and the integrated report to the Board for approval

In addition to the work of the committee, the full Board also holds an annual integrated reporting workshop in January each year, to satisfy itself of the integrity of the integrated report.

Areas of specific focus for the committee during 2021 included:
- Oversight of management's ongoing robust testing of the resiliency of the business under different scenarios, which provided the committee with the confidence that management has built credibility into RBPlat's business planning that shareholders can rely on.
- The work done on improving RBPlat's supply chain governance, the resilience of the supply chain, the risks to the business from supply chain restrictions resulting from the Covid-19 pandemic and changing how we manage and hold inventory to ensure production continuity, were areas of focus for the committee during 2021.
- Our monitoring of costs at Styldrift are within our expectations, however, they are not yet where we want them to be in terms of management's benchmarking of its performance regarding costs, safety, etc. Styldrift is considered complete from an accounting perspective since it is available for use as intended by management. However, we will be better positioned to look at costs and the progress made in achieving efficiencies once Styldrift consistently reaches its desired production target.
- During the year under review Internal Audit reviewed costing throughout the value chain and put in place governance processes that are more centrally driven, increase efficiencies, ensure management in the operations are accountable not only for production but also for producing in line with best practice and what is efficient for the business.
- There has been substantial progress on the process to better integrate the reporting of time and attendance with the mining cycle and mining output, which will improve the measurement of the efficacy of our labour force and operational processes. This was an

area of focus for the committee during 2021. The work that has been done provides the business with oversight of how much time people have worked and how this links to the leave they have booked, which is helping significantly with planning in the operations.
- A lot of work has also been done on improving the security of our IT infrastructure. In the year under review RBPlat has made significant strides with delivering on its IT and technology strategy. The committee is comfortable that Finance and IT have a workable plan in place to ensure we modernise our systems and take advantage of the opportunities mechanised mining offers at Styldrift.
- The transition to our new audit team, KPMG, has gone well. When we reported on our interim results in August 2021 the process went very smoothly.
- The business is now poised for growth in the future, whether it is organic growth or taking advantage of external opportunities and has the flexibility to achieve this growth. However, this requires a change in approach to investment and funding. During 2021 the committee recommended RBPlat's new investment strategy and funding policy, to support its capital allocation and funding of the business, to the Board for approval. Given that RBPlat has deleveraged its balance sheet, having closed out what was left of its convertible bonds, it was able to renegotiate its long-term funding on terms that are better aligned with the current positioning of the business, which is supported by its strong balance sheet and ability to generate cash flow.
- The committee's plan to address climate-related financial information and business sustainability was deferred while the Social and Ethics Committee is busy with the design of policies and strategies and the Board considers a proposed roadmap to achieve net-zero carbon emissions.

OUR FOCUS FOR 2022

The committee's focus in 2022 will include monitoring the ongoing implementation of our IT and technology strategy; efforts to optimise performance at Styldrift, including achieving cost efficiencies throughout the value chain and addressing climate-related financial information and sustainability disclosure.

ANNUAL CONFIRMATIONS

The principal matters attended to by the committee during the year included:

- Annual financial statements and integrated report
  - The committee is satisfied that the Company's financial reporting procedures are operating appropriately
- Solvency and liquidity
  - The committee reviewed quarterly assessments by management of the going concern premise of the Company before recommending to the Board that the Company and the Group will be a going concern in the foreseeable future
- Independence and appointment of a suitable external auditor
  - Appointed KPMG and Mr Henning Opperman, who in the opinion of the committee are independent of the Company, as the external auditor for the financial year ended 31 December 2021
  - Determined the fees to be paid to the external auditor and the terms of engagement as well as the nature and extent of any non-audit services and related fees that the external auditor provided to the Company
- Evaluation of the expertise and adequacy of the Financial Director and the finance function
  - Considered and satisfied itself of the appropriateness of the expertise and adequacy of resources within the Company's finance function and that of the Financial Director
- Effectiveness of internal controls
  - Using the Company's combined assurance model and the related assurance obtained from the various assurance providers in the three lines of defence as a basis, the committee recommended to the Board that it issue a statement as to the adequacy of the Company's internal control environment

COMMENTS ON KEY AUDIT MATTERS

Convertible bond

The Committee assessed the methodology, assumption and key judgements applied by management in Note 16 of the financial statements in respect of the conversion, buy-back and redemption of the convertible bond, as well as the tax implications of the conversion, buy-back and redemption, as disclosed in Note 27, which was supported by an opinion from PWC Inc. The Committee is satisfied that both the accounting and the tax treatment applied by management is appropriate and is supported by the prevailing accounting standards and legislation.

Impairment of housing assets

In 2021, management reviewed the methodology applied to the calculation of the expected credit loss relating to the employee housing loan receivables. In consultation with WConsulting, assumptions and macro-economic factors used in the calculation were updated. Given the collateral and the low-risk profile of the employee housing loan receivables, the Committee is comfortable with the expected credit loss included in the annual financial statements.

Louisa Stephens
Chair of the Audit and Risk Committee

08 March 2022

DIRECTORS' REPORT FOR THE GROUP AND COMPANY

PRINCIPAL ACTIVITIES AND PROFILE

RBPlat was incorporated in July 2008 by Royal Bafokeng Holdings (RBH), the investment arm of the Royal Bafokeng Nation (RBN) and listed on the Johannesburg Stock Exchange (JSE) in 2010. When the Bafokeng Rasimone Platinum Mine Joint Venture (BRPM JV) between RBH and Anglo American Platinum Limited was restructured in 2009, operational control of the joint venture vested in RBPlat. RBPlat, through the BRPM JV, operated BRPM and Styldrift Mines, which achieved its target of ramping up to 150ktpm in the last quarter of 2018. On 11 December 2018, Royal Bafokeng Resources Proprietary Limited acquired the remaining 33% undivided share in BRPM JV and the JV was dissolved, resulting in the BRPM JV's operations becoming 100% owned by RBR. RBPlat, through its wholly owned subsidiary RBR, operates BRPM and Styldrift Mines. RBPlat's significant reserves and resources can sustain operations for at least the next 60 years.

RBPLAT SUBSIDIARY COMPANIES

The following operating companies are wholly owned subsidiaries of Royal Bafokeng Platinum Limited:

- Royal Bafokeng Resources Proprietary Limited (RBR)
- Royal Bafokeng Platinum Management Services Proprietary Limited (RBP MS)
- Bafokeng Rasimone Management Services Proprietary Limited (BRMS) (100% held indirectly via RBR)
- Royal Bafokeng Resources Properties (RF) Proprietary Limited (RBRP) (100% held indirectly via RBR)

During the period, a Group reorganisation and amalgamation process was concluded between Maseve and RBR resulting in the recognition of the unredeemed capital expenditure relating to Maseve. This increase in the unredeemed capital expenditure for the Group has been substantially utilised during the period and accordingly offsets the increased taxable profit relating to RBR

RESULTS AND DIVIDEND

The financial results of the Group and the Company are set out in the Consolidated annual financial statements. These annual financial statements have been prepared using appropriate accounting policies, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and IFRIC interpretations (collectively IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, financial pronouncements as issued by the Financial Reporting Standards Council (FRSC) and the Companies Act 71 of 2008, the JSE Listings Requirements and include amounts based on judgements and estimates made by management. For further analysis of the results for the period under review, also refer to the Financial Director's report on page 52 of the integrated report.

Shareholder returns are an important expression of capital allocation. Our preference is to return excess cash to shareholders through sustainable dividend payments.

As such, our policy is to distribute a minimum of 10% of free cash flow, before growth capital, while maintaining discretion to consider balance sheet flexibility and prevailing market conditions. This is done through an annual dividend each financial year, with consideration also given to special dividends and other methods of capital returns, where appropriate.

On that basis, an interim dividend of 535.0 cents per ordinary share and a final dividend of 535.0 cents ordinary share was declared out of retained earnings by the Board on 03 August 2021 and 08 March 2022 respectively, in respect of the full year ended 31 December 2021, after considering the impact of the dividend distribution on the solvency and liquidity of the Company.

REVIEW OF THE BUSINESS, FUTURE DEVELOPMENTS AND POST-STATEMENT OF FINANCIAL POSITION EVENTS

The business context on page 17 of our 2021 integrated report provides details of the Group's operating environment. The Group's operational performance for 2021 is discussed on page 50 and information on our future outlook can be found throughout the 2021 integrated report. The financial capital section on pages 52 to 56 of the 2021 integrated report, together with these annual financial statements, provide a full description of our financial performance for the year, while our post-statement of financial position events are described in detail in Note 36 of these annual financial statements.

GOING CONCERN

The directors believe that the Group and Company will continue as a going concern in the foreseeable future. Management has assessed the going concern assumption taking into account the continuing impact of the Covid-19 pandemic.

CORPORATE GOVERNANCE

A report on our corporate governance and our application of the principles of King IV is included in our 2021 integrated report as well as the Company's website www.bafokengplatinum.co.za/governance.php.

CREATING, SUSTAINING AND PROTECTING VALUE THROUGH OUR APPROACH TO ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG) FACTORS

Our integrated report for 2021 provides information on our environmental, social and governance (ESG) performance under the various capitals in the performance section of the report on page 8. Information on employee benefits and remuneration are provided on page 112 of the integrated report.

MATERIAL BORROWINGS

The Group concluded R3 000 million in debt facilities agreements during 2018 which was predominantly utilised to fund Styldrift expansionary capital expenditure. In 2020, the debt facilities comprised a seven-year term debt facility of R750 million, a five-year RCF of R1 250 million and a one-year GBF of R1 008 million. During 2021, the debt facilities were replaced with a five-year Revolving Credit Facility (RCF) amounting to R2 000 million and a one-year General Banking Facility (GBF) amounting to R1 008 million. For material borrowings and facilities, please refer to Note 12 of the annual financial statements.

CONVERTIBLE BOND

Following the issue of 120 000 7% senior unsecured convertible bonds for R1 200 million on 15 March 2017, eight tranches of coupon interest payment were made in September 2017, 2018, 2019 and 2020 as well as March 2018, 2019, 2020 and 2021. Of the 120 000 convertible bonds in issue, 102 152+ were converted into 26 108 136 ordinary shares, 17 369 were bought back from the market and 479 convertible bonds were redeemed in cash in the first half of 2021. Further details regarding the convertible bonds are disclosed in Note 16 of the annual financial statements.

CORPORATE ACTION

Royal Bafokeng Platinum has a strong track record of value accretive M&A and this remains a further key pillar to our strategy. A key aspect of this has been the consideration of large-scale transaction to unlock value to shareholders and to that extent, we received takeover approaches from Impala Platinum Holdings Limited (Implats) and Northam Platinum Limited (Northam) during the year. Following a joint cautionary announcement by RBPlat and Implats that an offer through a scheme of arrangement was under discussions, Northam acquired a 32.8% stake in RBPlat from our largest shareholder with further market purchases pushing this holding up to 34.68%. Implats subsequently announced a firm intention to make a takeover offer and acquired a shareholding of 35.31% in RBPlat.

On 29 November 2021, Implats announced that the offer would be converted to a mandatory offer (the "Offer") in terms of section 123 of the Companies Act, 71 of 2008, as amended (the "Companies Act"). Implats posted its offer circular in relation to the Offer (the "Implats Circular") on Monday, 17 January 2022 in accordance with Regulation 102(2)(a) of the Companies Regulations, 2011 ("Companies Regulations"), triggering the opening of the Offer on Tuesday, 18 January 2022.

On 11 February 2022 the Company issued a notice to the RBPlat Shareholders in response to the offer circular posted by Implats, where the Company advised that the Independent Expert (PSG Capital Proprietary Limited) provided its opinion to the Independent Board. Based on the results of the procedures performed, detailed valuation work and other considerations, the Independent Expert concluded that, as at the Last Practicable Date, being Monday 7 February 2022, the fair exchange ratio for an RBPlat Share (after deducting the Mandatory Offer Consideration Cash amount of R90 per RBPlat share) lies between 0.22 and 0.34 Implats Shares for every one RBPlat Share, with a midpoint value of 0.28 Implats Shares. The receipt of the Mandatory Offer Consideration Shares in excess of 0.22 Implats Shares for every one RBPlat Share would be considered fair to Shareholders and that the offer is reasonable.

On 28 February 2022, Implats announced that it had concluded agreements to acquire a further 1 003 495 RBPlat shares constituting approximately 0.35% of the RBPlat shares in issue. This will result in the Implat's shareholding in RBPlat increasing to 35.66%.

DIRECTORATE

The directors for the year under review were:

Director	Position	First appointed	Standing for re-election and election	Elected or re-elected at the last AGM
Kgomotso Moroka*	Chair and independent non-executive director	1 June 2010		
Peter Ledger	Independent non-executive director	28 February 2018		
Zanele Matlala	Independent non-executive director	25 September 2018		Yes
Mark Moffett	Lead independent non-executive director	22 September 2014	Yes	
Thoko Mokgosi-Mwantembe	Independent non-executive director	5 November 2014	Yes	
Obakeng Phetwe	Chair and non-executive director	28 February 2018		
Steve Phiri	Executive director	1 April 2010		Yes
Mike Rogers	Independent non-executive director	7 December 2009		Yes
Hanré Rossouw	Executive director	1 October 2018		
Louisa Stephens	Independent non-executive director	22 September 2014		
Udo Lucht**	Non-executive director	1 September 2019		

** Retired 09 April 2021*
***Resigned 24 November 2021*

DIRECTORS AND PRESCRIBED OFFICERS' DISCLOSURE OF INTERESTS IN CONTRACTS

During the period under review and at the time of signing off the 2021 annual financial statements, no contracts were entered into in which directors and prescribed officers of the Company had an interest and which would affect the business of the Group.

SERVICE CONTRACTS OF DIRECTORS AND PRESCRIBED OFFICERS

The Company has not entered into any contracts other than the normal employment service contracts with prescribed officers.

There are no material provisions of an abnormal nature in respect of executive directors' and other executive committee members' current service contracts which require disclosure. However, upon a mutually agreed termination of employment with an executive on a change of control of the Company, that executive will receive a full vesting of all outstanding awards, and in addition will be paid one year's guaranteed remuneration.

DIRECTORS' REPORT FOR THE GROUP AND COMPANY CONTINUED

There are no service contracts in respect of the executives which have been concluded or amended during the period under review, however the Independent Board, through the Remuneration and Nominations Committee is engaging with the executives of RBPlat with respect to the terms of their service contracts with a view to ensuring continuity of leadership and management during the current period of transitional change within the business. An appropriate announcement will be made in this regard if necessary.

The Company announced the resignation of Mr Hanré Rossouw, the Chief Financial Officer (CFO) in July 2021. He will remain in his current role until 3 April 2022. Due to the current uncertainty created by the ongoing corporate action the Company is engaged in, the Board decided to defer the appointment of Mr Rossouw's successor until clarity of direction is achieved. In the interim, the Board has decided to appoint the Head of Finance, Ms Rotshidzwa Manenzhe as Acting CFO.

Our Chief Executive Officer, Mr Steve Phiri, was scheduled to retire post the Annual General Meeting at the end of April 2022, however, due to the corporate action Mr Phiri has agreed to stay in his current position until certainty is achieved.

SPECIAL RESOLUTIONS

Details of the ordinary and special resolutions to be approved by shareholders at the next Annual General Meeting (AGM) are outlined in the notice of Annual General Meeting (pages 136 to 144 of the 2021 integrated report) and are also available online (www.bafokengplatinum.co.za).

At the AGM held on 09 April 2021, the following special resolutions were tabled and adopted by shareholders:
- to grant the directors a general authority to authorise the provision of financial assistance to related and inter-related companies or corporations whether directly or indirectly, in terms of the Companies Act
- to grant the directors and the Company, or any of its subsidiaries, a general authority to repurchase up to 5% of its issued shares. The authority will be renewed at the next AGM, subject to shareholder approval
- to approve the non-executive directors' fees

The Company has not exercised the general authority previously granted to it by shareholders to buy back issued ordinary shares. Shareholders will be requested to renew this authority at the next AGM.

POWERS OF THE BOARD

Subject to RBPlat's MOI, South African legislation and to any directions given by means of a special resolution, the business of the Group is managed by the Board which may exercise all the powers of the Group. The MOI contains specific provisions concerning the power of RBPlat to borrow money and also the power to purchase its own shares.

DIRECTORS' REMUNERATION

Details of directors' remuneration and related payments can be found in Note 30 of the annual financial statements on pages 55 to 61.

SHARE CAPITAL

Full details of the authorised and issued share capital of the Company are set out in Note 13 to the annual financial statements. As at 31 December 2021, there were 289 016 546 ordinary shares in issue at no par value. Treasury shares held by the Company are outlined in the notes to the annual financial statements on pages 36 and 83.

MAJOR SHAREHOLDERS

The following shareholders were the registered holders of 5% or more of the issued ordinary shares in the Company at 31 December 2021:

Beneficial shareholders holding of 5% or more	Number of shares	%
Impala Platinum Holdings limited	102 059 866	35.31
Northam Platinum Limited	100 219 552	34.68
Government Employees Pension Fund	27 350 462	9.46

DIRECTORS AND PRESCRIBED OFFICERS' INTERESTS IN ROYAL BAFOKENG PLATINUM LIMITED

	Number of shares			
	2021 beneficial		2020 beneficial	
	Direct	Indirect	Direct	Indirect
Executive directors				
Steve Phiri*	–	754 485	201 267	1 232 571
Hanré Rossouw*	–	1 045 466	–	1 149 199
Prescribed officers				
Neil Carr	–	458 308	196 688	487 185
Vicky Tlhabanelo	–	294 374	132 986	407 033
Reginald Haman**	–	–	40 000	–
Lindiwe Montshiwagae	–	268 613	14 000	275 755
Lester Jooste (Company Secretary)	–	113 607	47 919	110 611

* *Executive director*
** *Resigned 30 April 2020*

There has been no change to directors' interests since the year-end of the Group and the date of issuing of this report.

SHARE DEALINGS

	Shares sold	Average share price R	Highest price obtained R	Lowest price obtained R	Date
Share dealings by executive directors					
Steve Phiri (Own shares)	336 364	146.67	147.34	146.00	1 Dec 2021
Steve Phiri (MSR scheme shares)	228 839	158.14	–	–	2 Dec 2021
Hanré Rossouw (Share Appreciation Rights)	266 823	146.15	–	–	2 Dec 2021
Share dealings by prescribed officers					
Neil Carr	276 756	147.06	–	–	1 Dec 2021
Vicky Tlhabanelo	132 986	149.18	–	–	1 Dec 2021
Lindiwe Montshiwagae	28 422	152.20	152.89	152.15	1 Dec 2021
Lester Jooste (Company Secretary)	81 190	149.53	150.06	148.50	1 Dec 2021

SIGNIFICANT AGREEMENTS

Disposal of concentrate agreement

The disposal of concentrate agreement regulates the terms on which RBR disposes of the concentrate produced by RBR operations to Rustenburg Platinum Mines Limited (RPM). The agreement provides for the concentrate produced by RBR to be sold to, and processed by RPM. RBR is responsible for delivery of the concentrate to RPM's smelting and refining facility situated at Rustenburg, the costs of which are borne by RBR. The risk associated with, and ownership of the concentrate passes to RPM upon delivery by RBR of the concentrate at the designated delivery point.

RBR is obliged to sell and RPM is obliged to purchase 50% of the concentrate of the RBR operations (RBR's reserved concentrate) up until 11 August 2022, the optional termination date in terms of the disposal of concentrate agreement. Thereafter, while RBR retained the right to sell its reserved concentrate to RPM for the life of RBR's operations, it was also entitled to terminate the relationship on 11 August 2022 by giving written notice by no later than 11 August 2020, which notice was not given. Subsequent to 11 August 2022, RBR is also entitled to terminate the relationship by providing written notice two years prior to each fifth anniversary of 11 August 2022.

RPM may terminate its obligation to purchase and refine the additional 50% of the concentrate with effect from 11 August 2024 on two years' written notice to RBR, in which case the concentrate will need to be sent to a third-party refiner. In the event that RBR delivers a notice of termination to terminate the disposal by RBR of RBR reserved concentrate, RPM has the right to concurrently terminate the disposal by RBR to RPM of the additional 50%.

Impala Platinum royalty agreements

These agreements regulate the terms on which RBR disposes of the UG2 ore mined by Impala Platinum from its 6 and 8 shafts and the UG2 and Merensky ore mined from its 20 shaft. A royalty equivalent to 17.5% of gross Platinum Group Metals (PGMs), gold, nickel and copper revenue will be paid for the UG2 and Merensky ore mined from the 20 shaft area. The 6 and 8 shaft royalty agreement was renegotiated in 2013 and is linked to market conditions and the profitability of the Impala Rustenburg operations. In terms of the amended royalty agreement for 6 and 8 shafts, Impala will pay RBR a royalty that is based upon a factor that is linked to the Impala Rustenburg operations' gross margin with a minimum of 5% and a maximum of 25% of gross PGM, gold, nickel and copper revenue. We anticipate earning royalties from the 6 and 8 shaft agreement up to 2024 and from the 20 shaft agreement for approximately 30 years.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ROYAL BAFOKENG PLATINUM LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

Opinion

We have audited the Consolidated and Company financial statements of Royal Bafokeng Platinum Limited (the Group and Company) set out on pages 14 to 75 for the Consolidated financial statements and pages 76 to 90 for the Company financial statements which comprise:

- the Consolidated and Company statements of financial position as at 31 December 2021,
- the Consolidated and Company statements of comprehensive income,
- the Consolidated and Company statements of changes in equity,
- the Consolidated and Company statements of cash flows for the year then ended,
- and notes to the Consolidated and Company financial statements and related accounting policies.

In our opinion, the Consolidated and Company financial statements present fairly, in all material respects, the Consolidated and Company financial position of Royal Bafokeng Platinum Limited as at 31 December 2021, and its Consolidated and Company financial performance and Consolidated and Company cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Consolidated and Company financial statements* section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).* We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated and Company financial statements of the current period. These key audit matters were addressed in the context of our audit of the Consolidated and Company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of employee housing loan receivable

Refer to notes 7.1 and 32.1.2 to the Consolidated financial statements

Key audit matter	How the matter was addressed in our audit
The Group constructs and sells houses to employees in terms of its Employee Home Ownership Scheme. The requirements for expected credit losses, or 'ECL' in terms of IFRS 9, *Financial Instruments* ('IFRS 9') are complex and assumptions relating to instalments, interest accruals, payment period, Covid-19 and Group specific factors need to be taken into account in the ECL assessment. The ECL on the housing loan receivable are material to the Consolidated financial statements in terms of their magnitude, the level of subjective judgement applied by management and the effect that the ECL has on the Group's credit risk management processes and operations. The ECL exposures are estimated on a counterparty basis. The key areas of significant management judgement within the ECL calculations include: – Grouping of shared credit risk and days past due; – Historical credit losses experienced on the balances; – Historical loss rates adjusted to reflect the current and forward-looking information on macroeconomic factors influencing the ability of the customers to settle the receivables; and – Probability of default, exposure at default and loss given default. This has resulted in this matter being considered to be a matter of most significance in the audit of the Consolidated financial statements.	Our audit effort focused on the ECL of the housing loan receivable as follows: Obtained an understanding of the assumptions relating to the ECL calculation with management and management's specialists. In assessing the accounting treatment of the ECL against the requirements of IFRS 9, our procedures included: – Assessing management's methodology against the IFRS 9 ECL guidance and industry practice by inspecting management's quarterly historical ECL data for the period 31 December 2019 to 31 December 2021 and management's model for calculating the impairment on the housing loans receivable; – Making use of our internal valuation experts to assess the reliability of the ECL model used by management including assessing the appropriateness of the key parameters which include loss given default, probability of default and exposure at default; – Making use of our internal valuation experts, to calculate a range of the possible expected credit loss relating to the housing loan receivable portfolio, based on six independent scenarios and compare that to the amount recognised by management; – Performing an analysis of the year-on-year movement of the home loan exposure and ECL; – Testing the mathematical accuracy of the calculations to estimate the ECL; – Selecting a sample of agreements and confirmed contractual terms of the housing loan receivables; and – Inspected the disclosures in the Consolidated financial statements against the requirements of IFRS 7 *Financial Instruments: Disclosures.*

Convertible bond liability

Refer to note 8 to the Company financial statements

Key audit matter	How the matter was addressed in our audit
During the first half of 2021, through a series of transactions, the Company repurchased, redeemed for cash and converted to equity its 120 000 7% senior unsecured convertible bonds (convertible bond liability) in full. The accounting and tax impact of the settlement and derecognition of the convertible bond liability, and in particular the tax implications of the conversion of 102 152 of the 120 000 convertible bonds into 26 108 136 ordinary shares at a conversion price of R38.7572, was complex and required special audit attention. This has resulted in this matter being considered a matter of most significance in the audit of the Company financial statements but not in the Consolidated financial statements.	Our audit effort focused on the convertible bond liability as follows: Obtained an understanding of the initial and subsequent accounting and tax treatments for the repurchase, conversion and redemption of the convertible bonds. In assessing the accounting and tax treatment, our procedures included: – Inspecting the accounting entries recorded for the repurchase, conversion and redemption; – For conversions, agree the bonds converted to the dematerialised shares issued; – For redemptions for cash, agreeing the cash payments to bank account statements; – Inspecting management's tax specialist opinion regarding the tax treatment of redemption and conversion of the bonds; – Our internal tax expert, reviewed management's specialist tax opinion and assessed the tax treatment and opinion for compliance with the Income Tax Act, and – Inspected the disclosures in the Company financial statements against the requirements of IFRS 7 *Financial Instruments: Disclosures.*

Other matter

The Consolidated and Company financial statements of the Group and Company as at and for the year ended 31 December 2020, were audited by another auditor who expressed an unmodified opinion on those Consolidated and Company financial statements on 9 March 2021.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Royal Bafokeng Platinum - Integrated Report 2021" and in the document titled "Royal Bafokeng Platinum - Annual Financial Statements 2021", which includes the Directors' report for the Group and Company, the Audit and Risk Committee report and the Certificate of the Company Secretary as required by the Companies Act of South Africa. The other information does not include the Consolidated and Company financial statements and our auditor's report thereon.

Our opinion on the Consolidated and Company financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Consolidated and Company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated and Company financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Consolidated and Company financial statements

The directors are responsible for the preparation and fair presentation of the Consolidated and Company financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of Consolidated and Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated and Company financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Consolidated and Company financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated and Company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated and Company financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated and Company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated and Company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated and Company financial statements, including the disclosures, and whether the Consolidated and Company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Consolidated and Company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Royal Bafokeng Platinum Limited for one year.

KPMG Inc.
Registered Auditor

Per H Opperman
Chartered Accountant (SA)
Registered Auditor
Director
08 March 2022

KPMG Inc.
KPMG Crescent
85 Empire Road
Parktown
2193

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

	Notes	Group 2021 audited R (million)	Group 2020 audited R (million)
ASSETS			
Non-current assets		23 432.1	22 934.3
Property, plant and equipment	3	16 696.9	16 086.1
Mining rights	4	5 196.6	5 353.2
Right-of-use assets	5	34.7	16.0
Environmental trust deposits and guarantee investments	6	281.0	253.8
Employee housing loan receivable	7.1	903.1	851.3
Employee housing benefit	7.2	262.4	266.6
Housing insurance investment	8	57.4	49.1
Deferred tax asset	15	–	58.2
Current assets		11 615.1	9 010.1
Employee housing loan receivable	7.1	14.6	2.6
Employee housing benefit	7.2	23.9	22.0
Employee housing assets	7.3	494.3	542.3
Inventories	9	564.5	490.4
Trade and other receivables	10	5 552.1	5 709.6
Current tax receivable	11	67.3	–
Cash and cash equivalents	12	4 898.4	2 243.2
Total assets		35 047.2	31 944.4
EQUITY AND LIABILITIES			
Total equity		24 266.6	19 816.7
Stated capital	13	12 413.6	11 263.7
Retained earnings		11 601.3	8 268.4
Share-based payment reserve	14	251.7	284.6
Non-current liabilities		9 193.5	10 442.2
Deferred tax liability	15	5 533.1	5 259.5
Convertible bond liability	16	–	1 122.1
PIC housing facility	17	1 487.5	1 503.4
Interest-bearing borrowings	18	–	412.5
Deferred revenue	19	1 896.0	1 902.8
Restoration, rehabilitation and other provisions	20	245.4	234.6
Lease liabilities	5	31.5	7.3
Current liabilities		1 587.1	1 685.5
Trade and other payables	22	1 302.3	1 200.7
Current tax payable	11	4.7	8.7
Current portion of PIC housing facility	17	48.0	54.6
Current portion of interest-bearing borrowings	18	–	187.5
Current portion of deferred revenue	19	228.0	223.9
Current portion of lease liabilities	5	4.1	10.1
Total equity and liabilities		35 047.2	31 944.4

The notes on pages 18 to 75 form an integral part of these consolidated annual financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2021

		Group	
	Notes	2021 audited R (million)	2020 audited R (million)
Revenue	23	16 428.7	13 379.4
Cost of sales	26	(9 637.3)	(7 948.7)
Gross profit		6 791.4	5 430.7
Other income	24	1 062.3	494.4
Other expenses	24	–	(301.4)
Administrative expenses		(363.1)	(263.7)
Corporate office	26	(237.4)	(191.9)
Housing project	26	(55.5)	(35.3)
Industry membership and market development	26	(42.5)	(34.8)
Maseve care and maintenance and other costs	26	(27.7)	(1.7)
Impairment of housing assets		–	(4.1)
Finance income	25	255.1	154.7
Finance cost	25	(694.7)	(487.3)
Premium on buy-back of convertible bond	16	(312.5)	–
Other finance costs	25	(382.2)	(487.3)
Profit before tax		7 051.0	5 023.3
Income tax expense	27	(541.1)	(1 494.3)
Current tax expense	27	(188.0)	(81.3)
Deferred tax expense	27	(353.1)	(1 413.0)
Net profit for the period		6 509.9	3 529.0
Other comprehensive income for the period		–	–
Total comprehensive income		6 509.9	3 529.0
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic EPS (cents/share)	34	2 332.4	1 369.9
Diluted EPS (cents/share)	34	2 270.7	1 244.2

The notes on pages 18 to 75 form an integral part of these consolidated annual financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021

	Group					
	Number of shares	Stated capital R (million)	Share-based payment reserve R (million)	Retained earnings R (million)	Attributable to owners of the Company R (million)	Total R (million)
2021						
Balance at 1 January 2021	**258 514 387**	**11 263.7**	**284.6**	**8 268.4**	**19 816.7**	**19 816.7**
Share-based payment charge	**–**	**–**	**93.2**	**–**	**93.2**	**93.2**
2018 BSP and RFSP shares vested in April 2021	**1 883 112**	**68.4**	**(68.4)**	**–**	**–**	**–**
Convertible bonds converted	**26 108 136**	**964.6**	**–**	**–**	**964.6**	**964.6**
Deferred tax on convertible bonds	**–**	**21.3**	**–**	**–**	**21.3**	**21.3**
Share options and Share Appreciation Rights (SARS) exercised	**1 481 692**	**127.4**	**(57.7)**	**(106.9)**	**(37.2)**	**(37.2)**
Total comprehensive income	**–**	**–**	**–**	**6 509.9**	**6 509.9**	**6 509.9**
Deemed dividend tax on the convertible bond**	**–**	**(31.8)**	**–**	**–**	**(31.8)**	**(31.8)**
Dividends paid	**–**	**–**	**–**	**(3 070.1)**	**(3 070.1)**	**(3 070.1)**
Balance at 31 December 2021	**287 987 327***	**12 413.6**	**251.7**	**11 601.3**	**24 266.6**	**24 266.6**
2020						
Balance at 1 January 2020	256 548 170	11 125.1	322.1	4 739.4	16 186.6	16 186.6
Share-based payment charge	–	–	50.0	–	50.0	50.0
2017 BSP and RFSP shares vested in April 2020	1 424 636	72.3	(72.3)	–	–	–
Share options exercised	541 581	66.3	(15.2)	–	51.1	51.1
Total comprehensive income	–	–	–	3 529.0	3 529.0	3 529.0
Balance at 31 December 2020	258 514 387*	11 263.7	284.6	8 268.4	19 816.7	19 816.7

* *The number of shares is net of 1 029 219 (2020: 277 629) treasury shares relating to the Company's management share incentive scheme*
** *Refer to Note 22 for additional information on the deemed dividend tax*

The notes on pages 18 to 75 form an integral part of these consolidated annual financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2021

		Group	
	Notes	2021 audited R (million)	2020 audited R (million)
Cash flows from operating activities			
Cash generated from operations	28	**8 873.9**	3 783.2
Proceeds from the gold streaming transaction	19	**–**	2 093.5
Interest paid		**(71.3)**	(115.0)
Interest received		**226.0**	130.9
Dividends paid	31	**(3 070.1)**	–
Dividend received		**0.9**	3.0
Income tax paid	11	**(259.3)**	(69.7)
Net cash inflow from operating activities		**5 700.1**	5 825.9
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**2.7**	0.6
Acquisition of property, plant and equipment	3	**(1 782.5)**	(1 873.6)
Employee housing loan receivable repayments	7.1	**9.7**	7.6
Increase in environmental trust deposits and investments	6	**(28.9)**	(2.9)
Net cash outflow from investing activities		**(1 799.0)**	(1 868.3)
Cash flows from financing activities			
Repayment of PIC housing facility	17	**(101.0)**	–
Proceeds from interest-bearing borrowings	18	**890.3**	2 031.2
Convertible bonds repurchased/redeemed	16	**(482.3)**	–
Repayment of interest-bearing borrowings	18	**(1 499.7)**	(2 744.9)
Repayment of the RPM deferred consideration		**–**	(1 851.2)
Principal elements of lease payments	5.3	**(16.0)**	(14.8)
Settlement of Share Appreciation Rights		**(106.9)**	–
Proceeds from share options exercised*	13	**69.7**	51.1
Net cash outflow from financing activities		**(1 245.9)**	(2 528.6)
Net increase in cash and cash equivalents		**2 655.2**	1 429.0
Cash and cash equivalents at the beginning of the period	12	**2 243.2**	814.2
Cash and cash equivalents at the end of the period	12	**4 898.4**	2 243.2

** Excludes R57.7 million (2020: R15.2 million) non-cash portion relating to the transfer of the share-based payment reserve to stated capital (refer to Note 14)*

The notes on pages 18 to 75 form an integral part of these consolidated annual financial statements.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AND RELATED ACCOUNTING POLICIES

for the year ended 31 December 2021

SUMMARY OF THE GENERAL ACCOUNTING POLICIES

1. GENERAL INFORMATION

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

'Group' in the annual financial statements refers to the economic entity which includes the Royal Bafokeng Platinum Limited (the 'Company' or 'RBPlat'), its subsidiaries and controlled special purpose entities.

The following operating companies are wholly owned subsidiaries of the Company:
- Royal Bafokeng Resources Proprietary Limited (RBR)
- Royal Bafokeng Platinum Management Services Proprietary Limited (RBP MS)
- Bafokeng Rasimone Management Services Proprietary Limited (BRMS)
- Royal Bafokeng Resources Properties (RF) Proprietary Limited (RBRP)

These annual financial statements were authorised for issue by the Board on 8 March 2022. No authority has been given to anyone to amend the consolidated and separate annual financial statement after the date of issue.

Summary of significant accounting policies

The principal accounting policies and critical estimates and assumptions adopted in the preparation of these consolidated annual financial statements are set out in detail in the relevant notes to the annual financial statements. The policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of presentation

The Group annual financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB), including interpretations issued by the IFRS Interpretation Committee (IFRS IC), collectively IFRS, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guidelines as issued by the Accounting Practices Committee, financial pronouncements as issued by the Financial Reporting Standards Council (FRSC) and the requirements of the Companies Act 71 of 2008 of South Africa.

The Group annual financial statements have been prepared under the historic cost convention except for certain financial assets, which are measured at fair value.

The preparation of the Group annual financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period based on management and the Board's best knowledge of current events and actions. Actual results may ultimately differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated annual financial statements, are detailed in the relevant notes to the annual financial statements.

Presentation currency

These consolidated annual financial statements are presented in South African rand (ZAR). All financial information is presented in rand million, unless otherwise stated.

New standards, amendments and interpretations to existing standards

New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2021:

Standard	Subject	Date
IFRS 7, IFRS 9 and IFRS 16	*Financial Instruments: Disclosures — Interest rate benchmark (IBOR) reforms phase 2* *Financial Instruments: Recognition and Measurement — Interest rate benchmark reforms phase 2* *Leases — Interest rate benchmark reforms phase 2* The amendments to IFRS 7, IFRS 9 and IFRS 16 amend the requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 7 requires a company to make additional disclosures in its financial statements so that investors can better understand the effects of IBOR reform on that company. The amendments to IFRS 9 enable a company to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform. The amendments to IFRS 9 enable (and require) companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the IBOR reform, by requiring companies to amend their hedging relationships to reflect: – designating an alternative benchmark rate as the hedged risk; or – changing the description of the hedged item, including the designated portion, or of the hedging instrument. The amendment to IFRS 16 enables a company to apply a practical expedient to account for a lease modification required by the IBOR reform. The amendments to IFRS 7, IFRS 9 and IFRS 16 did not have any impact on the amounts recognised in the prior periods and are not expected to affect current or future periods.	1 January 2021

1. GENERAL INFORMATION continued

New standards, amendments and interpretations to existing standards continued

New and amended standards adopted by the Group continued

The following new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These are new standards and amendments that are applicable to the nature of the Group and may possibly have an impact on the Group.

Standard	Subject	Date
IFRS 9	*Financial Instruments – Annual Improvements to IFRS 2018 – 2020* The amendment clarifies which fees an entity includes when it applies the '10 percent' test when assessing whether to derecognise a financial liability. The amendment is not expected to have an impact on the Group's financial statements, but will be applied when applicable in the future.	1 January 2022
IAS 1	*Presentation of Financial Statements – Classification of liabilities as current and non-current* The amendments clarify how to classify debt and other liabilities as current or non-current. The amendment is not expected to have an impact on the Group's financial statements, but will be applied when applicable in the future.	1 January 2023
IAS 16	*Property, Plant and Equipment – Proceeds before intended use* The amendments prohibit the entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items and the costs of producing those items, in profit or loss. The amendment is not expected to have an impact on the Group's financial statements as there were no revenue offsets against the costs capitalised during the current period.	1 January 2022
IAS 37	*Provisions, Contingent liabilities and Contingent Assets – Onerous Contract – Cost of fulfilling a contract* The amendments specify which costs should be included in an entity's assessment of whether a contract will be loss making. The amendment is not expected to have an impact on the Group's financial statements, but will be applied when applicable in the future.	1 January 2022
IFRS 3	*Business Combinations Amendment – Reference to the Conceptual Framework* The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The standard is not expected to have an impact on the Group's financial statements.	1 January 2022
IAS 8	*Accounting Policies, Changes in Accounting Estimates and Errors* The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged. The impact of the amendment will be assessed and applied in the future.	1 January 2023
IAS 12	*Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items. The disclosure of deferred tax is already aligned to the amendment; as a result, there is no impact on the Group's financial statement arising from the amendment.	1 January 2023

2. GROUP ACCOUNTING POLICIES

2.1 Group and Company annual financial statements

These consolidated annual financial statements incorporate the Company, its subsidiaries and controlled special purpose entities using uniform accounting policies.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting 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 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. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in ownership interests in subsidiaries without change in 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 the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

In the Company financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes directly attributable costs of investment.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured 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. GROUP ACCOUNTING POLICIES continued

2.2 General

2.2.1 Financial instruments

Financial assets comprise environmental trust deposits and guarantee investments, trade and other receivables (excluding prepaid expenses and VAT receivable), cash and cash equivalents, the employee housing loan receivable and the housing insurance investment.

The Group classifies its financial assets on initial recognition at fair value through profit or loss if the requirements for the amortised cost measurement are not met. Financial assets are classified at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows
- The contractual cash flows are solely payments of principal and interest

Financial liabilities comprise borrowings, lease liabilities and trade and other payables. The Group classifies its financial liabilities as liabilities at amortised cost, except for derivatives which are measured on initial recognition and subsequently at fair value through profit or loss.

2.2.2 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The fair value of financial instruments not traded in an active market is determined using discounted cash flow models, commodity prices and foreign exchange rates.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the market interest rate that is available to the Group for similar financial instruments, unless the liability is listed in an active market, in which instance the quoted market price is used.

The carrying amounts of current financial assets and current financial liabilities approximate their fair values.

2.2.3 Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Pre-production expenditure, 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 the 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 capital amount. General and specific borrowing costs incurred to finance the establishment of mining assets are capitalised during the construction phase.

Items of mine property, plant and equipment, excluding capitalised mine development and infrastructure costs, are depreciated on a straight-line basis over their expected useful lives. Capitalised mine development and infrastructure costs (shown as mining assets in this note) are depreciated on a unit-of-production basis. Depreciation is charged on mining assets from the date on which the assets are available for use as intended by management.

Non-mining assets are measured at cost less accumulated depreciation. Depreciation is charged on the straight-line basis over the useful lives of these assets. Non-mining assets include corporate office and RBRP property, plant and equipment.

The present value of the 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 profit or loss
- Any increase in the liability increases the carrying amount of the asset. An increase to the cost of the asset is tested for impairment when there is an indication of impairment

3. PROPERTY, PLANT AND EQUIPMENT continued

Depreciation is calculated to write off the cost of each asset to its residual value, over its estimated useful life and residual value as reassessed on an annual basis and approximates the following:

Buildings	5 — 35 years (straight-line)
Computer equipment (including software)	2 — 5 years (straight-line)
Furniture and fittings	4 — 10 years (straight-line)
Plant and machinery	5 — 35 years (straight-line)
Vehicles and equipment	4 — 8 years (straight-line)
Mining assets (shaft and development)	Units-of-production
Mineral rights	Units-of-production

Depreciation periods are assessed annually and adjusted if and where appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains or losses on disposal of property, plant and equipment are determined by comparing proceeds on disposal with carrying amounts and are included in operating profit.

Impairment

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

The recoverable amount of property, plant and equipment is determined as the higher of the fair value less cost to sell and its value in use. For mining assets this is determined based on the fair value, which is the present value of the estimated future cash flows arising from the use of the asset.

Where the recoverable amount is less than the carrying amount, the impairment charge will reduce the carrying amount of property, plant and equipment to its recoverable amount. The adjusted carrying amount is depreciated over the remaining useful life of property, plant and equipment.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Capital work-in-progress

Development costs are capitalised to capital work-in-progress and subsequently transferred to the appropriate category of property, plant and equipment when available for use. Capitalised development costs include expenditure to develop new operations and to expand existing capacity.

Accounting treatment of the capital expenditure projects

The accounting is dependent on where the project is in terms of the following phases:

Phase 1: Development phase

The cost of an item of property, plant and equipment comprises any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The development phase includes the construction of the main infrastructure of the mine, which includes the mine rooms, footwall infrastructure, ventilation shafts, services shaft, silos and the spillage handling ramp. These components are necessary for the mine to be capable of operating in the manner intended by management.

All costs directly attributable to developing the mine are capitalised, including development taking place on-reef. Incidental revenue generated during the development phase is credited against the capitalised cost of the asset.

Phase 2: Ramp-up phase

Capitalisation of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

In order to determine whether a project is ready to operate as intended by management, judgement is applied taking into account commercial production indicators such as the level of expenditure incurred compared to the total capital cost to completion, pre-production output having reached a nominated percentage, the internal project management team having transferred the mine to the operational team, the majority of the assets necessary for the mining project having been substantially completed and ready for use and the project's ability to sustain commercial levels of production. These indicators provide guidance to recognise when the mine development phase will cease and the production phase will commence.

During the ramp-up phase all costs that are directly attributable to developing the mine are capitalised and the incidental revenue generated is credited against the capital cost up to the date when the commercial production indicators are met.

During this phase the mine is not in a condition necessary for it to be capable of operating in the manner as intended by management.

3. PROPERTY, PLANT AND EQUIPMENT continued

Accounting treatment of the capital expenditure projects continued

Phase 3: Production phase

When the commercial production indicators are met, the mine moves to the production phase. Revenue is recognised in the statement of comprehensive income, as well as operating costs relating to the production from the mine are recognised in the statement of comprehensive income.

Accounting treatment of the Styldrift project expenditure

Up to 31 December 2018, Styldrift was in the development phase resulting in significant amounts of capital expenditure classified as capital work-in-progress. Effective 1 January 2019, Styldrift reached commercial production and the costs relating to its 150ktpm capacity were reclassified from capital work-in-progress to the different classes of assets and depreciation commenced. At that stage, capitalisation of Styldrift incidental revenue also ceased for the whole Styldrift project. Styldrift continued to incur costs under capital work-in-progress, mainly in order to reach 230ktpm capacity. During 2021, key project deliverables required to meet the 230ktpm design footprint had been completed and included the following items:

- Life of mine ore and water handling infrastructure, including shafts, silos, ore-handling conveyors, Settler 1 and main pump station
- Ventilation shafts
- Ancillary support facilities including, but not limited to stores, workshops, offices, change houses
- Equipped stoping sections, which included electrical and water reticulation infrastructure, strike belts and associated bulkheads
- Primary and secondary trackless fleets, including swing fleet units.

As such, the related capital work-in-progress costs completed have been transferred to different classes of property, plant and equipment. Remaining capital work-in-progress mainly relates to extensions to the Styldrift North, South and East declines beyond the 230ktpm footprint and the Maseve MF2 upgrade.

Critical accounting estimates and assumptions

The recoverability of the BRPM and Styldrift mining assets was assessed using the higher of fair value less cost to sell or value-in-use methodology based on the net present value of the current life of mine (LOM) plan and an in situ value for 4E resource ounces outside the LOM plan. The present value of the current LOM plan and the in situ value of the 4E resource ounces outside the LOM plan is an area of significant judgement. Refer to determination of recoverable amounts on pages 24 and 25 for details of assumptions and estimates used in our impairment assessment.

Mineral Reserves

The estimation of reserves impacts the depreciation of property, plant and equipment, the recoverable amount of property, plant and equipment and the timing of rehabilitation expenditure.

Management uses past experience and assessment of future conditions, together with external sources of information, such as consensus global assumptions regarding commodity prices and exchange rates, to assign value to the key assumptions.

Factors impacting the determination of proved and probable reserves are as follows:

- 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 matters/difficulties at mine sites
- Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates

Asset lives

The Group’s assets, excluding mining assets and mineral rights, are depreciated over their expected useful lives which are reviewed annually to ensure its appropriateness. In assessing useful lives, technological innovation, product lifecycles, physical condition of the assets and maintenance programmes are taken into consideration.

Mining assets and mineral rights are depreciated/amortised on a unit-of-production (UOP) basis. The UOP method is based on the actual centares mined over proven and probable centares expected to be mined.

3. PROPERTY, PLANT AND EQUIPMENT continued

	Group						
	Land and buildings R (million)	Furniture and fittings and computer equipment R (million)	Mining assets (including decommis-sioning asset) R (million)	Capital work in progress R (million)	Plant and machinery R (million)	Vehicles and equipment R (million)	Total R (million)
2021							
At 1 January 2021	**584.7**	**34.8**	**9 991.7**	**1 274.5**	**4 160.8**	**39.6**	**16 086.1**
Additions	**9.1**	**4.6**	**530.3**	**1 234.6**	**–**	**3.9**	**1 782.5**
Change in estimate of decommissioning asset	**–**	**–**	**(1.3)**	**–**	**–**	**–**	**(1.3)**
Disposal	**(0.1)**	**(0.1)**	**–**	**–**	**–**	**(1.5)**	**(1.7)**
Depreciation	**(24.0)**	**(20.1)**	**(1 081.9)**	**–**	**(34.5)**	**(8.2)**	**(1 168.7)**
Transfers	**5.6**	**9.4**	**706.5**	**(773.1)**	**76.4**	**(24.8)**	**–**
At 31 December 2021	**575.3**	**28.6**	**10 145.3**	**1 736.0**	**4 202.7**	**9.0**	**16 696.9**
Cost	**681.9**	**72.2**	**15 402.2**	**1 758.4**	**6 727.9**	**86.5**	**24 729.1**
Accumulated depreciation and impairment	**(106.6)**	**(43.6)**	**(5 256.9)**	**(22.4)**	**(2 525.2)**	**(77.5)**	**(8 032.2)**
At 31 December 2021	**575.3**	**28.6**	**10 145.3**	**1 736.0**	**4 202.7**	**9.0**	**16 696.9**
2020							
At 1 January 2020	535.0	40.6	9 589.8	1 159.7	4 000.9	41.4	15 367.4
Additions	10.2	4.8	316.9	1 026.8	511.3	3.6	1 873.6
Change in estimate of decommissioning asset	–	–	(7.8)	–	–	–	(7.8)
Disposal	–	–	–	–	(5.2)	–	(5.2)
Depreciation	(20.7)	(29.3)	(301.1)	–	(758.1)	(32.7)	(1 141.9)
Transfers	60.2	18.7	393.9	(912.0)	411.9	27.3	–
At 31 December 2020	584.7	34.8	9 991.7	1 274.5	4 160.8	39.6	16 086.1
Cost	667.5	125.7	14 214.9	1 296.9	6 651.5	124.4	23 080.9
Accumulated depreciation and impairment	(82.8)	(90.9)	(4 223.2)	(22.4)	(2 490.7)	(84.8)	(6 994.8)
At 31 December 2020	584.7	34.8	9 991.7	1 274.5	4 160.8	39.6	16 086.1

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. On this basis, Rnil (2020: R26.4 million) of the convertible bond interest expense, Rnil (2020: R78.0 million) of the term debt and revolving credit facility interest expense was capitalised.

Determination of the recoverable amount

IFRS require long-lived assets to be assessed for impairment when there is an indication of impairment. Management performed an assessment of whether or not there were any impairment indicators using the guidance in IAS 36 Impairment of Assets and noted that the market capitalisation significantly exceeded the net asset value of RBPlat. Taking into account other internal and external forces, including the strong pricing environment and recent performance of the business through the Covid-19 pandemic, it was concluded that there are no indicators of impairment.

For the purpose of assessing impairment of long-lived assets, assets are grouped at the lowest level for which there are separately identifiable cash inflows (cash-generating units (CGUs) plus the allocation of corporate assets) being BRPM and Styldrift. For BRPM and Styldrift, the recoverability of the non-financial assets was assessed using the higher of fair value less cost to sell or value-in-use methodology based on a combination of the valuation performed on the discounted cash flow basis and the valuation of the outside LOM ounces.

3. PROPERTY, PLANT AND EQUIPMENT continued

Determination of the recoverable amount continued

The discounted cash flow analysis used the latest Board-approved business plans that include forecasts of production output and costs, capital expenditure and commodity price and exchange rate forecasts. Macroeconomic assumptions are tested against external sources and market consensus. The discount rate used for each CGU was adjusted to reflect specific risks relating to the CGU where cash flows have not been adjusted for the risk. The valuation of outside LOM ounces was independently conducted by SRK Consulting based primarily on the review of comparable market transaction, with an updated analysis performed in 2020 given the changing external environment.

The above valuation estimates are subject to risks and uncertainties, including the achievement of business plans and variation in future metal prices and exchange rates, which could affect the recoverability of the mining assets.

Key assumptions to impairment testing

The following key assumptions were used in the Styldrift and BRPM impairment assessment:
- Long-term real platinum price of US$975 per ounce (2020: US$957 per ounce)
- Long-term real palladium price of US$1 523 per ounce (2020: US$1 493 per ounce)
- Long-term real gold price of US$1 332 per ounce (2020: US$1 306 per ounce)
- Long-term real rhodium price of US$5 710 per ounce (2020: US$5 598 per ounce)
- A long-term real rand:US$ exchange rate of R17.07:US$ (2020: R16.84:US$)
- A real discount rate range of 7.8% to 8.6% (2020: 7.5% to 9%)
- LOM of approximately 30 years (2020: 30 years)
- Independent valuation of outside LOM at US$5.5 — US$16.4/4E ounce. The valuation was last updated in 2020.
- Production volumes are based on a detailed LOM plan
- Quantum of resources outside the life of mine are based on the Mineral Resources statement signed off by the competent person
- Ability of RBPlat to continue as a going concern

The assessment of the recoverable amount of the BRPM and Styldrift CGUs indicated that no impairment of carrying amounts is required. A sensitivity analysis of production costs, price forecasts and the valuation of the outside LOM ounces, showed sufficient headroom in the carrying amounts with a 10% negative move in any of these variables.

4. MINERAL RIGHTS

Exploration and evaluation assets

Exploration and evaluation assets acquired are initially recognised at cost. Once commercial reserves are found, exploration and evaluation assets are transferred to assets under construction. No amortisation is charged during the exploration, evaluation and development phase.

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

All exploration and evaluation costs incurred as part of normal operations are expensed until the Board concludes that a future economic benefit is more likely than not to be realised, i.e. probable. While the criterion for concluding that expenditure should be capitalised is always the probability of future benefits, the information that the Board uses 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, are 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 Board is able to demonstrate that future economic benefits are probable through the completion of a pre-feasibility study, after which the expenditure is capitalised as a mine development cost. A pre-feasibility 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 pre-feasibility 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 Board to conclude whether or not it is more likely than not that the Group will obtain future economic benefits from the expenditure incurred.

4. MINERAL RIGHTS continued

Exploration and evaluation assets continued

- 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 pre-feasibility study. This economic evaluation is distinguished from a pre-feasibility study in that some of the information that would normally be determined in a pre-feasibility 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 Board to conclude whether or not it is more likely than not that the Group will obtain future economic benefits from the expenditure incurred.

Critical accounting estimates and assumptions

For BRPM and Styldrift, the recoverability of the non-financial assets was assessed using the higher of fair value less cost to sell or value-in-use methodology based on the net present value of the current life of mine plan and an in situ value for 4E resource ounces outside the LOM plan. Refer to Note 3 for details of the estimates and assumptions used in our impairment assessment.

Amortisation of mineral rights is provided for on a units-of-production basis.

	Group	
	2021 R (million)	2020 R (million)
Opening balance at 1 January	**5 353.2**	5 502.7
Less: Amortisation (included in cost of sales — refer to Note 26)	**(156.6)**	(149.5)
Closing balance at 31 December	**5 196.6**	5 353.2
Cost	**6 767.0**	6 767.0
Accumulated amortisation and impairment	**(1 570.4)**	(1 413.8)
Closing balance at 31 December	**5 196.6**	5 353.2

5. LEASES

The Group leases various mining equipment and office buildings. Rental contracts are typically made for fixed periods of one to six years, but may have extension options. Lease agreements are negotiated on an individual basis and contain a wide range of different terms and conditions. These lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group utilises the weighted average cost of debt linked to its debt facilities.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against right-of-use asset.

5. LEASES continued

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made on or before the commencement date less any lease incentives received
- Any initial direct costs
- Restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise the purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less, while leases of low-value assets relate to printer rentals.

Variable lease payments

The lease agreements that the Group entered into did not contain variable lease payments.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing the contracts. The majority of the extension and termination options held are exercisable only by the Group and not by the respective lessors.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the lessee.

Residual value guarantees

The lease agreements that the Group entered into do not include residual value guarantees.

5.1 Amount recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	Group	
	2021 R (million)	2020 R (million)
Right-of-use assets		
Buildings	**8.3**	1.6
Equipment	**26.4**	14.4
	34.7	16.0
Lease liabilities		
Non-current portion of lease liabilities	**(31.5)**	(7.3)
Current portion of lease liabilities	**(4.1)**	(10.1)
	(35.6)	(17.4)

Additions to the right-of-use assets during the 2021 financial year were R33.1 million (2020: R4.1 million).

5.2 Amounts recognised in the statement of comprehensive income

The statement of profit or loss shows the following amounts relating to leases:

	Group	
	2021 R (million)	2020 R (million)
Depreciation charge of right-of-use assets		
Buildings	**2.4**	2.6
Equipment	**13.1**	11.5
	15.5	14.1
Interest expense (included in finance cost — refer Note 25.2)	**2.1**	2.6
Modification gain	**–**	(1.5)

The total cash outflow for leases in the current year is R18.1 million (2020: R17.4 million).

5. LEASES continued

5.3 Reconciliation of net debt relating to leases

Below is the analysis of the net debt and the movements in the net debt relating to right-of-use assets and lease liabilities:

	Group	
	2021 R (million)	2020 R (million)
Right-of-use assets		
Opening balance at 1 January	16.0	25.6
Additions	33.1	4.1
Depreciation	(15.5)	(14.1)
Modification	1.1	0.4
Closing balance at 31 December	34.7	16.0
Lease liabilities		
Opening balance at 1 January	17.4	29.2
Interest capitalised	2.1	2.6
Interest paid	(2.1)	(2.6)
Capital repayment	(16.0)	(14.8)
Additions	33.1	4.1
Modification	1.1	(1.1)
Closing balance at 31 December	35.6	17.4
Net debt as at 31 December	(0.9)	(1.4)

6. ENVIRONMENTAL TRUST DEPOSITS AND GUARANTEE INVESTMENTS

Environmental trust deposits held in the environmental guarantee investments are carried in the statement of financial position at fair value, and deposits held in the Nedbank, RMB and Standard Bank accounts are classified as at amortised cost. Impairment on these deposits is recognised using the expected credit loss model — refer to Note 32.1.2.

Bafokeng Rasimone Platinum Environmental Rehabilitation Trust

The Bafokeng Rasimone Platinum Environmental Rehabilitation Trust was created in accordance with statutory requirements in order to fund the estimated cost of pollution control, rehabilitation and mine closure during and at the end of the lives of the Group's mines. The Group funds its environmental obligations through a combination of funding the Bafokeng Rasimone Platinum Environmental Rehabilitation Trust and providing guarantees to the Department of Mineral Resources.

Contributions made are determined on the basis of the estimated environmental obligation over the LOM and are reflected in non-current assets under environmental trust deposits. Refer to Note 20 for details of the environmental rehabilitation provision. Interest earned on deposits paid to the trust is accounted for as finance income.

The Group has control over the trust and the special purpose entity is consolidated in the Group.

Financial assets at amortised cost

Deposits held in Nedbank, RMB and Standard Bank are financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are initially recognised at cost and subsequently carried at amortised cost.

6. ENVIRONMENTAL TRUST DEPOSITS AND GUARANTEE INVESTMENTS continued

Financial assets at fair value through profit or loss

Initial recognition

The environmental guarantee investments were put in place in terms of the insurance guarantees requirements relating to the RBR operations environmental liability. The investments have been provided as security for the insurance guarantees issued as shown in Note 21.1. The assets, which mainly consist of cash, are separately administered and the Group's access to these funds is restricted. These investments are managed by Centriq Insurance Company Limited.

The environmental guarantee investments are fair valued every month and the fair value adjustment is taken through the statement of comprehensive income as an adjustment to other income.

Subsequent measurement

Financial assets at fair value through profit or loss are subsequently measured at the quoted 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.

	Group	
	2021 R (million)	2020 R (million)
Environmental trust deposits		
Held in Standard Bank and Rand Merchant Bank accounts		
Opening balance at 1 January	13.5	13.0
Plus: Interest earned on environmental trust deposits (refer to Note 25.1)	0.5	0.5
Closing balance at 31 December	14.0	13.5
Held in Nedbank deposit notes		
Opening balance at 1 January	155.8	137.4
Plus: Equity-linked deposit matured	–	10.7
Plus: Interest earned on environmental trust deposits (refer to Note 25.1)	6.6	7.7
Closing balance at 31 December	162.4	155.8
Total deposits held by the BRP JV Environmental Rehabilitation Trust at 31 December	176.4	169.3
Environmental guarantee investment held by RBR operations		
Opening balance at 1 January	84.5	85.2
Plus: Contributions made during the year	22.3	–
Plus: Fair value adjustments net of management fee	(2.2)	(0.8)
Plus: Fixed interest received	–	0.1
Closing balance at 31 December	104.6	84.5
Total environmental trust deposits and guarantee investments at 31 December	281.0	253.8

7. EMPLOYEE HOUSING

RBRP, a wholly owned subsidiary of RBR, is a property company which was created in 2013 for the purpose of the Employee Home Ownership Scheme. All unsold houses are classified as inventory in the books of RBRP and on the sale of the houses, revenue is recognised. At Group level, however, unsold houses are classified as employee housing assets (refer to Note 7.3). On the sale of the houses, an employee housing loan receivable is recognised. Revenue earned from the sale of employee housing assets is not in the ordinary activities of RBR or the Group's ordinary activities. This income generated therefore falls outside the scope of IFRS 15. Consequently, the income generated is reflected as other income in the consolidated annual financial statements. The date of sale of employee housing assets is the date on which the recipient obtains control of the asset under the guidance on the satisfaction of performance obligations in terms of IFRS 15.

The Employee Home Ownership Scheme arrangement was concluded in May 2014 and involved the construction of approximately 3 500 houses for eligible employees over a five-year period. Phase 1 of the housing project consisted of the construction of 422 houses in 2015. Phase 2 commenced in 2016 and consisted of construction of two show houses in 2016, 539 houses in 2017, 393 houses in 2018 and 221 houses in 2019. Construction of houses was suspended on 31 March 2019, pending review of the demand for the houses by employees. Of the completed houses, 106 houses were sold, resulting in 146 houses being held as employee housing assets available for sale as at 31 December 2021, which includes the two show houses.

7.1 Employee housing loan receivable

Initial recognition

When a house is sold to an employee, the Group recognises an employee housing loan receivable at fair value determined on the transaction date. The best evidence of the receivables' fair value on initial recognition is the transaction price (cash price). However, due to the employees paying a preferential interest rate of CPI plus 1% with a floor rate of 7%, the fair value may differ from the transaction price. The Group therefore determined a market-related rate for the employee housing loan receivable based on an average credit profile per band of employees in order to determine the effective interest rate. The market-related interest rate was determined to be prime plus a margin (average of 2.5%), which takes into account the average credit profile per band of employees. The fair value of the loan, on initial recognition, is determined as the present value of all expected cash flows discounted at the market-related interest rate. The difference between the fair value and the transaction price is accounted for as an employee housing benefit. Refer to Note 7.2.

Subsequent measurement

The business model of the Group is to hold the employee housing loan receivable to collect the contractual cash flows. The contractual cash flows represent solely payment of principal and interest and are therefore recognised at amortised cost. Finance income is recognised using the appropriate effective interest rate as determined above.

The portion of the employee housing loan receivable to be realised within 12 months from the reporting date is presented as part of current assets. The balance of the amount is presented as a non-current asset in the statement of financial position.

A provision for impairment is calculated using the expected credit loss model. For the accounting policy relating to the expected credit loss model and the employee housing loan receivable write-off, refer to Note 32.1.2.

Critical accounting estimates and assumptions

The following key assumptions were used in determining the initial fair value of the employee housing loan receivable originated during 2021:

- Instalment
  - Initial instalment for 80m^2 house of R4 383 from 1 July 2021 to 30 June 2022 (2020: R4 096 from 1 July 2020 to 30 June 2021)
  - Initial instalment for 140m^2 house of R8 501 from 1 July 2021 to 30 June 2022 (2020: R7 944 from 1 July 2020 to 30 June 2021)
  - Instalment increases on 1 July of each year and is fixed for a period of 12 months
- Interest accruals
  - Interest is charged at 7.0% (2020: 7.0%) based on the May CPI rate of the current period plus 1% with a floor rate of 7.0% (CPI as at May of the current period is 5.2% (2020: 2.1%))
  - Interest rates are adjusted annually effective from 1 July of each calendar year and will remain fixed for a period of 12 months
  - The default interest rate for any employee who fails to make a monthly repayment of the instalment is set at the prime lending rate plus 2.0%
  - The prime lending rate (defined as the 'benchmark rate at which private banks lend out to the public') will be used as the base discount rate with an adjustment for counterparty credit risk (relative to the prime lending rate). This adjustment will be varied by risk grades (i.e. average credit profile per band)
- Payment period
  - The initial average repayment period for the loans is approximately 200 months
  - The repayment period, however, is adjusted based on interest rate movements
- In calculating the expected credit loss the following was taken into account:
  - Loss given default of 0.3% (refer to Note 32.1.2)
  - Probability of default of 2.0% (refer to Note 32.1.2)
  - The collateral in place which includes the house itself, Group life cover that covers up to seven times the employee's salary but is limited to R2 million, Group disability cover that covers 100% of the employee's salary and retrenchment cover. All the policies reflected above have been ceded to RBRP

7. EMPLOYEE HOUSING continued

7.1 Employee housing loan receivable continued

	Group	
	2021 R (million)	2020 R (million)
Opening balance at 1 January	853.9	681.8
Plus/(less): Houses sold to employees/(cancellation of sales) during the year	76.9	217.6
Plus: Contractual interest capitalised	8.1	8.8
Plus: Fair value adjustment — interest income	20.1	12.0
Less: Estimated credit loss	(0.3)	(2.8)
Less: Repayment of employee housing loan receivable	(9.7)	(7.6)
Less: Employee housing loan receivable write-off	(11.9)	—
Plus: Reversal of employee housing benefit	23.4	16.0
Less: Employee housing benefit (refer to Note 7.2)	(42.8)	(71.9)
Closing balance at 31 December	917.7	853.9
Split between:		
Non-current portion of employee housing loan receivable	903.1	851.3
Current portion of employee housing loan receivable	14.6	2.6
	917.7	853.9

7.2 Employee housing benefit

The Group recognises the difference between the fair value of the employee housing loan receivable at initial recognition and the transaction price as an employee benefit. The initial difference is amortised over the shorter of the service period of the employee (which takes into account expected retirement date) and the loan period. If the employee's service period differs from the initial expectation on occupation date, the change in expectation is recognised in profit or loss in the statement of comprehensive income. The portion of the short-term employee benefit to be realised within 12 months from the reporting date is presented as part of current assets, the balance of the amount is presented as a non-current asset in the statement of financial position.

	Group	
	2021 R (million)	2020 R (million)
Opening balance at 1 January	288.6	252.7
Plus: Employee housing loan benefit (refer to Note 7.1)	42.8	71.9
Less: Amortisation charge for the year	(22.9)	(19.1)
Less: Reversal of employee housing benefit (including write-off)*	(22.2)	(16.9)
Closing balance at 31 December	286.3	288.6
Split between:		
Non-current portion of employee housing benefit	262.4	266.6
Current portion of employee housing benefit	23.9	22.0
	286.3	288.6

* *The write-off is as a result of agreements being terminated due to dismissals, resignations or cancellations*

7. EMPLOYEE HOUSING continued

7.3 Employee housing assets

Judgement made in selecting accounting policies

Employee housing assets are classified as current assets. Revenue earned from the sale of employee housing assets is not in RBR or the Group's ordinary activities. Consequently, employee housing assets are not classified as inventory. The Group made a policy choice in terms of IAS 8 *Accounting Policies, Change in Accounting Estimates and Errors* to classify employee housing assets as other current assets.

Employee housing assets are recognised at cost which consists of the cost of the land, the cost to construct the houses and borrowing cost capitalised. No depreciation is recognised on the employee houses as the intention is to sell the houses within a short period of time after their construction.

An impairment assessment is carried out when there is an indicator of impairment. The recoverable amount is determined by reference to the selling price of the houses. Any resulting impairment is recognised in the statement of comprehensive income.

Critical accounting estimates and assumptions

Significant judgement is required in the impairment assessment of employee housing assets. There are a number of assumptions made in determining the recoverability of the value of employee housing assets for which the final outcome is uncertain.

Key assumptions

The following assumptions were used in the employee housing asset impairment assessment:
- Selling prices of $80m^2$ and $140m^2$ houses amounting to R0.7 million and R1.3 million, respectively
- Suspension of construction impacted the way the value of land will be recovered
- Independent valuation of undeveloped land of R650 per m^2

Impairment assessment of the employee housing assets resulted in no impairment in the current year (2020: Rnil). The housing assets are valued annually by an independent external valuer. In 2021 the fair values of the housing assets exceeded the carrying amounts.

When the employee housing assets are sold to employees, the carrying amount of the house is derecognised. The difference between the proceeds received and the carrying amount of the house is recognised in profit or loss as a gain or loss on disposal of employee housing assets.

The employee housing assets are held for the purpose of trading and are classified as current assets.

	Group	
	2021 R (million)	2020 R (million)
Opening balance at 1 January	**542.3**	702.6
Additions due to cancellation of sale agreements	**68.3**	10.9
Houses sold to employees during the year (exclusive of VAT)	**(116.3)**	(171.2)
Closing balance at 31 December	**494.3**	542.3

8. HOUSING INSURANCE INVESTMENT

The housing insurance investment comprises of a cell captive setup with Guardrisk to cover retrenchment for employees having an employee housing loan, and a special experience account with Centriq Insurance Company Limited consisting of rollover insurance premiums to cover the excess payable on housing claims.

The insurance investment consists of money invested in unit trusts and money market accounts which are revalued throughout the year. This investment is classified as at fair value through profit or loss (FVTPL). These assets are recognised at fair value and any subsequent gains or losses are recognised in the statement of comprehensive income and shown under other income.

	Group	
	2021 R (million)	2020 R (million)
Opening balance at 1 January	**49.1**	43.9
Plus: Fair value adjustments	**8.3**	5.2
Closing balance at 31 December	**57.4**	49.1

9. INVENTORIES

Stores and materials (consumables) are valued at the lower of cost or net realisable value, on a weighted average basis. Obsolete, redundant and slow-moving stores are identified and written down to their net realisable values. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses. This write-down is reflected in cost of sales.

Stockpile inventory consists of ore mined for processing at a later stage. Stockpiles are stated at the lower of cost or net realisable value. Cost is determined using the weighted average cost method. The cost of stockpiles comprises directly attributable mining costs including depreciation. It excludes borrowing costs.

	Group	
	2021 R (million)	2020 R (million)
Consumables	288.3	263.1
Stockpiles	276.2	227.3
Closing balance at 31 December	564.5	490.4

All inventories are carried at cost. There has been no inventory write-down to net realisable value.

10. TRADE AND OTHER RECEIVABLES

RBR entered into a disposal of concentrate agreement with Rustenburg Platinum Mines Limited (RPM) in terms of which the concentrate of the Platinum Group Metals (PGMs) produced by RBR operations will be treated by RPM.

Trade receivables (RPM concentrate debtor) is measured at fair value through profit or loss from the date of recognition up to date of settlement, as it fails the IFRS 9 amortised cost requirement of cash flows representing solely payment of principal and interest. Payment is due on the last day of the fourth month following delivery (refer to Note 32.1.1 for sensitivity analysis). As at 31 December, Rnil (2020: R258.6 million) of trade receivables balance relates to the force majeure that was announced by Anglo American Platinum (Amplats) on 6 March 2020 (refer to Note 23).

The fair value changes due to non-market variability (that is, changes based on quantity and quality of the contained metal) are considered to be variable consideration within the scope of IFRS 15 as RBR's right to consideration is contingent upon the physical attributes of the contained metal. The historic and current year differences between the initial assay and final assay are not significant. Therefore, the variable consideration is not considered to be constrained.

The fair value changes due to market variability (that is, changes in the commodity prices and exchange rates) are not in the scope of IFRS 15 and are therefore not presented as revenue from contracts with customers. The changes in commodity prices are accounted for as other revenue and disclosed separately from revenue from contracts with customers in Note 23 and changes in exchange rates are accounted for as other income (refer to Note 24).

The exchange rate and commodity price used to fair value the trade receivables at the end of the period was R15.8606 (2020: R14.8753) and US$1 683.8 (2020: US$1 866.3) per ounce, respectively.

Impala royalty receivable, restricted cash, interest accrued and other receivables, are measured at amortised cost. Maseve restricted cash relates to cash that is set aside for Eskom and DMRE guarantees. In total, R15.7 million of this relates to the Eskom guarantee while R12.7 million relates to the DMRE. This cash is not realisable within three months and therefore it is not classified as cash and cash equivalents.

Revenue from mineral resources in South Africa is subject to the Mineral and Petroleum Resource Royalty Act 2008 (Royalty Act). The Royalty Act imposes a royalty on refined and unrefined minerals payable to the State. The royalty in respect of refined and unrefined minerals is calculated by dividing Earnings Before Interest and Tax (EBIT) by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure.

The North West Department of Education restricted cash related to R70 million received from the Department of Education to fund part of the costs of building the school at Waterkloof Hills Estate which was developed as part of the RBPlat Employee Home Ownership Scheme. The balance of the cost was funded by RBPlat Group. The cash was not received for the benefit of RBPlat and does not constitute RBPlat's cash and cash equivalents. As at 31 December 2021, all of the cash received from the Department of Education has been spent towards the construction of the school as the completion of both the primary and secondary schools is nearing completion (2020: R10.5 million). The schools officially opened their doors to the first learners in January 2022.

Transaction costs in respect of financial liabilities, including facility fees that are directly attributable to the issue of a financial liability, which would not have been incurred if the liability had not been acquired, originated or issued, are deducted from the liability amount initially recognised.

When the financial liability is not yet drawn, but it is probable that a facility will be drawn down, then an initial facility fee is deferred as a prepayment (transaction costs capitalised) and treated as an adjustment to the instrument's effective interest rate and recognised as an expense over the instrument's estimated life. However, when it is not probable that a facility will be drawn down, the fee is considered a service fee and recognised as an expense on a straight-line basis over the commitment period.

Impairment of receivables measured at amortised cost is determined using the expected credit loss model (refer to Note 32.1.2).

10. TRADE AND OTHER RECEIVABLES continued

	Group 2021 R (million)	2020 R (million)
Trade receivables (RPM concentrate debtors — refer to Note 32)	**5 192.8**	5 423.3
Impala royalty receivable (refer to Note 24)	**142.4**	122.8
VAT receivable	**37.0**	30.3
Styldrift deposit	**29.8**	28.9
Maseve restricted cash	**28.4**	28.4
Deposit paid for mining equipment	**7.7**	12.7
Department of Education restricted cash (refer to Note 22)	**—**	61.3
Prepaid expenses	**17.1**	—
State royalty taxes receivable	**70.5**	—
Funding transaction costs capitalised	**9.7**	—
Interest accrued on investments	**13.2**	—
Other receivables	**3.5**	1.9
Closing balance at 31 December	**5 552.1**	5 709.6

11. CURRENT TAX RECEIVABLE/(PAYABLE)

	Group 2021 R (million)	2020 R (million)
Opening balance at 1 January	**(8.7)**	2.9
Income tax charge (refer to Note 27)	**(188.0)**	(81.3)
Payments made	**259.3**	69.7
Closing balance at 31 December	**62.6**	(8.7)
Current tax receivable/(payable) comprises:		
Current tax receivable	**67.3**	—
Current tax payable	**(4.7)**	(8.7)
Closing balance at 31 December	**62.6**	(8.7)

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are recognised in the statement of financial position at amortised cost which approximate fair value. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks, money market investments and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

	Group 2021 R (million)	2020 R (million)
Cash at bank and on hand	**134.6**	313.9
Short-term deposits	**4 763.8**	1 929.3
Closing balance at 31 December	**4 898.4**	2 243.2
The cash and cash equivalents above are split as follows:		
Cash and cash equivalents — RBR operations	**567.0**	1 689.0
Cash and cash equivalents — RBPlat corporate office	**4 203.3**	391.1
Cash and cash equivalents — RBRP (housing project ring-fenced cash)	**128.1**	163.1
Closing balance at 31 December	**4 898.4**	2 243.2

RBRP housing project ring-fenced cash may only be used for the financing of the Employee Home Ownership Scheme.

12. CASH AND CASH EQUIVALENTS continued

Facilities

The Group has R3 008 million debt facilities (excluding PIC housing facility). During 2021, the balance outstanding on the term debt was repaid. The term debt and the Revolving Credit Facility (RCF) were replaced with a new RCF amounting to R2 000 million and a one-year General Banking Facility (GBF) amounting to R1 008 million.

The security provided in connection with the RCF and GBF includes a cession and pledge of the Company's shares in and claims against RBR as security for its obligations under a subordination by the Company of its claims against RBR in favour of the banks. RBR also provided a cession in security pursuant to which it cedes and pledges its rights, title and interest in respect of, or connected with, RBR operations. RBR can voluntarily prepay and cancel the facilities at any time.

In terms of the facilities, RBR also provides security in favour of RMB and Nedbank in the form of a mortgage bond over the mining rights and immovable property, special notarial bond over separately identifiable immovable plant and equipment and a general notarial bond over moveable plant and equipment.

RBR may also not, without the prior written approval of RMB and Nedbank, inter alia:

- encumber any of its assets
- make any substantial change to the nature of its business
- dispose of any assets or enter into an amalgamation, demerger, merger or corporate reconstruction (other than certain permitted disposals)
- enter into a transaction or acquisition classified as a Category 1 transaction under the JSE Listings Requirements
- amend any material term of a material contract including the disposal of concentrate agreement, although in the latter three cases, RMB and Nedbank's consent may not be unreasonably withheld

If RBR undertakes any of these actions without RMB and Nedbank's prior written consent, it is obliged, if the banks so require, to immediately repay the RCF and GBF.

At year-end RBR utilised R118.6 million (2020: R118.6 million) of its R1 000 million GBF for guarantees. Royal Bafokeng Platinum Management Services Proprietary Limited (RBP MS) utilised R0.8 million (2020: R0.8 million) of its R5 million GBF for guarantees. RBPlat has a R3 million GBF, which is unutilised at year-end. Refer to Note 21.1 for further details relating to guarantees. The RCF remained unutilised at 31 December 2021.

The PIC housing facility was a R2 200 million facility accruing interest at CPI plus a margin of 1%. At 31 December 2021, R1 273.7 million was drawn (2020: R1 273.7 million). Following the suspension of the construction of the houses and commencement of repayments in 2021, the undrawn portion of the facility is no longer available resulting in the reduction of the total facility to R1 273.7 million.

The Group's utilised and available facilities as at 31 December shown in the table below:

	Group				
	Facility amount R (million)	Utilised amount R (million)	Available facility R (million)	Repayment date	Interest rate
Committed facilities					
2021					
Revolving credit facility	**2 000.0**	**–**	**2 000.0**	**31 October 2026**	**JIBAR plus 2.5%**
General banking facilities	**1 008.0**	**(119.4)**	**888.6**	**31 October 2022**	**Prime less 1.4%**
PIC housing facility	**1 273.7**	**(1 273.7)**	**–**	**Refer Note 17**	**CPI plus 1%**
Total at 31 December 2021	**4 281.7**	**(1 393.1)**	**2 888.6**		
2020					
Term debt facility	750.0	(750.0)	–	31 March 2024	JIBAR plus 3.7%
Revolving credit facility	750.0	–	750.0	31 March 2022	JIBAR plus 3.75%
Revolving credit facility	500.0	–	500.0	31 March 2022	JIBAR plus 3.25%
General banking facilities	1 008.0	(119.4)	888.6	31 December 2021	Prime less 1%
PIC housing facility	2 200.0	(1 273.7)	926.3	Refer Note 17	CPI plus 1%
Total at 31 December 2020	5 208.0	(2 143.1)	3 064.9		

The revolving credit and working capital facilities commitment fees as well as administration fees on guarantees are recognised in corporate office administration expenses (refer to Note 26). The general banking facilities are renewed annually.

13. STATED CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The carrying value of the Company's shares held by the Company's subsidiaries in respect of the Group's share option and bonus share schemes are reflected as treasury shares and shown as a reduction in shareholders' equity.

When share options are exercised, the Company issues new shares or issues shares from the treasury shares. The proceeds received net of any directly attributable transaction costs are credited to stated capital when options are exercised.

	Group	
	2021 **R**	2020 R
Authorised share capital		
1 000 000 000 (2020: 1 000 000 000) ordinary shares with no par value	**1 000 000 000**	1 000 000 000
1 500 000 (2020: 1 500 000) 'A1' ordinary shares with no par value	**1 500 000**	1 500 000
1 500 000 (2020: 1 500 000) 'A2' ordinary shares with no par value	**1 500 000**	1 500 000
1 500 000 (2020: 1 500 000) 'A3' ordinary shares with no par value	**1 500 000**	1 500 000
Total authorised share capital	**1 004 500 000**	1 004 500 000
Stated capital		
Opening balance at 1 January	**11 263.7**	11 125.1
1 883 112 BSP and RFSP shares vested April 2021	**68.4**	–
1 424 636 BSP shares vested April 2020	**–**	72.3
Share options and SARS exercised	**127.4**	66.3
Conversion of convertible bonds	**954.1**	–
Total 287 987 327 (2020: 258 514 387) ordinary shares	**12 413.6**	11 263.7

All ordinary shares have the same voting rights and they are presented net of any treasury shares held by the Group. At 31 December 2021, the treasury shares outstanding amounted to 1 029 219 (2020: 277 629) ordinary shares.

14. SHARE-BASED PAYMENT RESERVE

The Group operates a number of equity-settled share-based compensation plans under which the subsidiary entities receives services from employees as consideration for equity instruments of the Company. Refer to Note 26.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase in the investment in subsidiary with a corresponding credit to equity. The Company recovers the relevant amounts from the respective subsidiaries, and this is accounted for as a reduction of the investment in subsidiary over the vesting period.

	Group	
	2021 **R (million)**	2020 R (million)
Opening balance at 1 January	**284.6**	322.1
Share-based payment expense	**93.2**	50.0
BSP and RFSP shares vested	**(68.4)**	(72.3)
Share options and SARS exercised	**(57.7)**	(15.2)
Closing balance at 31 December	**251.7**	284.6

15. DEFERRED TAX

Deferred tax assets and liabilities are determined using the balance sheet method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is determined using tax rates that have been enacted or substantially enacted before the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

Deferred tax assets and liabilities relate to income taxes levied by the same tax authority and are only offset when the Group intends to settle its current tax assets and liabilities on a net basis.

	Group	
	2021 R (million)	2020 R (million)
Deferred tax comprises:		
Deferred tax asset	**–**	(58.2)
Deferred tax liability	**5 533.1**	5 259.5
Closing balance at 31 December	**5 533.1**	5 201.3

	Group					
	Mineral rights R (million)	**Property, plant and equipment R (million)**	**Unredeemed* capital balance R (million)**	**Provisions including payroll-related provisions R (million)**	**Other R (million)**	**Total R (million)**
2021						
Opening balance at 1 January	**1 498.9**	**4 520.1**	**(706.0)**	**(111.7)**	**–**	**5 201.3**
Charged to equity	**–**	**–**	**–**	**–**	**(21.3)**	**(21.3)**
Charged to statement of comprehensive income	**(43.9)**	**221.1**	**174.3**	**55.2**	**(53.6)**	**353.1**
Closing balance at 31 December	**1 455.0**	**4 741.2**	**(531.7)**	**(56.5)**	**(74.9)**	**5 533.1**
2020						
Opening balance at 1 January	1 540.8	4 358.5	(1 996.5)	(105.5)	(9.0)	3 788.3
Charged to statement of comprehensive income	(41.9)	161.6	1 290.5	(6.2)	9.0	1 413.0
Closing balance at 31 December	1 498.9	4 520.1	(706.0)	(111.7)	–	5 201.3

** Refer to Note 27 for details relating to Maseve amalgamation and the resulting recognition of deferred tax on the unredeemed capital allowance.*

Tax losses included in RBP MS and RBRP, which are not recognised as deferred tax assets, amount to R278.5 million (2020: R268.2 million) and R113.2 million (2020: R110.0 million), respectively. RBR has an unredeemed capital allowance of R1 366.8 million (2020: R2 030.9 million) which will be carried forward to 2022. Of the deferred tax liability, approximately R5 093.7 million (2020: R4 827 million) will realise after 12 months.

Refer to Note 27 for details relating to the change in the tax rate.

16. CONVERTIBLE BOND LIABILITY

RBPlat issued 120 000 7% senior unsecured convertible bonds for R1 200 million on 15 March 2017. Shareholders' approval for the conversion of the convertible bonds was obtained on 8 May 2017. The bonds were convertible into ordinary shares of RBPlat at the option of the holder at a conversion price of R38.7572 (initial conversion price of R42.9438). The conversion price was subject to customary adjustments for reconstructions of equity to maintain the relative rights of the bondholders. Interest on the bonds was payable semi-annually in arrears on 16 March and 16 September of each year for five years ending 16 March 2022. The bonds were listed on the JSE Main Board under stock code number RBPCB.

The carrying amount of the liability portion at initial recognition is measured as the difference between the cash proceeds and the fair value of the embedded derivative. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the bonds using the effective interest rate method. When the bond is extinguished through a buy-back, the related liability portion is derecognised. To the extent that the consideration paid exceeds the carrying amount of the liability, a loss is recognised in profit or loss. When the bond is extinguished through a conversion, the related liability portion is derecognised and the conversion to equity is recognised in the statement of changes in equity at the carrying value of the liability just before conversion.

16. CONVERTIBLE BOND LIABILITY continued

Throughout the first half of 2021, 102 152 of the 120 000 convertible bonds were converted into 26 108 136 ordinary shares at a conversion price of R38.7572, while 17 369 of the 120 000 convertible bonds were bought back from the market at a cost of R477.4 million which includes a premium of R312.5 million incurred on the buy-back of the convertible bonds.

On 20 May 2021 and pursuant to the terms and conditions of the convertible bonds, RBPlat issued a notice to the Trustee and each holder of the bonds, for the early redemption of all of the convertible bonds outstanding, at their par value principal amount of R10 000 per bond, together with accrued unpaid interest amounting to R203.3 per bond, calculated up to but excluding 30 June 2021. As a result, 479 outstanding convertible bonds were redeemed at an amount of R4.9 million and cancelled. As at 30 June 2021, there were no convertible bonds which remained in issue.

	2021 R (million)	2020 R (million)
Opening balance at 1 January	**1 122.1**	1 049.5
Plus: Interest*	**54.3**	156.6
Premium on buy-back of convertible bond	**312.5**	–
Less: Interest paid	**(42.0)**	(84.0)
Less: Convertible bonds converted to shares	**(964.6)**	–
Less: Convertible bonds buy-back/redeemed	**(482.3)**	–
Closing balance at 31 December	**–**	1 122.1

* *In 2021, Rnil million (2020: R26.4 million) of the interest was capitalised to Styldrift project at RBPlat Group level.*

17. PIC HOUSING FACILITY

The PIC housing facility was utilised to fund the construction of houses for phase 2 of the housing project, as well as the insurance investment referred to in Notes 7.3 and 8. The PIC housing facility was a R2.2 billion facility accruing interest at CPI plus a margin of 1%. Following the suspension of the construction of the houses in 2019 and commencement of repayment in 2021, the undrawn portion of the facility is no longer available resulting in the reduction of the total facility to R1 273.7 million. Security for the PIC housing facility is ring-fenced to the housing project assets with no recourse to the RBR operations business.

Each drawdown on the PIC housing facility was initially recognised at the fair value of the consideration received, net of transaction costs incurred. In subsequent periods, borrowings are measured at amortised cost using the effective interest rate method. Any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowing.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or liabilities), and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates cash flows, considering all the contractual terms of the financial instrument but does not consider future credit losses.

The calculation includes all fees paid or received between the parties to the contract, transaction costs and all other premiums or discounts that are an integral part of the effective interest rate. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the Group shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Initial recognition

The best evidence of the PIC housing facility's fair value on initial recognition is the transaction price. However, due to RBRP paying a preferential interest rate of CPI plus 1%, the fair value will differ from the transaction price. The Group therefore determined a market-related rate for the financial liability based on the rate of debt funding available to the Group at that specific point in time. The Group recognises the difference between fair value at initial recognition and the transaction price as a fair value adjustment to the loan. The initial difference is amortised over the term of the PIC housing facility.

Subsequent measurement

The financial liability payable to the PIC is measured at amortised cost (recognised at fair value at initial recognition) using the appropriate effective interest rate as determined above.

The portion of the PIC housing facility repayable within 12 months from the reporting date is presented as part of current liabilities. The balance of the amount is presented as a non-current liability in the statement of financial position.

17. PIC HOUSING FACILITY continued

	Group	
	2021 R (million)	2020 R (million)
Opening balance at 1 January	1 558.0	1 483.1
Plus: Contractual interest charges capitalised to loan	72.7	65.9
Less: Repayments	(101.0)	–
Plus: Fair value interest charges capitalised to loan	29.2	32.6
Less: Amortisation of fair value adjustment to loan	(23.4)	(23.6)
Closing balance at 31 December	1 535.5	1 558.0
Split between:		
Non-current portion of PIC housing facility	1 487.5	1 503.4
Current portion of PIC housing facility	48.0	54.6
	1 535.5	1 558.0

Repayment of the PIC loan commenced during the current financial year.

18. INTEREST-BEARING BORROWINGS

Interest-bearing borrowings were made up of drawdowns on existing facilities (refer to Note 12). As at 31 December 2021, RBR utilised Rnil (2020: Rnil) of its RCF. In addition, the Group utilised R119.4 million (2020: R119.4 million) of the GBF for guarantees.

The following covenants are applicable to the existing facilities:

Financial covenants:

RBR shall ensure that the following financial covenants will be met:
- Net debt to earnings before interest, taxation, depreciation and amortisation (EBITDA) shall not exceed 2.00 times
- Net debt to equity shall not exceed 1.00 times
- The interest cover ratio shall be at least 4.00 times

As at 31 December 2021, none of the covenants were breached.

	Group	
	2021 R (million)	2020 R (million)
Opening balance at 1 January	600.0	1 305.5
Drawdowns during the period	890.3	2 031.2
Repayments	(1 499.7)	(2 744.9)
Interest capitalised	27.4	133.1
Interest paid	(27.3)	(132.8)
Unwinding of transaction costs capitalised	9.3	7.9
Closing balance at 31 December	–	600.0
Split between:		
Non-current portion of interest-bearing borrowings	–	412.5
Current portion of interest-bearing borrowings	–	187.5
	–	600.0

19. DEFERRED REVENUE

RBPlat entered into a gold streaming agreement through its wholly owned subsidiary, RBR, with Triple Flag Mining Finance Bermuda Limited (Triple Flag). In terms of the agreement, the Company received an advance payment of US$143.5 million (US$145 million net of US$1.5 million transaction costs) equating to R2 093.5 million, in exchange for the future delivery of gold from the RBPlat mining operations (excluding Styldrift II and the Impala royalty areas), payable over the LOM (the stream). In addition to the advance payment (refer to Note 23), RBPlat receives 5% cash (variable consideration) from Triple Flag based on the prevailing reference gold price (daily gold market price immediately following the date of delivery) for each ounce of gold delivered. The contract will be settled by RBPlat delivering gold credits to Triple Flag, representing the underlying refined gold which has been mined. One gold credit is equivalent to one ounce of gold.

In terms of this agreement, 70% of the payable gold will be delivered to Triple Flag until 261 000 ounces have been delivered, thereafter, 42% of the payable gold will be delivered to Triple Flag over the LOM. The delivery of the payable gold will be for an initial term of 40 years, which shall be automatically extended for successive 10-year periods, unless there has been no exploration or mining activity. There is no fixed minimum number of gold ounces to be delivered in terms of the agreement and the commitment is dependent on the actual production.

The advance payment received is recognised as a contract liability (deferred revenue) under IFRS 15 *Revenue from Contracts with Customers*. RBPlat's management identified a significant financing component related to the streaming arrangement resulting from the difference in the timing of the advance consideration received and the transfer of control of the promised gold to Triple Flag. Interest expense on deferred revenue is recognised as finance costs.

Significant accounting estimates and judgements

The advance payment received from Triple Flag on the gold streaming transaction has been accounted for as a contract liability (deferred revenue) in the scope of IFRS 15. It has been determined that the contract is not a financial instrument because the contract will be settled by RBPlat delivering gold credits to Triple Flag, representing the underlying refined gold which has been mined, rather than cash or financial assets. It is the intention of RBPlat to satisfy the performance obligations under the streaming arrangement through RBPlat's production and revenue will be recognised over the duration of the contract as RBPlat satisfies its obligation to deliver gold ounces. As the contract is long term in nature and RBPlat received a portion of the consideration from Triple Flag at inception of the contract, it has been determined that the contract contains a significant financing component under IFRS 15. RBPlat therefore made a critical estimate of the discount rate at initial recognition of the contract liability that should be applied to the contract liability over the life of the contract.

Inputs to the model to unwind the advance received to revenue

The advance received has been recognised on the statement of financial position as deferred revenue. The deferred revenue will be recognised as revenue in profit or loss as the gold ounces are delivered to Triple Flag relative to the expected total amount of gold ounces to be delivered over the term of the arrangement. At the end of each period, management estimates the cumulative amount of the deferred revenue obligation that has been satisfied and is therefore recognised as revenue. To the extent that the LOM changes or other key inputs are changed, these changes are recognised prospectively as a cumulative catch-up in revenue in the year that the change occurs.

Key inputs	Estimate at period end	
Estimated financing rate over life of arrangement	8.8%	Although there is no cash financing cost related to this arrangement, IFRS 15 requires RBPlat to recognise a notional financing charge due to the significant time delay between receiving the upfront streaming payment and satisfying the related performance obligations. The estimated financing rate was determined at inception and was not subsequently changed in line with the requirements of IFRS 15.
Remaining life of stream	46 years	The starting point for the LOM is the approved life of mine plan for the operations (excluding Styldrift II and the Impala Royalty Areas) with a portion of resources included beyond the current life of mine plan. However, as IFRS 15 requires the constraint on revenue recognition to be considered, it is more prudent to include a portion of resources in the life of stream for the purposes of revenue recognition. This will reduce the chance of having a significant decrease in revenue recognised in the future, when the LOM is updated to include a conversion of resources to reserves. As such, RBPlat's management has determined that it is appropriate to include 56% of gold in outside LOM resources.
Gold entitlement percentage	70%	The gold entitlement percentage will be 70% up to 261 000 ounces and thereafter 42% for the remainder of the LOM and RBP can honour the commitment.
Monthly cash percentage	5%	The monthly cash payment to be received is 5% of the market price of the gold ounce delivery to Triple Flag.
Commodity price on initial recognition	Commodity and exchange rate adjusted spot price from inception	The stand-alone selling price of each ounce will be the spot price at inception adjusted for expected commodity and USD/ZAR exchange rate forward curves over the life of the arrangement. Therefore, the stand-alone selling price of each ounce of gold delivered through gold credits at the date of the delivery will be the commodity and exchange rate adjusted spot price from inception. This estimated stand-alone selling price is estimated at inception and is not revisited in the future if the commodity price or exchange rate per ounce changes.

19. DEFERRED REVENUE continued

Inputs to the model to unwind the advance received to revenue continued

Any changes to the ounces delivered key inputs could significantly change the quantum of the cumulative revenue amount recognised in profit or loss.

The following table summarises the changes in deferred revenue:

	Group	
	2021 R (million)	2020 R (million)
Opening balance at 1 January	**2 126.7**	–
Deferred revenue advance received	**–**	2 093.5
Interest charge (refer to Note 25.2)	**186.0**	170.3
Deferred revenue recognised during the period (refer to Note 23)	**(188.7)**	(137.1)
Closing balance at 31 December	**2 124.0**	2 126.7
Split between:		
Non-current portion of deferred revenue	**1 896.0**	1 902.8
Current portion of deferred revenue	**228.0**	223.9
	2 124.0	2 126.7

3 412 gold ounces (2020: 3 013 gold ounces) were delivered from BRPM while 4 681 gold ounces (2020: 3 068 gold ounces) were delivered from Styldrift.

20. RESTORATION, REHABILITATION AND OTHER PROVISIONS

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

Provisions are measured using the best estimate of expenditure required to settle the obligation, i.e. the amount that the Group would rationally pay to settle the obligation or transfer it to a third party.

Where the effect of discounting is material, provisions are discounted to reflect the present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation. Provisions are not recognised for future operational losses.

Long-term obligations comprising pollution control, rehabilitation and mine closure 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, prior to commencement of production. 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. Pre-tax risk-free discount rates that reflect current market assessments of 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 profit or loss as a finance cost, are capitalised to the environmental rehabilitation asset. Decommissioning assets are amortised on a straight-line basis over the lesser of the LOM or the expected benefit period.

20. RESTORATION, REHABILITATION AND OTHER PROVISIONS continued

Restoration costs

Changes in the discounted amount of estimated restoration costs are charged to profit or loss during the period in which such changes occur. Estimated restoration costs are reviewed annually and discounted using a pre-tax risk-free rate that reflects market assessments of the time value of money. The increase in restoration provisions owing to the passage of time is charged to finance costs. All other changes in the carrying amount of the provision subsequent to initial recognition are included in profit or loss in the period in which they are incurred.

Ongoing rehabilitation cost

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

Critical accounting estimates and assumptions

Environmental rehabilitation obligations

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 and actual timing thereof in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, LOM estimates and discount rates can affect the carrying amount of this provision.

The provision for Maseve environmental rehabilitation and restoration was revised in 2020 and the impact of time value was determined using Styldrift LOM as it is expected that the rehabilitation will be done at the end of the Styldrift LOM.

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.

Key assumptions used were:

	Group	
	2021	2020
Current cost estimate R (million)	**534.9**	388.5
Inflation rate (%)	**4.9**	5.5
Nominal discount rate (%)	**10.5**	9.3
Real pre-tax risk-free discount rate (%)	**5.3**	4.0

The movement can be attributed to the following:

	Group	
	2021 R (million)	2020 R (million)
Restoration and rehabilitation provisions		
Opening balance at 1 January	**113.7**	199.8
Unwinding of discount (refer to Note 25.2)	**10.5**	12.8
Change in estimate of provision taken to statement of comprehensive income	**(10.9)**	(91.1)
Change in estimate of provision taken to decommissioning asset	**(1.3)**	(7.8)
Restoration and rehabilitation provision closing balance at 31 December	**112.0**	113.7
Other provisions		
Plus: Deferred output VAT	**133.4**	120.9
Closing balance at 31 December*	**245.4**	234.6

* *Refer to Note 33 for segmental analysis*

Change in estimate of provision taken to statement of comprehensive income was impacted by a change in the expected timing of the environmental rehabilitation.

Refer to Note 6 for the environmental trust deposits made to fund this estimate and Note 21.1 for guarantees issued to fund the remainder. Refer to Note 21.3 for a description of the contingent liability relating to remediate groundwater and soil pollution.

The deferred output VAT liability is in respect of the sale of employee housing assets to employees which is only payable to the South African Revenue Service, in terms of section 16(4)(a)(ii) of the Value Added Tax Act 89 of 1991, to the extent that the capital portion of the purchase price is being repaid by employees.

21. CONTINGENCIES AND COMMITMENTS

Guarantees and commitments

		Group	
		2021 R (million)	2020 R (million)
21.1	**Guarantees issued**		
	RBR and RBPMS, wholly owned subsidiaries of RBPlat, granted the following guarantees:		
	Eskom to secure power supply for Styldrift (guarantee 30823102)*	**–**	17.1
	Eskom early termination guarantee for Styldrift (guarantee 31160603)	**17.5**	17.5
	Eskom connection charges guarantee for Styldrift (guarantee 31173918)*	**–**	40.0
	Eskom to secure power supply for Styldrift (guarantee OGPE 001449)*	**57.1**	–
	Department of Mineral Resources and Energy for the rehabilitation of land disturbed by prospecting/mining (guarantee 32388608)	**1.3**	1.3
	Eskom security guarantee for power supply to Styldrift (guarantee 34058907)	**42.7**	42.7
	Tsogo Sun guarantee arising from lease agreement (guarantee OGPE0002385)	**0.7**	0.7
	Tsogo Sun guarantee arising from lease agreement (guarantee OGPE0002383)	**0.1**	0.1
	Total bank guarantees issued at 31 December	**119.4**	119.4
	Department of Mineral Resources and Energy guarantee for environmental rehabilitation liability	**343.0**	334.4
	Department of Mineral Resources and Energy guarantee for Styldrift	**45.7**	45.7
	Total insurance guarantees issued at 31 December	**388.7**	380.1
	Eskom to secure power supply for Maseve	**28.4**	28.4
	Total cash-backed bank guarantees issued at 31 December	**28.4**	28.4
21.2	**Capital commitments in respect of property, plant and equipment**		
	Contracted commitments	**565.9**	718.2
	Approved expenditure not yet contracted for	**2 501.5**	1 445.7
	Total capital commitments	**3 067.4**	2 163.9

* *Eskom guarantee to secure power supply for Styldrift and Eskom connection charges guarantees for Styldrift were cancelled and replaced with one guarantee to secure power supply.*

21.3 Contingent liability – remediate groundwater and soil pollution

RBR is committed to remediating groundwater and soil pollution where RBR operates. The 2017 groundwater flow model simulations indicate that the pollution will not extend into or affect nearby township areas/groundwater users until 2075 if no intervention is put in place. Based on the groundwater model update, a project was initiated in 2018 to monitor the groundwater movement on a continuous basis using borehole loggers to accurately quantify the size and the rate of movement of the pollution plume. The outcome of this project highlighted that the groundwater levels decreased gradually, showing that the aquifer is in a steady state and that there is no evidence of artificial recharge. A groundwater specialist was appointed to develop the groundwater remediation strategy to better understand the costs associated with the remediation activities.

The rate of pollution plume movement could not be accurately monitored due to limited pumping of water from the open-cast pit. This is mainly due to the closed loop system in the operations. RBR is continuing to conduct groundwater monitoring through existing boreholes and will close the monitoring network gaps by constructing additional boreholes as per the project recommendations to enable the groundwater database to be fully updated and comprehensive. Other methods of containing the plume, such as pump testing of the boreholes around the BRPM tailings storage facility to assess the likely success of localised abstraction, are being investigated.

21.4 Contingent liability – Maseve acquisition

Post implementation of the Maseve transaction, Africa Wide Mineral Prospecting Land Exploration Proprietary Limited (Africa Wide), which held 17.1% of the shares in Maseve prior to the implementation of the share transaction, instituted legal proceedings against Platinum Group Metals Limited (PTM), RBPlat and Maseve, in terms of which it seeks to have the Maseve transaction declared unlawful and invalid, or alternatively to be paid an increased amount for its Maseve shares, which it argues were undervalued. On 20 September 2018 we advised security holders that PTM legal advisers and senior counsel were of the view that the claim of Africa Wide was weak and that there are strong prospects of success on this matter. Due to the delays caused by the impact of Covid-19 and other factors, the matter is still ongoing.

22. TRADE AND OTHER PAYABLES

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Refer to Note 20 for the accounting policy relating to provisions.

	Group	
	2021 R (million)	2020 R (million)
Trade payables	414.4	512.3
Department of Education restricted cash (refer to Note 10)	–	61.3
Payroll accruals and provisions	145.0	96.0
Housing project accruals and provisions	34.6	24.1
BRPM and Styldrift accruals and provisions	261.3	176.6
Leave pay provisions	283.6	281.9
VAT payable	131.6	48.5
Deemed dividends payable	31.8	–
Closing balance at 31 December	1 302.3	1 200.7

In the current year RBPlat converted 102 152 bonds into equity. Refer to Note 16. This resulted in a deemed dividend of R31.8 million payable to the South African Revenue Services in terms of section 64 of the South African Income Tax Act. The dividends were calculated at 20% of the differential between the conversion price of R38.7572 and the prevailing share price on the day of conversion for all bondholders unless a reduced rate is applicable to the holder in terms of the Income Tax Act.

23. REVENUE

Revenue from disposal of concentrate

Revenue from contracts with customers is recognised when the separate performance obligations are satisfied, which is when control of the promised goods or services is transferred to the customer.

Revenue transactions for the sale of concentrate are governed by the disposal of concentrate agreement (DOCA) between RBR and RPM. RBR is a wholly owned subsidiary of RBPlat while RPM is a wholly owned subsidiary of Anglo Platinum Limited. The ordinary business activities of the RBPlat Group is the production and sale of concentrate.

Control passes to RPM when RBR delivers the concentrate at the designated delivery point. The performance obligation will be the bundle of concentrate sold and delivered to RPM. This is considered to be a single performance obligation in terms of IFRS 15, seeing as RBR is required to deliver the sold concentrate to RPM in terms of the DOCA. In terms of the DOCA, the commodity prices for PGMs used in the calculation of the concentrate payments are based on the average daily PGM prices and average spot exchange rate for the third month following the month of delivery. The amount of revenue recognised at the designated point of delivery is based on the average daily PGM prices and average spot exchange rate at the date of delivery.

Provisional pricing arrangements introduce an element of variability into the sales contract. The DOCA contains the following categories of variability:

- Non-market variability – the changes in pricing based on the results of the quantity or quality of the commodity as concluded in the final evaluation (that is, any difference between the initial and final assay)
- Market variability – pricing based on average market price at the end of each month

Variability in the DOCA arises from both market price and physical attributes. The non-market variability is accounted for within the scope of IFRS 15 and are considered to be variable consideration. RBR estimates the amount of contained metal in the concentrate which has been delivered to RPM. The final quantity of contained metal will only be confirmed once the final assay has been completed, which happens after the delivery month. Based on past history, the changes between the initial assay and final assay are not significant, consequently the variable consideration is not considered to be constrained. The changes in the PGM prices create market variability which is out of the scope of IFRS 15. As a result, the changes in the PGM prices are reflected as other revenue within the revenue note to the annual financial statements, and not revenue from contracts with customers.

On 6 March 2020 Amplats announced the temporary shutdown of the Anglo Converter Plant (ACP) and declared force majeure following damages to that plant. Subsequent to the initial suspension of concentrate deliveries to the Waterval Smelter complex in line with the force majeure declaration, an interim arrangement between Amplats and RBPlat was agreed to, with revised concentrate delivery and payment terms during the shutdown. Concentrate that was delivered to RPM, up to the force majeure announcement, was bound by the terms as set out in the DOCA with RPM. All subsequent concentrate deliveries to RPM were subject to newly agreed payment terms, whereby RBPlat continued to receive a significant majority of the related proceeds during 2020, with the outstanding payments (refer to Note 10) being settled in full before 30 April 2021. Payment terms reverted to the original DOCA terms with the completion of repairs to ACP Phase B unit on 12 May 2020.

23. REVENUE continued

Revenue from gold streaming

In January 2020, the streaming transaction between RBPlat and Triple Flag closed following the fulfilment of the conditions precedent. Refer to Note 19 for more details.

In terms of this agreement, 70% of the payable gold will be delivered to Triple Flag until 261 000 ounces have been delivered, thereafter, 42% of the payable gold will be delivered to Triple Flag over the LOM. The delivery of payable gold will be made by allocating gold ounces to Triple Flag's account for an initial term of 40 years, which shall be automatically extended for successive 10-year periods, unless there has been no exploration or mining activity. Each refined ounce of gold is identified as a separate performance obligation.

In addition to the advance payment received (refer to Note 19), RBPlat receives 5% cash (variable consideration) from Triple Flag based on the prevailing reference gold price (daily gold market price immediately following the date of delivery) for each gold ounce delivered. For the percentage of each delivery that will be settled in cash, the cash price to be received for that delivery will be the allocated transaction price as all the variability can be allocated only to that delivery. The contract will be settled by RBPlat delivering gold ounces to Triple Flag, representing the underlying refined, mined gold.

The transaction price, being the advance payment and the cash payment to be received, is recognised as revenue when the gold ounces are allocated to the appropriate Triple Flag account. It is from this date that Triple Flag has effectively accepted the gold, has physical control of the gold, and has the risk and reward associated with the gold (i.e. control has transferred).

At contract inception an estimate was made of the LOM and the ounces to be delivered in order to determine the appropriate performance obligations and allocation of the transaction price to those performance obligations. The revenue for the delivery of gold ounces is recognised in terms of an appropriate model that takes into consideration (a) the fact that a commodity should have a different value in future as a result of commodity price and exchange rate curves; and (b) that the transaction price has already taken this into account by accounting for the significant financing component. Practically this means that each ounce of gold delivered through gold credits is assumed to have the same stand-alone selling price adjusted for commodity price and exchange rate curves.

The table below further analyses the breakdown of revenue.

	Group	
	2021 R (million)	2020 R (million)
Revenue from disposal of concentrate		
Revenue from contract with customers	**16 639.9**	11 725.9
Other revenue	**(410.7)**	1 507.6
	16 229.2	13 233.5
Revenue from gold streaming		
Revenue from advanced payment (refer to Note 19)	**188.7**	137.1
Variable consideration	**10.8**	8.8
	199.5	145.9
Total	**16 428.7**	13 379.4

Revenue per metal

	BRPM R (million)	Styldrift R (million)	Total R (million)
2021			
Platinum	**2 113.1**	**1 907.8**	**4 020.9**
Palladium	**1 880.4**	**1 625.9**	**3 506.3**
Rhodium	**4 200.1**	**2 323.6**	**6 523.7**
Gold	**123.3**	**169.6**	**292.9**
Nickel	**265.5**	**424.7**	**690.2**
Other	**627.5**	**567.7**	**1 195.2**
Total revenue from disposal of concentrate	**9 209.9**	**7 019.3**	**16 229.2**
2020			
Platinum	1 874.5	1 662.2	3 536.7
Palladium	1 963.1	1 680.3	3 643.4
Rhodium	2 925.5	1 702.5	4 628.0
Gold	146.9	182.5	329.4
Nickel	250.9	331.3	582.2
Other	251.8	262.0	513.8
Total revenue from disposal of concentrate	7 412.7	5 820.8	13 233.5

23. REVENUE continued

Revenue contribution 2021

- Platinum (24.8%)
- Palladium (21.6%)
- Rhodium (40.2%)
- Nickel (4.3%)
- Gold (1.8%)
- Iridium (3.6%)
- Copper (1.3%)
- Ruthenium (2.0%)
- Cobalt (0.4%)

Revenue contribution 2020

- Platinum (26.7%)
- Palladium (27.5%)
- Rhodium (35.0%)
- Nickel (4.4%)
- Gold (2.5%)
- Iridium (1.4%)
- Copper (1.2%)
- Ruthenium (1.0%)
- Cobalt (0.3%)

24. OTHER INCOME/(EXPENSES)

The Impala royalty consists of royalties received from Impala for mining BRPM's reserves through its 6 and 8 shafts and 20 shaft area. The 6 and 8 shafts royalty is calculated by applying a factor that is linked to the Impala Rustenburg operations' gross profit margin with a minimum of 5% and a maximum of 25% of revenue. Impala pays 17.5% of revenue as royalty to RBR for the 20 shaft area. During the year R586.8 million (2020: R140.5 million) royalty income was received for the 6 and 8 shaft areas and R151.7 million (2020: R241.9 million) for the 20 shaft area.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where the items are remeasured. Foreign exchange gains or 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 other income/(expense). Foreign exchange gains on revaluation of concentrate are recognised in other income while foreign exchange losses on revaluation of concentrate are recognised in other expenses.

Levy income from housing assets is recognised on an accrual basis as it is invoiced every month and is classified as other income for the Group.

Profit on disposal or housing assets relates to the difference between the proceeds received and the carrying amount of the housing asset (refer Note 7.3).

	Group	
	2021 R (million)	2020 R (million)
24.1 Other income		
Impala royalty (Group resources mined by Impala Platinum Limited)	738.5	382.4
Fair value adjustment of the Nedbank equity-linked deposit	–	0.4
Levy and other income from housing assets	17.5	11.9
Realised and unrealised gains and losses on fair value of forward exchange contracts	64.2	61.5
Revaluation of concentrate sales – exchange rate differences	213.1	–
Net gain on fair value of cash held in money market accounts	4.1	3.4
Profit on disposal of housing assets	20.6	28.9
Other	4.3	5.9
Total other income	1 062.3	494.4
24.2 Other expenses		
Revaluation of concentrate sales – exchange rate differences	–	(230.9)
Net fair value loss on derivative held for trading	–	(70.5)
Total other expenses	–	(301.4)

25. NET FINANCE (COST)/INCOME

Interest income is recognised on a time-proportion basis, taking account of the principal outstanding and the effective interest rate over the period to maturity, when it is probable that such income will accrue to the Group.

The effective interest rate for the receivable from employees for housing assets is based on a market-related interest rate based on the average credit profile per band of employees.

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

Borrowing costs other than borrowing costs capitalised, are charged to interest expense. The effective interest rate for the interest payable on the PIC housing facility is based on a market-related interest rate based on the rate of the revolving credit facility available to the Group.

		Group	
		2021 R (million)	2020 R (million)
25.1	**Finance income consists of the following:**		
	Interest received on environmental trust deposits (refer to Note 6)	**7.1**	8.2
	Interest received on investments	**139.2**	60.7
	Interest received on employee housing loan receivable	**107.9**	82.8
	Dividend income on investments	**0.9**	3.0
	Total finance income	**255.1**	154.7
25.2	**Finance cost consists of the following:**		
	Interest expense — short-term borrowings	**(0.2)**	(1.2)
	Interest expense — lease liability	**(2.1)**	(2.6)
	Interest expense — RPM deferred consideration	**—**	(17.8)
	Interest expense — PIC	**(101.9)**	(98.5)
	Interest expense — convertible bond*	**(54.3)**	(156.6)
	Premium on buy-back of convertible bonds (refer to Note 16.2)	**(312.5)**	—
	Interest expense — deferred revenue (refer to Note 19)	**(186.0)**	(170.3)
	Interest expense — long-term borrowings	**(27.2)**	(131.9)
	Unwinding of discount on decommissioning and restoration provision (refer to Note 20)	**(10.5)**	(12.8)
	Less: Capitalisation of interest expense — convertible bond	**—**	26.4
	Less: Capitalisation of interest expense — interest-bearing borrowings	**—**	78.0
	Total finance cost	**(694.7)**	(487.3)
	Net finance cost	**(439.6)**	(332.6)

* *R42 million of the convertible bond interest was paid in 2021 (2020: R84.0 million)*

26. PROFIT BEFORE TAX

Short-term employee benefits

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

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 at the earlier of the following dates:

- When the Group can no longer withdraw the offer of those benefits
- When the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits

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 date are discounted to present value.

26. PROFIT BEFORE TAX continued

Defined contribution retirement plans

Employee benefit schemes are funded through payments to trustee-administered funds, determined by periodic actuarial calculations.

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

The Group operates or participates in defined contribution retirement plans for its employees. The pension plans are funded by payments from employees and by the relevant Group companies' trustee-administered funds, and contributions to these funds are expensed as incurred. The assets of the different plans are held by independently managed trust funds. The funds are governed by the South African Pension Funds Act of 1956.

Bonus provision

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

Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entities within the Group receive services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the equity instrument is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instrument granted:
- including any market performance conditions (for example, an entity's share price)
- including the impact of any non-vesting conditions (for example, the requirement for employees to save)
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, production targets and remaining an employee of the entity over a specified time period)

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

Critical accounting estimates and assumptions

Share-based payments

The Group has various share-based payment plans in place. All share-based payment schemes are treated as equity-settled and therefore valued on grant date.

Bonus Share Plan

The Group has established a Bonus Share Plan (BSP) for its executive directors and senior managers, which is linked to the employee's annual cash bonus. The Remuneration Committee of the Group is responsible for operating the BSP.

Following the announcement of the Group's annual results, employees participating in the BSP are awarded a number of bonus shares, which constitute a specified percentage of the employee's annual cash bonus (dependent on job category). Such bonus shares are held on the employee's behalf by an escrow agent for a period of three years after their award. These bonus shares will be forfeited should an employee leave before the three-year period.

Shares issued in terms of this scheme are accounted for as equity-settled share-based payments.

The grant date fair value is based on the closing price the day prior to the Remuneration Committee approval of the awards.

Forfeitable Share Plan

The Group has established a Forfeitable Share Plan (FSP) for its executive directors and senior managers. The FSP is linked to future performance of the Group as compared to its peers, utilising total shareholder return (TSR) as a measure of performance. The Remuneration Committee is responsible for managing the FSP.

Employees participating in the FSP are awarded a number of forfeitable shares, based on their level and responsibility. The Remuneration Committee decides the award policy, which is currently a multiple of total group package (TGP). The shares are held in escrow until they vest. The shares vest in equal tranches on the third, fourth and fifth anniversaries of award. The proportion of shares that vest is based on the Group's performance on the third anniversary. The employee has to stay in the employment of the Group for the period and the performance criteria have to be met for the shares to vest. On the vesting date, the employee receives shares. The forfeitable shares will be forfeited should an employee leave before the three-year period.

Shares issued in terms of this scheme are accounted for as equity-settled share-based payments.

The grant date fair value is based on the closing price the day prior to the Remuneration Committee approval of the awards.

2010 Share Option Plan

Certain directors and senior managers of the Group have been granted options to acquire shares. The options were granted upon commencement of employment at an initial price, which is linked to the J153 Platinum Index. The strike price of the options was adjusted on the listing of the holding company, RBPlat, in accordance with a specified formula and was linked to RBPlat's share price. Post RBPlat's listing, share options are granted at the RBPlat share price on date of grant. The fair value of options granted is determined using the binomial model. The volatility is measured based on the RBPlat share price. The share options vest from years three to five from when they were granted, in three equal tranches. The options expire five years after vesting.

26. PROFIT BEFORE TAX continued

Critical accounting estimates and assumptions continued

FSP – retention

The Group established an FSP – retention for its executive directors and senior managers in 2016. The FSP – retention is linked to future performance of the Group.

Employees participating in the FSP – retention are awarded a number of forfeitable shares, based on their level of responsibility. The Remuneration Committee decides the award policy, which is currently a multiple of TGP. The shares are held in escrow until they vest. The shares vest in one tranche on the third anniversary. The employee has to stay in the employment of the Group for the period and the performance criteria have to be met for the shares to vest. On the vesting date, the employees receive shares. The forfeitable shares – retention will be forfeited should an employee leave before the three-year period.

Shares issued in terms of this scheme are accounted for as equity-settled share-based payments.

The grant date fair value is based on the closing price the day prior to the Remuneration Committee approval of the awards.

2018 Share Appreciation Rights Plan

Executive directors and senior managers of the Group have been granted rights to acquire shares. The appreciation rights were granted on the day of commencement of employment at RBPlat. The strike price of the share appreciation rights is the RBPlat share price on the eve of commencement of employment. The fair value of rights granted is determined using the binomial model. The volatility is measured based on the RBPlat share price. The share appreciation rights vest from years three to five from when they were granted, in three equal tranches and they lapse on the 10th anniversary of award. The appreciation rights can be either cash or equity-settled at the option of the Company and are forfeitable for fault leavers. The Group's intention is to settle the appreciation rights in shares rather than cash and therefore, the transactions under this scheme are recognised as equity-settled share-based payments.

The value of the various share-based payment schemes was calculated using the following inputs:

Key inputs

	Bonus Share Plan						
	2021	2020	2019	2018	2017	2016	2015
Weighted average share price on grant date (R)	**86.30**	55.23	34.40	33.18	41.65	38.79	56.70
Vesting years	**2024**	2023	2022	2021	2020	2019	2018

	Forfeitable Share Plan						
	2021	2020	2019	2018	2017	2016	2015
Weighted average share price on grant date (R)	**86.30**	55.23	34.02	33.18	41.65	38.79	56.70
Vesting years	**2024 to 2026**	2023 to 2025	2022 to 2024	2021 to 2023	2020 to 2022	2019 to 2021	2019 to 2021

	Forfeitable Share Plan – retention						
	2021	2020	2019	2018	2017	2016	2015
Weighted average share price on grant date (R)	**–**	–	–	38.79	38.79	38.79	–
Vesting years	**–**	–	–	2021	2020	2019	–

	2018 Share Appreciation Rights Plan						
	2021	2020	2019	2018	2017	2016	2015
Weighted average share price on grant date (R)	**72.05**	55.23	34.82	28.41	–	–	–
Volatility (%)	**53.95 to 57.58**	44.54 to 56.01	38.82 to 45.94	35.19 to 41.73	–	–	–
Dividend yield	**–**	–	–	–	–	–	–
Risk-free interest rate (%)	**7.46 to 8.20**	7.50 to 8.72	8.25 to 8.67	8.41 to 8.79	–	–	–
Vesting years	**2024 to 2026**	2023 to 2025	2022 to 2024	2021 to 2023	–	–	–

	2010 Share option plan						
	2021	2020	2019	2018	2017	2016	2015
Weighted average option value on grant date (R)	**–**	–	–	–	17.33	19.69	20.91
Weighted average share price on grant date (R)	**–**	–	–	–	36.17	39.44	44.23
Weighted average exercise price (R)	**–**	–	–	–	36.17	39.44	44.23
Volatility (%)	**–**	–	–	–	34.26 to 34.51	30.76 to 34.25	26.54 to 28.55
Dividend yield	**–**	–	–	–	–	–	–
Risk-free interest rate (%)	**–**	–	–	–	7.76 to 7.98	8.13 to 9.79	6.58 to 7.81
Vesting years	**–**	–	–	–	2020 to 2022	2019 to 2021	2018 to 2020

The expected price volatility is (based on the historic volatility taking into account the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

26. PROFIT BEFORE TAX continued

	Forfeitable Share Plan – retention		Forfeitable Share Plan		2010 Share Option Plan		Bonus Share Plan		Share Appreciation Rights Plan	
	Number of shares	Weighted average award price R	Number of shares	Weighted average award price R	Number of shares	Weighted average award price R	Number of shares	Weighted average award price R	Number of shares	Weighted average award price R
2021										
Opening balance at 1 January	**1 052 464**	**38.79**	**3 662 797**	**31.00**	**2 555 079**	**48.62**	**2 317 247**	**32.04**	**8 657 406**	**31.81**
Granted	**–**	**–**	**1 111 711**	**86.30**	**–**	**–**	**1 216 595**	**86.30**	**326 367**	**72.05**
Forfeited	**–**	**–**	**(616 200)**	**37.04**	**(182 723)**	**61.25**	**(39 379)**	**47.06**	**(180 607)**	**16.35**
Exercised/vested	**(1 052 464)**	**38.79**	**(999)**	**86.93**	**(2 372 356)**	**47.65**	**(840 333)**	**31.86**	**(1 859 572)**	**27.70**
Closing balance at 31 December	**–**	**–**	**4 157 309**	**44.88**	**–**	**–**	**2 654 130**	**56.74**	**6 943 594**	**35.20**
2020										
Opening balance at 1 January	1 906 648	38.79	2 938 877	36.71	4 760 734	49.59	2 343 352	35.37	6 361 311	30.67
Granted	–	–	1 500 110	24.71	–	–	593 537	26.26	3 920 089	17.28
Forfeited	(68 000)	38.79	(626 608)	41.00	(1 308 794)	55.45	(221 024)	40.80	(1 178 505)	23.06
Exercised/vested	(786 184)	38.79	(149 582)	38.20	(896 861)	43.82	(398 618)	38.17	(445 489)	32.85
Closing balance at 31 December	1 052 464	38.79	3 662 797	31.00	2 555 079	48.62	2 317 247	32.04	8 657 406	31.81

26. PROFIT BEFORE TAX continued

	Group 2021 R (million)	2020 R (million)
Included in the profit before tax are the following items:		
On-mine costs:		
– Labour	3 032.1	2 668.1
– Utilities	642.3	504.4
– Contractor costs	1 292.3	1 100.2
– Movement in inventories	(48.9)	(183.1)
– Materials and other mining costs	2 682.2	2 152.1
Materials and other mining costs for RBR operations	2 866.5	2 240.4
Elimination of intergroup management fee	(184.3)	(88.3)
State royalty taxes	214.3	66.8
Depreciation — property, plant and equipment	1 154.6	1 115.8
Amortisation — mineral rights	156.6	149.5
Share-based payment expense	68.1	27.9
Social and Labour Plan expenditure	167.8	89.0
Covid-19-related costs	24.6	53.8
Plant readiness	18.5	3.0
Gold credits purchases	215.1	177.3
Other	17.7	23.9
Total cost of sales	9 637.3	7 948.7
Included in corporate office expenses:		
Advisory fees	27.4	24.8
Legal fees	17.2	4.4
Employee costs (including directors' remuneration)	105.6	96.9
Depreciation of RBP MS property, plant and equipment	0.8	1.1
Revolving credit facility and working capital facility commitment fees	30.8	22.9
Fees for guarantees	3.1	1.6
Share-based payment expense	25.1	22.1
Rent and maintenance for corporate office	3.3	3.4
Other	24.1	14.7
Total corporate office expenses	237.4	191.9
Included in housing project expenses:		
Legal fees	4.6	3.3
Property rates and taxes, and water and electricity	3.9	4.9
Security	10.0	7.3
Maintenance	13.6	10.6
Depreciation of RBRP property, plant and equipment	0.3	0.3
Amortisation of employee housing benefit and fair value adjustment to loan	(0.6)	(4.5)
Employee housing loan receivable write-off	11.9	–
Insurance expenditure	0.9	2.8
Salaries and wages	9.3	8.2
Expected credit loss*	0.3	–
Other	1.3	2.4
Total housing project expenses	55.5	35.3

* *In 2020, R3.8 million expected credit loss was included in Other*

26. PROFIT BEFORE TAX continued

	Group	
	2021 R (million)	2020 R (million)
Included in Maseve care and maintenance and other costs:		
Labour	**7.4**	14.5
Utilities	**0.3**	0.7
Contractor costs	**0.1**	1.2
Materials and other mining costs	**6.7**	21.9
Depreciation	**13.0**	24.7
Change in estimate of restoration provision taken to the statement of comprehensive income	**–**	(62.2)
Other	**0.2**	0.9
Total Maseve care and maintenance and other costs	**27.7**	1.7
Industry membership and market development	**42.5**	34.8
External audit fees for the Group		
External audit fees included in profit before tax:		
External audit fees		
– Fees for audit	**5.2**	7.4
– Other services	**–**	0.4
Total external audit fees	**5.2**	7.8

Critical accounting estimates and assumptions

Significant judgement is required in determining the provision for state royalties included in the cost of sales. This includes transactions and calculations for which the ultimate mining royalties determination is uncertain during the ordinary course of business. Where the final outcome is different from the amounts initially recorded, such differences will impact the mining royalties, income tax and deferred tax provision in the period in which such determinations are made.

27. INCOME TAX EXPENSE

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the statement of financial position date, and any adjustment of tax payable for previous years.

Critical accounting estimates and assumptions

Significant judgement 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. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the period in which such determinations are made.

	Group	
	2021 R (million)	2020 R (million)
Income tax expense		
Income tax expense	**(188.0)**	(81.3)
Current year	**(188.0)**	(81.3)
Prior year	**–**	–
Deferred tax expense	**(353.1)**	(1 413.0)
Current year	**(437.3)**	(1 400.2)
Prior year	**84.2**	(12.8)
Total income tax expense	**(541.1)**	(1 494.3)
Tax rate reconciliation:		
Profit before tax	**7 051.0**	5 023.3
Tax expense calculated at a tax rate of 28% (2020: 28%)	**(1 974.3)**	(1 406.5)
Non-taxable income – deferred revenue	**–**	24.7
Non-taxable income – dividends	**0.3**	0.8
Non-taxable income – other	**0.6**	0.2
Non-deductible – reversal of derivative gain	**–**	(19.7)
Non-deductible expenses – legal and advisory fees	**(6.1)**	(1.1)
Non-deductible expenses – interest on gold streaming	**–**	(47.7)
Non-deductible expenses – other	**(6.3)**	(7.2)
Non-deductible expenses – buy back of convertible bonds	**(10.5)**	–
S44 unredeemed capex – Maseve*	**1 517.9**	–
S44 Maseve provision for rehabilitation	**7.1**	–
S24J premium on conversion of convertible bonds	**384.2**	–
Share Appreciation Rights	**19.8**	–
Tax losses not recognised	**(460.4)**	(25.0)
Prior year adjustments	**(13.4)**	(12.8)
Total	**(541.1)**	(1 494.3)
Effective tax rate (%)	**7.7**	29.7

* *During the period, a Group reorganisation and amalgamation process was concluded between Maseve and RBR resulting in the recognition of the unredeemed capital expenditure relating to Maseve. This increase in the unredeemed capital expenditure for the Group has been substantially utilised during the period and accordingly offsets the increased taxable profit relating to RBR.*

An unredeemed capital allowance of R1 366.8 million (2020: R2 030.9 million) is carried forward to 2022.

On 24 February 2021, the South African Minister of Finance announced a change in the companies tax rate from 28% to 27% for companies for years of assessment commencing on or after 1 April 2022. The Minister confirmed this rate change on 23 February 2022. The rate change will affect the deferred tax for the year ending 31 December 2022 and the income tax for the year ending 31 December 2023. The impact of the 1% decrease will be a reduction of R197.6 million to the deferred tax balance recognised as at 31 December 2021.

As part of the corporate income tax restructuring process announced by the Minister above, certain measures are being put in place to broaden the tax base. These amendments will also be effective for years of assessment commencing on or after 1 April 2022. One such measure is to limit the assessed losses that are set off against taxable income to 80% of the taxable income. The Minister further proposed that certain anomalies between this new assessed loss restriction provision in terms of section 20 of the Income Tax Act and the redemption of capital expenditure in terms of section 36 of the Income Tax Act be clarified. The above amendment will impact the period over which existing assessed losses in the Group will be recovered and the further clarifications may impact the period over which the redemption of capital expenditure may be utilised.

28. CASH GENERATED BY OPERATIONS

	Group	
	2021 R (million)	2020 R (million)
Cash generated by operations is calculated as follows:		
Profit before tax	7 051.0	5 023.3
Adjusted for:		
Depreciation of property, plant and equipment	1 168.7	1 141.9
Depreciation of right-of-use assets	15.5	14.1
IFRS 16 modification gain/(loss)	–	(1.5)
Amortisation of mineral rights	156.6	149.5
Amortisation of employee housing benefit and fair value adjustment to loan	(0.5)	(4.5)
Amortisation of debt funding fees	9.3	7.9
Impairment of housing assets	–	4.1
Employee housing loan receivable write-off	11.9	–
Expected credit loss	0.3	–
Unwinding of deferred revenue	(188.7)	(137.1)
Share-based payment expense	93.2	50.0
Change in estimate of restoration provision taken to the statement of comprehensive income	(10.9)	(91.1)
Fair value adjustment — derivative gain	–	70.5
Fair value adjustment — housing insurance investment	(8.3)	(5.2)
Fair value adjustment — environmental guarantee investments	1.7	(4.9)
Equity-linked return on BRPM environmental trust deposits	–	(0.4)
Deferred rental income — RBRP	(0.2)	(0.4)
Profit on sale of property, plant and equipment and other assets	(1.2)	0.8
Fair value adjustment on employee housing loan receivable	(1.2)	–
Premium on redemption of convertible bond	312.5	–
Finance cost	382.2	487.3
Finance income	(255.1)	(154.7)
	8 736.8	6 549.6
Changes in working capital	137.1	(2 766.4)
Increase in inventories	(74.0)	(294.4)
Increase in trade and other receivables	120.7	(2 782.1)
Increase in trade and other payables	90.4	310.1
Cash generated by operations	8 873.9	3 783.2

29. RELATED PARTY TRANSACTIONS

During the second half of 2021, RBPlat's then largest shareholder, Royal Bafokeng Holdings Proprietary Limited (RBH) sold its 32.8% stake in RBPlat to Northam Platinum Limited (Northam). Impala Platinum Holdings Limited (Implats) acquired 35.31% stake in RBPlat from the market. Following these and other market transactions, RBPlat's two largest shareholders are Northam and Implats (both incorporated in South Africa), which own 34.68% and 35.31%, respectively 30.01% is widely held and includes shares held by employees and RBPlat share schemes.

Investments in subsidiaries and the degree of control exercised by RBPlat are shown below:

	Interest in capital	
	2021 %	2020 %
Related parties		
Direct investment		
Royal Bafokeng Platinum Management Services Proprietary Limited (RBP MS)	100	100
Royal Bafokeng Resources Proprietary Limited (RBR)	100	100
Indirect investment via RBR		
Bafokeng Rasimone Management Services Proprietary Limited (BRMS)	100	100
Royal Bafokeng Resources Properties (RF) Proprietary Limited (RBRP)	100	100
Bafokeng Rasimone Platinum Environmental Rehabilitation Trust	100	100

29. RELATED PARTY TRANSACTIONS continued

RBR operations received royalty income from Implats (as detailed in Note 24).

The following transactions were carried out with related parties:

	Group	
	2021 R (million)	2020 R (million)
Group balances at 31 December		
Amount owing by Implats for the fourth quarter royalty income (refer to Note 10)	142.4	122.8
Transactions with Implats		
Royalty income (refer to Note 24)	738.5	382.4
Transactions with fellow subsidiary of RBH		
Royal Marang Hotel for accommodation and conferences	0.1	0.4

Directors, other executives and prescribed officers' remuneration

Details relating to key management remuneration (prescribed officers), share options and shareholdings in the Company are disclosed in Note 30.

30. REMUNERATION

30.1 Directors, other executives and prescribed officers' remuneration

Directors' remuneration and related payments

	Date appointed	Directors' fees R	Basic salary R	Retire-ment benefits R	Other benefits R	Discre-tionary perfor-mance bonuses R	Retention bonus R	Total R
2021								
Executive directors								
Steve Phiri	1 Apr '10	–	5 255 749	1 187 992	156 216	4 940 329	–	11 540 286
Hanré Rossouw	1 Oct '18	–	4 358 656	267 563	151 690	3 590 864	4 100 000	12 468 773
Non-executive directors*								
Mark Moffett	22 Sep '14	989 972	–	–	–	–	–	989 972
Thoko Mokgosi-Mwantembe	5 Nov '14	739 074	–	–	–	–	–	739 074
Kgomotso Moroka**	1 Jun '10	389 384	–	–	–	–	–	389 384
Obakeng Phetwe	28 Feb '18	1 358 408	–	–	–	–	–	1 358 408
Mike Rogers	7 Dec '09	894 235	–	–	–	–	–	894 235
Louisa Stephens	22 Sep '14	823 103	–	–	–	–	–	823 103
Peter Ledger	28 Feb '18	783 705	–	–	–	–	–	783 705
Zanele Matlala	24 Sep '18	565 498	–	–	–	–	–	565 498
Udo Lucht***	1 Sep '19	339 185	–	–	–	–	–	339 185
Total		6 882 564	9 614 405	1 455 555	307 906	8 531 193	4 100 000	30 891 623

* *Non-executive director fees are paid on a quarterly basis and their fees accrued for the year were approved at the annual general meeting held on 9 April 2021*
** *Retired 9 April 2021*
*** *Resigned 24 November 2021*

30. REMUNERATION continued

30.1 Directors, other executives and prescribed officers' remuneration continued

Directors' remuneration and related payments continued

	Date appointed	Directors' fees R	Basic salary R	Retirement benefits R	Other benefits R	Discretionary performance bonuses R	Retention bonus R	Total R
2020								
Executive directors								
Steve Phiri	1 Apr '10	–	4 871 566	1 131 421	306 816	2 723 143	–	9 032 946
Hanré Rossouw	1 Oct '18	–	4 068 333	254 822	132 404	1 935 685	4 100 000	10 491 244
Non-executive directors*								
Mark Moffett	22 Sep '14	494 430	–	–	–	–	–	494 430
Thoko Mokgosi-Mwantembe	5 Nov '14	653 921	–	–	–	–	–	653 921
Kgomotso Moroka	1 Jun '10	1 557 534	–	–	–	–	–	1 557 534
Obakeng Phetwe	28 Feb '18	480 673	–	–	–	–	–	480 673
Mike Rogers	7 Dec '09	730 049	–	–	–	–	–	730 049
Louisa Stephens	22 Sep '14	753 004	–	–	–	–	–	753 004
Peter Ledger	28 Feb '18	668 106	–	–	–	–	–	668 106
Zanele Matlala	24 Sep '18	494 430	–	–	–	–	–	494 430
Udo Lucht	1 Sep '19	361 441	–	–	–	–	–	361 441
Gordon Smith**	2 Jan '19	147 953	–	–	–	–	–	147 953
Avischen Moodley**	2 Jan '19	147 953	–	–	–	–	–	147 953
Total		6 489 494	8 939 899	1 386 243	439 220	4 658 828	4 100 000	26 013 684

** Non-executive director fees are paid on a quarterly basis and their fees accrued for the year were approved at the annual general meeting held on 28 May 2020*
*** Resigned 28 May 2020*

Other executives and prescribed officers' remuneration and payments

	Date appointed	Basic salary R	Retirement benefits R	Other benefits R	Discretionary performance bonuses R	Termination benefits R	Total R
2021							
Other executives and prescribed officers							
Neil Carr	1 Dec '10	3 606 785	785 068	226 193	3 456 790	–	8 074 836
Vicky Tlhabanelo	1 Apr '10	2 784 788	629 389	82 429	2 606 804	–	6 103 410
Lindiwe Montshiwagae	1 Jun '10	2 415 001	293 374	225 364	2 187 172	–	5 120 911
Lester Jooste	7 Jul '10	2 029 675	190 759	164 059	1 309 252	–	3 693 745
Total		10 836 249	1 898 590	698 045	9 560 018	–	22 992 902

30. REMUNERATION continued

30.1 Directors, other executives and prescribed officers' remuneration continued

Other executives and prescribed officers' remuneration and payments continued

	Date appointed	Basic salary R	Retire-ment benefits R	Other benefits R	Discre-tionary perfor-mance bonuses R	Termination benefits R	Total R
2020							
Other executives and prescribed officers							
Neil Carr	1 Dec '10	3 354 854	747 684	207 750	1 869 243	–	6 179 531
Reginald Haman*	1 Oct '12	1 002 348	98 702	229 397	1 474 678	383 474	3 188 599
Vicky Tlhabanelo	1 Apr '10	2 599 646	599 418	70 122	1 377 123	–	4 646 309
Lindiwe Montshiwagae	1 Jun '10	2 251 490	404 842	213 749	1 045 317	–	3 915 398
Lester Jooste	7 Jul '10	1 927 648	179 962	149 185	1 136 046	–	3 392 841
Total		11 135 986	2 030 608	870 203	6 902 407	383 474	21 322 678

* *Resigned 30 April 2020*

The vesting dates of each share-based payment plan as applicable to the directors, other executives and prescribed officers' are provided in the tables which follows. In relation to the SARS, FSPs, retention FSPs and BSPs (RBPlat share plans), if the Implats Mandatory Offer is implemented and there is a change of control as defined (i.e. if the Offeror acquires 50% or more of the RBPlat Shares, and, as a result of the implementation of the Mandatory Offer the Company will be delisted and/or there is a termination of the plan), this will trigger partial accelerated vesting of the awards under these RBPlat Share Plans. The Remuneration and Nominations Committee has resolved that in the event of such a change of control resulting in a delisting, accelerated vesting will be permitted based on the attainment of relevant performance conditions, and vesting of awards under the RBPlat share plans will be pro-rated with reference to the proportion of the performance period that has been served by the relevant RBPlat directors and prescribed officers up to the Closing Date. However, it should be noted that upon a mutually agreed termination of employment with an executive on a change of control of the Company, that executive will receive a full vesting of all outstanding awards, and in addition will be paid one year's guaranteed remuneration.

30.1.1 Share appreciation rights awarded

	Share appre-ciation rights awarded	Award date	Strike price R	Award value R	Vesting dates	Vested to date %	Share appre-ciation rights exercised	Balance of appre-ciation rights
AS AT 31 DECEMBER 2021								
Executive and non-executive directors								
Hanré Rossouw	**800 469**	**1 Oct '18**	**25.61**	**20 500 000**	**1 Oct '21, '22, '23**	**33.3**	**266 823**	**533 646**

30. REMUNERATION continued

30.1 Directors, other executives and prescribed officers' remuneration continued

30.1.2 Forfeitable and bonus shares awarded to directors, other executives and prescribed officers

	Forfei-table share plan retention	Forfei-table share plan	Bonus share plan	Award date	Issue price R	Award value R	Vesting dates	Vesting amount %
AS AT 31 DECEMBER 2021								
Executive and non-executive directors								
Steve Phiri			69 398	1 Apr '18	33.18	2 302 626	1 Apr '21	100
			61 430	1 Apr '19	34.02	2 089 849	1 Apr '22	100
			24 653	1 Apr '20	55.23	1 361 585	1 Apr '23	100
			28 623	1 Apr '21	86.30	2 470 165	1 Apr '24	100
		162 435		1 Apr '16	38.79	6 300 854	1 Apr '19, '20, '21	33.3*
		165 984		1 Apr '17	41.65	6 913 234	1 Apr '20, '21, '22	33.3*
		221 899		1 Apr '18	33.18	7 362 594	1 Apr '21, '22, '23	33.3*
		150 744		1 Apr '19	34.02	5 128 311	1 Apr '22, '23, '24	33.3*
		292 489		1 Apr '20	55.23	16 154 167	1 Apr '23, '24, '25	33.3*
		196 546		1 Apr '21	86.30	16 961 920	1 Apr '24, '25, '26	33.3*
	183 119			1 Apr '18	38.79	7 103 186	1 Apr '21	100
Hanré Rossouw			10 336	1 Apr '19	34.02	351 631	1 Apr '22	100
			17 524	1 Apr '20	55.23	967 851	1 Apr '23	100
			20 805	1 Apr '21	86.30	1 795 472	1 Apr '24	100
		109 128		1 Apr '19	34.02	3 712 535	1 Apr '22, '23, '24	33.3*
		211 742		1 Apr '20	55.23	11 694 511	1 Apr '23, '24, '25	33.3*
		142 286		1 Apr '21	86.30	12 279 196	1 Apr '24, '25, '26	33.3*

** 33.3% over a period of three years*

30. REMUNERATION continued

30.1 Directors, other executives and prescribed officers' remuneration continued

30.1.2 Forfeitable and bonus shares awarded to directors, other executives and prescribed officers continued

	Forfei-table share plan retention	Forfei-table share plan	Bonus share plan	Award date	Issue price R	Award value R	Vesting dates	Vesting amount %
AS AT 31 DECEMBER 2021								
Other executives and prescribed officers								
Vicky Tlhabanelo			34 082	1 Apr '18	33.18	1 130 853	1 Apr '21	100
			30 645	1 Apr '19	34.02	1 042 543	1 Apr '22	100
			12 467	1 Apr '20	55.23	688 552	1 Apr '23	100
			15 103	1 Apr '21	86.30	1 303 475	1 Apr '24	100
		50 551		1 Apr '16	38.79	1 960 873	1 Apr '19, '20, '21	33.3*
		51 656		1 Apr '17	41.65	2 151 445	1 Apr '20, '21, '22	33.3*
		69 057		1 Apr '18	33.18	2 291 289	1 Apr '21, '22, '23	33.3*
		53 689		1 Apr '19	34.02	1 826 500	1 Apr '22, '23, '24	33.3*
		109 134		1 Apr '20	55.23	6 027 471	1 Apr '23, '24, '25	33.3*
		73 336		1 Apr '21	86.30	6 328 897	1 Apr '24, '25, '26	33.3*
	46 303			1 Apr '18	38.79	1 796 093	1 Apr '21	100
Neil Carr			45 847	1 Apr '18	33.18	1 521 201	1 Apr '21	100
			40 657	1 Apr '19	34.02	1 383 151	1 Apr '22	100
			16 922	1 Apr '20	55.23	934 602	1 Apr '23	100
			20 028	1 Apr '21	86.30	1 728 416	1 Apr '24	100
		85 000		1 Apr '16	38.79	3 297 150	1 Apr '19, '20, '21	33.3*
		86 858		1 Apr '17	41.65	3 617 600	1 Apr '20, '21, '22	33.3*
		116 117		1 Apr '18	33.18	3 852 744	1 Apr '21, '22, '23	33.3*
		87 783		1 Apr '19	34.02	2 986 378	1 Apr '22, '23, '24	33.3*
		175 193		1 Apr '20	55.23	9 675 909	1 Apr '23, '24, '25	33.3*
		117 726		1 Apr '21	86.30	10 159 754	1 Apr '24, '25, '26	33.3*
	103 809			1 Apr '18	38.79	4 026 751	1 Apr '21	100

* *33.3% over a period of three years*

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AND RELATED ACCOUNTING POLICIES CONTINUED

for the year ended 31 December 2021

30. REMUNERATION continued

30.1 Directors, other executives and prescribed officers' remuneration continued

30.1.2 Forfeitable and bonus shares awarded to directors, other executives and prescribed officers continued

	Forfeitable share plan retention	Forfeitable share plan	Bonus share plan	Award date	Issue price R	Award value R	Vesting dates	Vesting amount %
AS AT 31 DECEMBER 2021								
Other executives and prescribed officers								
Lindiwe Montshiwagae			26 957	1 Apr '18	33.18	894 938	1 Apr '21	100
			23 472	1 Apr '19	34.02	798 517	1 Apr '22	100
			9 463	1 Apr '20	55.23	522 641	1 Apr '23	100
			12 672	1 Apr '21	86.30	1 093 594	1 Apr '24	100
			37 844	1 Apr '17	41.65	1 576 203	1 Apr '20, '21, '22	33.3*
			54 387	1 Apr '18	33.18	1 804 561	1 Apr '21, '22, '23	33.3*
		42 284		1 Apr '19	34.02	1 438 502	1 Apr '22, '23, '24	33.3*
		91 566		1 Apr '20	55.23	5 057 190	1 Apr '23, '24, '25	33.3*
		61 531		1 Apr '21	86.30	5 310 125	1 Apr '24, '25, '26	33.3*
	27 626			1 Apr '18	38.79	1 071 613	1 Apr '21	100
Lester Jooste (Company Secretary)			34 041	1 Apr '18	33.18	1 129 492	1 Apr '21	100
			27 856	1 Apr '19	34.02	947 661	1 Apr '22	100
			20 569	1 Apr '20	55.23	1 136 026	1 Apr '23	100
			15 171	1 Apr '21	86.30	1 309 257	1 Apr '24	100
		50 011		1 Apr '21	86.30	4 315 949	1 Apr '24, '25, '26	33.3*

** 33.3% over a period of three years*

30. REMUNERATION continued

30.2 Group Incentive Share Scheme

Total Group incentive share scheme shares issued to date

	Opening balance	Closing balance	Deemed strike price R	Issue dates	Vested/ exercised and forfeited	Vesting dates	Vesting %
Share options issued to date	5 031 262	6 588 055	*	*	6 588 055*	*	33.3 over three years
Share appreciation rights issued to date	11 448 842	11 775 209	#	#	4 831 615#	#	33.3 over three years
Bonus scheme shares							
2016 allocation – FSP	5 309 820	5 952 177	38.79	1 Apr '16	642 357	1 Apr '19, '20, '21	33.3 over three years
2017 awards – FSP	5 952 177	6 795 718	41.65	1 Apr '17	562 361	1 Apr '20, '21, '22	33.3 over three years
2018 awards – BSP	6 795 718	7 880 017	33.18	1 Apr '18	1 064 299	1 Apr '21	100
2018 awards – FSP	7 880 017	8 928 127	33.18	1 Apr '18	484 278	1 Apr '21, '22, '23	33.3 over three years
2018 awards – FSP – retention	8 928 127	9 971 389	33.79	1 Apr '18	1 043 262	1 Apr '21	100
2019 awards – BSP	9 971 389	10 994 135	38.79	1 Apr '19	191 950	1 Apr '22	100
2019 awards – FSP	10 994 135	11 891 583	34.02	1 Apr '19	107 887	1 Apr '22, '23, '24	33.3 over three years
2020 awards – BSP	11 891 583	12 485 120	26.37	1 Apr '20	14 089	1 Apr '23	100
2020 awards – FSP	12 485 120	13 985 230	24.71	1 Apr '20	–	1 Apr '22, '23, '24	33.3 over three years
2021 awards – BSP	13 985 230	15 201 825	86.30	1 Apr '21	11 937	1 Apr '24	100
2021 awards – FSP	15 201 825	16 313 536	86.30	1 Apr '21	–	1 Apr '24, '25, '26	33.3 over three years

* *Share options were issued to eligible employees at the date of joining the Company at the applicable market-related share price and therefore range from R23.00 to R74.39 from January 2009 to December 2017. The options vest at a rate of one-third after the third, fourth and fifth anniversary dates*

\# *Share appreciation rights are issued to eligible employees at the date of joining the Company at the applicable market-related share price and therefore range from R19.92 to R106.44 from January 2016 to December 2021. The rights vest at a rate of one-third after the third, fourth and fifth anniversary dates*

31. DIVIDENDS

Dividends payable

Dividends are recognised in the period in which the dividends are declared. These dividends are recorded and disclosed as dividends paid in the statement of changes in equity and classified as cash flow from operating activities in the statement of cash flows. Dividends proposed or declared subsequent to the date of the statement of financial position are not recognised, but are disclosed in the notes to the consolidated and separate financial statements.

2020 Final dividend declared

A final gross cash dividend of 575.0 cents per share was declared by the Board on 9 March 2021 from profits accrued during the financial year ended 31 December 2020. The total cash dividend declared amounted to 575.0 cents per share. The dividend was paid on 6 April 2021 to shareholders who were on the register on 1 April 2021. This final dividend paid to shareholders amounted to R1 523.9 million.

The final dividend declared was subject to a dividend withholding tax of 20% for all shareholders who were not exempt from or did not qualify for a reduced rate of dividend withholding tax. The net local dividend paid to shareholders, subject to dividend withholding tax at a rate of 20% amounted to 460.0 cents per share. The number of ordinary shares in issue at the date of this declaration was 258 792 016.

2021 Interim dividend declared

An interim cash dividend of 535.0 cents per share was declared by the Board on 3 August 2021 from profits accrued during the interim period ended 30 June 2021. The total cash dividend for the period amounted to 535.0 cents per share. The dividend was payable on 30 August 2021 to shareholders who were on the register on 27 August 2021. This interim dividend, amounting to R1 546.2 million, has been recognised in shareholders' equity in 2021.

	Group	
	2021 Cents	2020 Cents
2020 Final dividend	**575.0**	–
2021 Interim dividend	**535.0**	–
	1 110.0	
	R (million)	R (million)
2020 Final dividend	**1 523.9**	–
2021 Interim dividend	**1 546.2**	–
	3 070.1	–

Subsequent to year-end, a final gross dividend of 535.0 cents per share (2020: 575.0 cents per share) was declared. Refer to Note 36.

32. FINANCIAL RISK MANAGEMENT

32.1 Financial risk factors

The Group's activities expose it to a variety of strategic and financial risks, including market risk (which covers foreign exchange risk, equity price risk, fair value interest rate risk, cash flow interest rate risk and commodity price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the broader business environment, especially the unpredictability of the financial markets, and seeks to minimise potential adverse effects of such risks on the Group's financial performance.

Risk management is carried out in terms of the enterprise risk framework and related policies approved by the Audit and Risk Committee and the Board, which set the overall risk appetite and related financial risk tolerances. The Audit and Risk Committee and the Board provide principles for risk management, as well as policies and guidelines covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Categories of financial instruments

		Group			
		Carrying amount		Fair values	
	Notes	2021 R (million)	2020 R (million)	2021 R (million)	2020 R (million)
Financial assets at fair value					
Environmental guarantee investments	6	104.6	84.5	104.6	84.5
Housing insurance investment	8	57.4	49.1	57.4	49.1
Trade receivables	10	5 192.8	5 423.3	5 192.8	5 423.3
Financial assets at amortised cost					
Environmental trust deposits	6	176.4	169.3	176.4	169.3
Employee housing loan receivable	7.1	917.7	853.9	917.7	853.9
Other receivables (excluding prepaid expenses and VAT)	10	258.0	256.0	258.0	256.0
Cash and cash equivalents	12	4 898.4	2 243.2	4 898.4	2 243.2
Total financial assets		11 605.3	9 079.3	11 605.3	9 079.3
Financial liabilities at amortised cost					
Convertible bond liability	16	–	1 122.1	–	1 122.1
PIC housing facility	17	1 535.5	1 558.0	1 535.5	1 558.0
Trade and other payables (excluding VAT)	22	1 170.6	1 153.3	1 170.6	1 153.3
Interest-bearing borrowings	18	–	600.0	–	600.0
Lease liability	5	35.6	17.4	35.6	17.4
Total financial liabilities		2 741.7	4 450.8	2 741.7	4 450.8

32. FINANCIAL RISK MANAGEMENT continued

32.1 Financial risk factors continued

32.1.1 Market risk

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, as concentrate revenue is impacted by the US$/ZAR exchange rate. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group's functional currency.

RBR entered into a DOCA with RPM in terms of which concentrate of the PGMs produced by RBR operations will be treated by RPM.

In terms of the DOCA, the US$/ZAR exchange rate used in the calculation of the concentrate payment is based on the average prices for the third month following the month of delivery. Payment is due on the last day of the fourth month following the month of delivery. The Group uses forward exchange contracts to hedge the currency risk related to the receivable from RPM for the disposal of concentrate. No FEC contracts were open at year end.

The subsequent remeasurement and settlement of the receivable results in foreign exchange gain or loss recognised in other income or other expenses in the statement of comprehensive income.

Sensitivity analysis

The foreign exchange risk sensitivity analysis presents the effect of a 10% change in the year-end exchange rate on financial instruments in the statement of financial position. The table below indicates the impact of such a change on the statement of comprehensive income and therefore equity.

		Group			
		Statement of financial position		Statement of comprehensive income	
	Notes	2021 R (million)	2020 R (million)	2021 R (million)	2020 R (million)
Financial assets					
Trade and other receivables still subject to price fluctuations*	10	3 690.1	3 846.1	±369.0	±384.6
Trade and other receivables not subject to price fluctuations**	10	1 502.7	1 577.2	±150.3	±157.7
Total financial assets		5 192.8	5 423.3	±519.3	±542.3

** US$232.7 million at an exchange rate of R15.8606 (2020: US$258 million at an exchange rate of R14.8753)*
*** US$82.4 million (excluding VAT) at an exchange rate of R15.8606 (2020: US$92.4 million (excluding VAT) at an exchange rate of R14.8753)*

Trade receivables still subject to price fluctuations refer to deliveries for which prices will be fixed in the third month following month of delivery (refer to Note 23).

Trade receivables not subject to price fluctuations refer to deliveries for which prices have been fixed and payment is due on the last day of the fourth month following the month of delivery.

Commodity price risk

Commodity price risk refers to the risk of changes in fair value or cash flows of financial instruments as a result of changes in commodity prices. It is specifically applicable to the concentrate debtor with RPM.

In terms of the concentrate agreement between RBR and RPM, the commodity prices used in the calculation of the concentrate payment are based on the average prices for the third month following the month of delivery, leaving the Group exposed to the commodity price fluctuations until the price is fixed in the third month following the month of delivery. Payment is due on the last day of the fourth month following the month of delivery.

The subsequent remeasurement of the receivable every month following the month of delivery, until the price is fixed in the third month, is recognised in other revenue.

32. FINANCIAL RISK MANAGEMENT continued

32.1 Financial risk factors continued

32.1.1 Market risk continued

Commodity price risk continued

Sensitivity analysis

Commodity price risk sensitivity analysis presents the effect of a 10% change in the year-end commodity price on financial instruments in the statement of financial position and statement of comprehensive income.

		Group			
		Statement of financial position		Statement of comprehensive income	
	Notes	**2021 R (million)**	2020 R (million)	**2021 R (million)**	2020 R (million)
Financial assets					
Trade receivables still subject to price fluctuations	10	**3 690.1**	3 846.1	**±369.0**	±384.6
Trade receivables not subject to price fluctuations	10	**1 502.7**	1 577.2	**–**	–
Total		**5 192.8**	5 423.3	**±369.0**	±384.6

Cash flow and fair value interest rate risk

The Group is exposed to cash flow interest rate risk in respect of its floating rate financial assets and liabilities. The Group monitors its exposure to fluctuating interest rates. Cash and cash equivalents are primarily invested with short-term maturity dates, which exposes the Group to cash flow interest rate risk. The Group does not have any fixed rate financial instruments which could expose it to fair value interest rate risk.

Sensitivity analysis

Interest rate risk sensitivity analysis presents the effect of 100 basis points up or down in the interest rate in the financial instruments in the statement of financial position and statement of comprehensive income.

		Group			
		Statement of financial position		Statement of comprehensive income	
	Notes	**2021 R (million)**	2020 R (million)	**2021 R (million)**	2020 R (million)
Financial assets					
Environmental trust deposits	6	**176.4**	169.3	**±1.8**	±1.7
Employee housing loan receivable	7.1	**917.7**	853.9	**±9.2**	±8.5
Cash and cash equivalents	12	**4 898.4**	2 243.2	**±49.0**	±22.3
Total financial assets		**5 992.5**	3 266.4	**±60.0**	±32.7
Financial liabilities					
PIC housing facility	17	**1 535.5**	1 558.0	**±15.4**	±15.6
Interest-bearing borrowings	18	**–**	600.0	**–**	±6
Lease liabilities	5	**35.6**	17.4	**±0.4**	±0.2
Total financial liabilities		**1 571.1**	2 175.4	**±15.8**	±21.8

32. FINANCIAL RISK MANAGEMENT continued

32.1 Financial risk factors continued

32.1.2 Credit risk

Credit risk arises from the risk that the financial asset counterparty may default or not meet its obligations timeously. The maximum exposure to the credit risk is represented by the carrying amount of all the financial assets. The potential concentration of credit risk could arise in cash and cash equivalents, trade receivables, the employee housing loan receivable and other financial assets and financial guarantees. Refer to Note 21 for financial guarantees.

The Group's trade receivable credit risk is limited to one customer, as all metals in concentrate are sold to RPM. RPM has never defaulted on meeting its obligations and the balance of the receivables is managed in line with the contractual terms. The fair value of the trade receivables at year-end was R5 192.8 million (2020: R5 423.3 million) (refer to Note 10). The credit risk relates to overall risk of the Anglo American Platinum group, the world's largest platinum producer. Since the trade receivables are measured at fair value through profit or loss, credit risk is reflected in the determination of fair value.

Cash and cash equivalent's credit risk is limited to the top five banks in South Africa being Absa, Standard Bank, FNB, Nedbank and Investec.

In addition to bank investments, RBPlat may invest in collective investment schemes, for example, money market investments where the capital is guaranteed and investment is likely to outperform the bank deposit yield. The following criteria are applicable:
- The fund must allow withdrawal of money invested at any time
- RBPlat's investment may not exceed 20% of the total fund size
- The fund must have a minimum Fitch rating of A
- The fund must have a minimum Fitch rating of BBB- for individual assets held in the fund

The limits per bank are applied on a see-through basis, taking account of direct investments and indirect investments held via money market fund investments. The balance of the investment in any particular bank or money market fund may not exceed 30% of total funds invested.

With regard to the employee housing loan receivable, the Group is exposed to the credit risk of employees, as houses are sold to employees on credit. The carrying value of the receivable at year-end is R917.7 million (2020: R853.9 million).

Financial assets measured at amortised cost are subject to the expected credit loss model and include the following:
- Environmental trust deposits (refer to Note 6)
- Employee housing loan receivables (refer to Note 7.1)
- Other receivables (excluding prepaid expenses and VAT) (refer to Note 10)
- Cash and cash equivalents (refer to Note 12)

For all financial assets other than employee housing loan receivable, the general expected credit loss model is used. This means that the probability of default occurring in the next 12 months is considered, together with the loss which may arise from such events of default, unless there has been a significant increase in credit risk. Financial assets at amortised cost are stated net of the loss allowance in the statement of financial position. Such financial assets are written off when there is no reasonable expectation of recovery.

Expected credit losses for all financial assets at amortised cost, other than employee housing loan receivable, were assessed to be immaterial. Expected loss rates on employee housing loan receivables are based on historical loss rates adjusted to reflect current and forward-looking information on macroeconomic and other factors, such as employment prospects and financial health of individual employees affecting the ability of employees to repay their loans. The expected losses reflect the security held by the Group, which includes the houses sold to the employees and insurance policies which pay out upon death, disability or retrenchment of the employee. For 2021, the expected credit losses on the employee housing loan receivables amounted to R0.3 million (2020: R2.9 million).

Expected credit losses on employee housing loan receivable

Key assumptions and definitions

The expected credit losses represent management's estimate of the credit losses expected on the employee housing loan receivable at the reporting date.

In calculating the expected credit loss, employee housing loan receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of employee housing receivable balances outstanding up to 31 December 2021 and the corresponding historical credit losses experienced on these balances. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the employees to settle the receivables. The Group has identified the continued employment of the employees by RBR to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes on this factor.

32. FINANCIAL RISK MANAGEMENT continued

32.1 Financial risk factors continued

32.1.2 Credit risk continued

Expected credit losses on employee housing loan receivable continued

Since 2020, consideration has been given to the impact of Covid-19 on the recoverability of employee housing loan receivable. This recoverability is impacted by the continuity of the employee's employment by RBR. As a result, the Group considered the ability of RBR to continue as a going concern and therefore RBR's ability to continue employing its current employees. After considering the forecasts and available cash resources and facilities, the Group concluded that RBR will be able to continue as a going concern into the foreseeable future, and it was therefore concluded that Covid-19 did not increase the risk of recoverability of the employee housing receivable.

The Group uses the following stages which reflect its credit risk in determining the expected credit losses:
- Stage 1 includes employee housing loan receivables that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For such loans, expected credit losses are recognised and finance income is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance)
- Stage 2 includes employee housing loan receivables that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that are not credit impaired. For these assets, lifetime expected credit losses are recognised, but finance income is still calculated on the gross carrying amount of the asset
- Stage 3 includes employee housing loan receivables that are credit impaired at the reporting date. For these assets, lifetime expected credit losses are recognised and finance income is calculated on the net carrying amount (that is, net of credit allowance)

Stage assessment

Stages are assessed by migrating all loans with a significant increase in credit risk to stage 2. A significant increase in credit risk is set as when:
- the employee has missed at least one payment (i.e. 30 days past due)
- the employee is in short-term forbearance
- there is a restructure of the loan or an extension to the terms granted

The 30 days past due backstop has been used as an indication of a significant increase in credit risk as all other criteria kick in later than the backstop. If an employee housing loan receivable has a balance of more than the instalment amount in 30 days past due, the employee housing loan receivable is considered to have had a significant increase in credit risk.

All employee housing loan receivables that are credit impaired at the reporting date will migrate to stage 3. The quantitative criterion of credit impairment is when employees are more than 90 days past due on their contractual payments which is a rebuttable presumption in IFRS 9.

The employee housing loan receivable is written off when there is no reasonable expectation of recovery. The loan is deemed not to have reasonable prospects of recovery when the employee continues to fail to promptly comply with the provisions of the sale agreement after all legal processes have been exhausted and the loan agreement has been cancelled.

The movement in the expected credit loss during the year was as follows:

	Group	
	2021 R (million)	2020 R (million)
Opening balance at 1 January	3.9	1.0
Stage 1 ECL allowance	1.0	–
Stage 2 ECL allowance	–	0.2
Stage 3 ECL allowance	2.9	0.8
ECL charge recognised in profit or loss during the year	2.8	2.9
Stage 1 ECL allowance	0.6	1.0
Stage 2 ECL allowance	0.4	(0.2)
Stage 3 ECL allowance	1.8	2.1
ECL write off recognised in profit or loss during the year	(2.5)	–
Stage 1 ECL allowance	–	–
Stage 2 ECL allowance	–	–
Stage 3 ECL allowance	(2.5)	–
Balance as at 31 December	4.2	3.9
Stage 1 ECL allowance	1.6	1.0
Stage 2 ECL allowance	0.4	–
Stage 3 ECL allowance	2.2	2.9

32. FINANCIAL RISK MANAGEMENT continued

32.1 Financial risk factors continued

32.1.2 Credit risk continued

Expected credit losses on employee housing loan receivable continued

Stage assessment continued

The gross carrying amount of employee housing loan receivable, and thus the maximum exposure to loss, is as follows:

	Group	
	2021 R (million)	2020 R (million)
Stage 1	**891.2**	806.5
Stage 2	**16.5**	6.7
Stage 3	**26.1**	44.6
Total gross employee housing loan receivable	**933.8**	857.8
Less: Estimated credit loss	**(4.2)**	(3.9)
Less: Write-off	**(11.9)**	–
Closing balance at 31 December	**917.7**	853.9

R0.9 million (2020: R6.5 million) of the employee housing loan receivable was past due for the current period. No other financial assets were past due for the current or the comparative periods under review. No terms relating to financial assets have been renegotiated resulting in assets not being past due. No significant changes to estimation techniques or assumptions were made during the year.

32.1.3 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. Due to the dynamic nature of the underlying businesses, the Board aims to maintain flexibility in funding by keeping committed credit lines available. Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn facilities and cash and cash equivalents) (refer to Note 12) on the basis of expected cash flows.

Due to the Covid-19 pandemic and the impact of the force majeure in 2020 (refer Note 23), the Group has enhanced its risk management process to closely monitor the financial health and liquidity of the business on a daily basis and has extensively stress-tested the business with various Covid-19 scenarios. Despite the current uncertainties, the balance sheet remains robust to deliver shareholder value through our growth strategy and ultimately capital returns.

32. FINANCIAL RISK MANAGEMENT continued

32.1 Financial risk factors continued

32.1.3 Liquidity risk continued

The table below analyses the Group's financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within one year equal their carrying amounts as the impact of discounting is insignificant.

		Group				
	Notes	Less than one year R (million)	Between one and two years R (million)	Between two and five years R (million)	Over five years R (million)	Total R (million)
2021						
Trade and other payables	22	**1 170.6**	**–**	**–**	**–**	**1 170.6**
Financial guarantees	21.1	**–**	**–**	**0.8**	**–**	**0.8**
PIC housing facility	17	**142.0**	**142.0**	**426.0**	**1 846.0**	**2 556.0**
Lease liabilities	5	**11.9**	**11.3**	**17.2**	**0.3**	**40.7**
2020						
Trade and other payables	22	1 153.3	–	–	–	1 153.3
Financial guarantees	21.1	–	0.8	–	–	0.8
PIC housing facility	17	120.8	132.4	397.3	1 854.2	2 504.7
Convertible bond liability	16	84.0	1 242.0	–	–	1 326.0
Interest-bearing borrowings	18	187.5	187.5	234.4	–	609.4
Lease liabilities	5	12.2	5.7	2.5	–	20.4

32.1.4 Capital risk management

The Group defines total capital as equity plus debt in the statement of financial position. The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital throughout the commodity cycles.

		Group	
	Notes	2021 R (million)	2020 R (million)
Net cash/(debt)		**3 327.3**	(1 054.3)
Cash and cash equivalents	12	**4 898.4**	2 243.2
Interest-bearing borrowings	18	**–**	(600.0)
Convertible bond liability	16	**–**	(1 122.1)
PIC housing facility	17	**(1 535.5)**	(1 558.0)
Lease liabilities	5	**(35.6)**	(17.4)
Total equity		**24 266.6**	19 816.7
Net cash/(debt)-to-equity ratio (%)		**13.7**	(5.3)

The net cash/(debt)-to-equity ratio improved from 5.3% to 13.7% following the settlement of the term debt and conversion, buy-back and redemption of the convertible bond.

32. FINANCIAL RISK MANAGEMENT continued

32.1 Financial risk factors continued

32.1.5 Fair value determination

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The following table presents the financial assets that are measured at fair value, as well as the financial assets and financial liabilities measured at amortised cost but for which fair value disclosure is provided at 31 December:

		Group		
	Notes	Level 1 R (million)	Level 2 R (million)	Level 3 R (million)
2021				
Financial assets at fair value				
Environmental guarantee investment[1]	6	–	104.6	–
Housing insurance investment[2]	8	–	–	57.4
RPM concentrate debtors[4]	10	–	–	5 192.8
Financial assets at amortised cost				
Employee housing loan receivable[3]	7.1	–	–	917.7
Impala royalty receivable[5]	10	–	–	142.4
Other receivables (excluding prepaid expenses and VAT)[5]	10	–	–	61.7
Environmental trust deposits[1]	6	–	–	176.4
Financial liabilities at amortised cost				
PIC housing facility[3]	17	–	–	1 535.5
Lease liabilities[3]	5	–	–	35.6
2020				
Financial assets at fair value				
Environmental guarantee investment[1]	6	–	84.5	–
Housing insurance investment[2]	8	–	–	49.1
RPM concentrate debtors[4]	10	–	–	5 423.3
Financial assets at amortised cost				
Employee housing loan receivable[3]	7.1	–	–	853.9
Impala royalty receivable[5]	10	–	–	122.8
Other receivables (excluding prepaid expenses and VAT)[5]	10	–	–	120.5
Environmental trust deposits[1]	6	–	–	169.3
Financial liabilities at amortised cost				
PIC housing facility[3]	17	–	–	1 558.0
Lease liabilities[3]	5	–	–	17.4

[1] *This was valued using the level 2 fair values which are directly derived from the Shareholders Weighted Top 40 Index (SWIX 40) on the JSE*
[2] *The fair value was determined using market prices for listed investments and reliance on an external valuer for discounted cash flow models for unlisted investments*
[3] *The fair value was determined using a discounted cash flow model*
[4] *Fair value was determined using the commodity prices and foreign exchange rates*
[5] *Carrying amount approximates fair value*

32. FINANCIAL RISK MANAGEMENT continued

32.1 Financial risk factors continued

32.1.5 Fair value determination continued

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 — quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 — inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

Valuation techniques used to determine fair values

Specific valuation techniques used to value the above financial instruments measured at fair value are disclosed in the respective notes to the Group annual financial statements.

Fair value measurement using significant unobservable inputs (level 3)

For the table presenting the changes in housing insurance investment, refer to Note 8. Movement in RPM concentrate debtors, Impala royalty and other receivables are included in Note 23, 24 and 26.

33. SEGMENTAL REPORTING

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

The Group is currently operating two mines, namely BRPM and Styldrift. These operations are located in the North West province of South Africa, 120 kilometres from Johannesburg, 30 kilometres from Rustenburg and 17 kilometres from Phokeng. BRPM and Styldrift (Styldrift I and II) are shown as separate segments. In addition, due to the different nature and significance of the Employee Home Ownership Scheme, it was decided to show housing as a separate segment. Currently Styldrift I and II are aggregated into a single reportable segment as it is one mining right. The Styldrift II pre-feasibility study has been completed. Once the feasibility study is completed it will move into development phase and may then be reported on as a separate segment. The holding company and other subsidiaries, including RBR corporate function, are aggregated and shown as corporate office segment.

33. SEGMENTAL REPORTING continued

33.1 Segmental statement of comprehensive income

	For the year ended 31 December 2021							For the year ended 31 December 2020						
	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	RBR operations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office segment R (million)	Consolidation adjustments R (million)	Total R (million)	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	RBR operations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office segment R (million)	Consolidation adjustments R (million)	Total R (million)
Revenue	9 294.1	7 134.6	16 428.7	66.6	3 264.5	(3 331.1)	16 428.7	7 485.6	5 893.7	13 379.3	189.2	2 804.4	(2 993.5)	13 379.4
Cost of sales	(4 486.4)	(4 959.4)	(9 445.8)	(46.0)	(3 420.8)	3 275.3	(9 637.3)	(3 619.8)	(4 183.4)	(7 803.2)	(148.3)	(2 883.7)	2 886.5	(7 948.7)
Cash cost of sales excluding depreciation and amortisation	(4 120.9)	(4 223.2)	(8 344.1)	(46.0)	(3 254.1)	3 269.2	(8 375.0)	(3 357.0)	(3 541.0)	(6 898.0)	(148.3)	(2 728.1)	2 907.9	(6 866.5)
Depreciation	(351.2)	(799.4)	(1 150.6)	–	(10.1)	6.1	(1 154.6)	(348.5)	(739.8)	(1 088.3)	–	(6.1)	(21.4)	(1 115.8)
Amortisation	–	–	–	–	(156.6)	–	(156.6)	–	–	–	–	(149.5)	–	(149.5)
Movement in inventories	(14.3)	63.2	48.9	–	–	–	48.9	85.7	97.4	183.1	–	–	–	183.1
Gross profit/(loss) per segment and total	4 807.7	2 175.2	6 982.9	20.6	(156.3)	(55.8)	6 791.4	3 865.8	1 710.3	5 576.1	40.9	(79.3)	(107.0)	5 430.7
Other income	919.3	101.2	1 020.5	17.5	3 588.2	(3 563.9)	1 062.3	449.3	0.2	449.5	11.9	6.2	26.8	494.4
Other expenses	–	–	–	–	–	–	–	(131.8)	(99.1)	(230.9)	–	(70.5)	–	(301.4)
Total administrative expenditure	–	–	–	(55.5)	(311.0)	3.4	(363.1)	–	–	–	(35.3)	(240.3)	11.9	(263.7)
Administrative expenditure	–	–	–	(55.8)	(235.9)	3.4	(288.3)	–	–	–	(39.5)	(202.9)	11.9	(230.5)
Depreciation	–	–	–	(0.3)	(4.9)	–	(5.2)	–	–	–	(0.3)	(0.9)	–	(1.2)
Maseve care and maintenance	–	–	–	–	(27.7)	–	(27.7)	–	–	–	–	(1.7)	–	(1.7)
Amortisation of employee housing benefit and fair value adjustment to loan	–	–	–	0.6	–	–	0.6	–	–	–	4.5	–	–	4.5
Industry membership and market development	–	–	–	–	(42.5)	–	(42.5)	–	–	–	–	(34.8)	–	(34.8)
Scrapping and impairment of non-financial assets	–	–	–	–	101.6	(101.6)	–	–	–	–	(3.8)	(349.8)	349.5	(4.1)
Net finance (cost)/income	(21.0)	(157.5)	(178.5)	9.2	3 309.6	(3 579.9)	(439.6)	(75.6)	(82.8)	(158.4)	(11.7)	(189.3)	26.8	(332.6)
Finance income	14.0	5.9	19.9	111.2	3 704.0	(3 580.0)	255.1	16.6	6.0	22.6	86.8	45.3	–	154.7
Other finance costs	(35.0)	(163.4)	(198.4)	(102.0)	(81.9)	0.1	(382.2)	(92.2)	(88.8)	(181.0)	(98.5)	(234.6)	26.8	(487.3)
Premium on buy-back of convertible bond	–	–	–	–	(312.5)	–	(312.5)	–	–	–	–	–	–	–
Profit/(loss) before tax per segment and total	5 706.0	2 118.9	7 824.9	(8.2)	6 532.1	(7 297.8)	7 051.0	4 107.7	1 528.6	5 636.3	2.0	(923.0)	308.0	5 023.3
Taxation	–	–	–	–	–	–	(541.1)							(1 494.3)
Profit after tax attributable to owners of the Company							6 509.9							3 529.0

33. SEGMENTAL REPORTING continued

33.2 Segmental statement of financial position

	As at 31 December 2021							As at 31 December 2020						
	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	RBR operations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office R (million)	Consolidation adjustment R (million)	Total R (million)	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	RBR operations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office R (million)	Consolidation adjustment R (million)	Total R (million)
Non-current assets	4 706.5	12 273.3*	16 979.8	1 225.5	14 484.6	(9 257.8)	23 432.1	4 709.8	11 431.3*	16 141.1	1 169.9	16 842.7	(11 219.4)	22 934.3
Allocation of mineral rights	624.6	4 572.0	5 196.6	–	(5 196.6)	–	–	653.3	4 699.9	5 353.2	–	(5 353.2)	–	–
Non-current assets after allocation of mineral rights	5 331.1	16 845.3	22 176.4	1 225.5	9 288.0	(9 257.8)	23 432.1	5 363.1	16 131.2	21 494.3	1 169.9	11 489.5	(11 219.4)	22 934.3
Current assets	3 892.6	2 711.8	6 604.4	595.2	4 361.2	54.3	11 615.1	4 474.6	2 828.4	7 303.0	661.9	999.3	45.9	9 010.1
Employee housing current assets	–	–	–	464.2	–	68.6	532.8	–	–	–	496.3	–	70.6	566.9
Inventories	169.5	395.0	564.5	–	–	–	564.5	188.1	302.3	490.4	–	–	–	490.4
Trade and other receivables	3 156.2	2 316.8	5 473.0	2.9	90.5	(14.3)	5 552.1	2 597.5	2 526.1	5 123.6	2.5	608.2	(24.7)	5 709.6
Current tax receivable	–	–	–	–	67.3	–	67.3	–	–	–	–	–	–	–
Cash and cash equivalents	566.9	–	566.9	128.1	4 203.4	–	4 898.4	1 689.0	–	1 689.0	163.1	391.1	–	2 243.2
Total assets per statement of financial position	9 223.7	19 557.1	28 780.8	1 820.7	13 649.2	(9 203.5)	35 047.2	9 837.7	18 959.6	28 797.3	1 831.8	12 488.8	(11 173.5)	31 944.4
Non-current liabilities	337.9	1 694.5	2 032.4	1 620.9	5 597.7	(57.5)	9 193.5	1 030.1	966.3	1 996.4	1 624.3	6 907.6	(86.1)	10 442.2
Deferred tax liability	–	–	–	–	5 587.5	(54.4)	5 533.1	–	–	–	–	5 342.1	(82.6)	5 259.5
Convertible bond liability	–	–	–	–	–	–	–	–	–	–	–	1 122.1	–	1 122.1
Interest-bearing borrowings	–	–	–	–	–	–	–	–	–	–	–	412.5	–	412.5
Deferred revenue	238.8	1 657.2	1 896.0	–	–	–	1 896.0	952.3	950.5	1 902.8	–	–	–	1 902.8
PIC housing facility	–	–	–	1 487.5	–	–	1 487.5	–	–	–	1 503.4	–	–	1 503.4
Lease liabilities	24.4	–	24.4	–	10.2	(3.1)	31.5	5.2	–	5.2	–	5.6	(3.5)	7.3
Long-term provisions and other	74.7	37.3	112.0	133.4	–	–	245.4	72.6	15.8	88.4	120.9	25.3	–	234.6
Current liabilities	(12 775.7)	10 080.1	(2 695.6)	87.6	6 692.8	(2 497.7)	1 587.1	4 310.6	678.6	4 989.2	87.1	1 081.5	(4 472.3)	1 685.5
Trade and other payables	578.2	285.2	863.4	34.7	417.2	(13.0)	1 302.3	566.9	317.9	884.8	27.0	305.2	(16.3)	1 200.7
RBR payable	(13 397.3)	9 607.4	(3 789.9)	4.9	6 268.7	(2 483.7)	–	3 625.3	245.1	3 870.4	5.5	578.9	(4 454.8)	–
Current portion of PIC housing facility	–	–	–	48.0	–	–	48.0	–	–	–	54.6	–	–	54.6
Current tax payable	–	–	–	–	4.7	–	4.7	–	–	–	–	8.7	–	8.7
Current portion of interest-bearing borrowings	–	–	–	–	–	–	–	–	–	–	–	187.5	–	187.5
Current portion of deferred revenue	40.5	187.5	228.0	–	–	–	228.0	112.1	111.8	223.9	–	–	–	223.9
Current portion of lease liabilities	2.9	–	2.9	–	2.2	(1.0)	4.1	6.3	3.8	10.1	–	1.2	(1.2)	10.1
Total liabilities per statement of financial position	(12 437.8)	11 774.6	(663.2)	1 708.5	12 290.5	(2 555.2)	10 780.6	5 340.7	1 644.9	6 985.6	1 711.4	7 989.1	(4 558.4)	12 127.7

* *Includes Styldrift II exploration and evaluation costs*

33. SEGMENTAL REPORTING continued

33.3 Segmental statement of cash flows

	For the year ended 31 December 2021						For the year ended 31 December 2020					
	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	RBR operations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolidation adjustment R (million)	Total R (million)	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	RBR operations segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consolidation adjustment R (million)	Total R (million)
Net cash inflow/(outflow) from operating activities	4 508.7	4 196.9	8 705.6	56.9	(3 062.4)	5 700.1	4 563.1	2 105.0	6 668.1	26.0	(868.2)	5 825.9
Proceeds from disposal of property, plant and equipment	–	2.6	2.6	–	0.1	2.7	–	–	–	–	0.6	0.6
Acquisition of property, plant and equipment	(392.1)	(1 429.6)	(1 821.7)	–	39.2	(1 782.5)	(756.0)	(1 059.2)	(1 815.2)	–	(58.4)	(1 873.6)
Cash acquired as part of Maseve amalgamation	–	0.1	0.1	–	(0.1)	–	–	–	–	–	–	–
Employee housing loan receivable repayments	–	–	–	9.7	–	9.7	–	–	–	7.6	–	7.6
Increase in environmental trust deposits and guarantees	(28.9)	–	(28.9)	–	–	(28.9)	(2.9)	–	(2.9)	–	–	(2.9)
Net cash inflow/(outflow) from investing activities	(421.0)	(1 426.9)	(1 847.9)	9.7	39.2	(1 799.0)	(758.9)	(1 059.2)	(1 818.1)	7.6	(57.8)	(1 868.3)
Cash investments by/(distributions to) RBR	(5 162.6)	(2 732.8)	(7 895.4)	(0.6)	7 896.0	–	(2 701.6)	(1 041.7)	(3 743.3)	–	3 743.3	–
Repayment of PIC housing facility	–	–	–	(101.0)	–	(101.0)	–	–	–	–	–	–
Proceeds from interest-bearing borrowings	–	–	–	–	890.3	890.3	–	–	–	–	2 031.2	2 031.2
Repayment of interest-bearing borrowings	–	–	–	–	(1 499.7)	(1 499.7)	–	–	–	–	(2 744.9)	(2 744.9)
Principal elements of lease payments	(9.8)	(3.8)	(13.6)	–	(2.4)	(16.0)	(8.4)	(4.1)	(12.5)	–	(2.3)	(14.8)
Repayment of the RPM deferred consideration	–	–	–	–	–	–	–	–	–	–	(1 851.2)	(1 851.2)
Settlement of share-based payment	(37.4)	(33.4)	(70.8)	–	(36.1)	(106.9)	–	–	–	–	–	–
Proceeds from share options exercised	–	–	–	–	69.7	69.7	–	–	–	–	51.1	51.1
Convertible bonds repurchased	–	–	–	–	(482.3)	(482.3)	–	–	–	–	–	–
Net cash inflow/(outflow) from financing activities	(5 209.8)	(2 770.0)	(7 979.8)	(101.6)	6 835.5	(1 245.9)	(2 710.0)	(1 045.8)	(3 755.8)	–	1227.2	(2 528.6)
Net increase/(decrease) in cash and cash equivalents	(1 122.1)	–	(1 122.1)	(35.0)	3 812.3	2 655.2	1 094.2	–	1 094.2	33.6	301.2	1 429.0
Cash and cash equivalents at the beginning of the period	1 689.0	–	1 689.0	163.1	391.1	2 243.2	594.8	–	594.8	129.5	89.9	814.2
Cash and cash equivalents at the end of the period	566.9	–	566.9	128.1	4 203.4	4 898.4	1 689.0	–	1 689.0	163.1	391.1	2 243.2

34. EARNINGS PER SHARE

The weighted average number of ordinary shares in issue outside the Group for purposes of basic earnings per share and the weighted average number of ordinary shares for diluted earnings per share are calculated as follows:

	Group	
	2021	2020
Number of shares issued at 1 January	**258 792 016**	258 233 936
Management incentive schemes at 1 January	**(277 629)**	(1 685 766)
Number of shares issued outside the Group at 1 January	**258 514 387**	256 548 170
Adjusted for weighted average number of shares issued during the year	**20 601 952**	1 055 645
Weighted average number of ordinary shares in issue for earnings per share	**279 116 339**	257 603 815
Dilutive potential ordinary shares relating to management incentive schemes	**7 585 141**	4 133 967
Dilutive potential ordinary shares relating to the convertible bond	**–**	29 419 264
Weighted average number of potential dilutive ordinary shares in issue	**286 701 480**	291 157 046
Profit attributable to owners of the Company R (million)	**6 509.9**	3 529.0
Adjustments:		
Add: Net interest on convertible bond R (million) (refer to Note 25.2)	**–**	130.2
Less: Tax on the above R (million)	**–**	(36.5)
Diluted profit R (million)	**6 509.9**	3 622.7
Basic earnings per share (cents/share)		
Basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the year by the weighted average number of ordinary shares in issue for earnings per share	**2 332.4**	1 369.9
Diluted earnings per share (cents/share)		
Diluted earnings per share is calculated by adjusting the weighted average* number of ordinary shares outstanding to assume conversion of all diluted potential ordinary shares	**2 270.7**	1 244.2

	2021		2020	
	Gross	**Net**	Gross	Net
Headline earnings				
Profit attributable to owners of the Company R (million)		**6 509.9**		3 529.0
Adjustments:				
Profit on disposal of property, plant and equipment and other assets R (million)	**(21.7)**	**(21.7)**	(40.1)	(40.1)
Headline earnings R (million)		**6 488.2**		3 488.9
Net interest on convertible bond R (million) (refer to Note 25.2)	**–**	**–**	130.2	93.7
Diluted profit R (million)*		**6 488.2**		3 582.6
Basic headline earnings per share (cents/share)		**2 324.6**		1 354.4
Diluted headline earnings per share (cents/share)		**2 263.1**		1 230.5

* *The effects of anti-dilutive potential ordinary shares are ignored in the calculation of diluted earnings per share and diluted headline earnings per share*

35. GOING CONCERN

Management has assessed the going concern assumption taking into account the impact of Covid-19 pandemic. Based on the current financial and operational performance of the Group, the Group's solvency and liquidity position, the available facilities (refer Note 12), and compliance with financial covenants (refer Note 18), the directors believe that the Group will continue as a going concern in the foreseeable future.

36. SUBSEQUENT EVENTS

Declaration of final dividend

A final gross cash dividend of 535.0 cents per share was declared by the Board on 8 March 2022 from profits accrued during the financial year ended 31 December 2021. The total cash dividend for the year amounted to 1 070.0 cents per share. The dividend is payable on 4 April 2022 to shareholders who will be on the register on 1 April 2022. This final dividend, amounting to approximately R1 500.0 million, has not been recognised as a liability in 2021. It will be recognised in shareholders' equity in the year ending 31 December 2022.

Other subsequent events

Following its offer to the RBPlat ordinary shareholders set out in the Implats Circular dated 17 January 2022, Implats announced on 28 February 2022 that it had concluded agreements to acquire a further 1 003 495 RBPlat shares constituting approximately 0.35% of the RBPlat shares in issue. This will result in the Implat's shareholding in RBPlat increasing to 35.66%. On 24 February 2022, Russia launched a large-scale military invasion of Ukraine. At the date of approving these financial statements, there were no noticeable impact on the Group.

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Notes	Company 2021 R (million)	2020 R (million)
ASSETS			
Non-current assets		**7 021.3**	6 986.3
Investment in subsidiaries	2	**7 021.3**	6 986.3
Current assets		**5 648.6**	5 317.4
Intercompany loans	3.1	**1 433.2**	5 172.7
Other receivables		**13.2**	0.5
Cash and cash equivalents	4	**4 202.2**	144.2
Total assets		**12 669.9**	12 303.7
EQUITY AND LIABILITIES			
Total equity		**12 622.5**	11 149.1
Stated capital	5	**12 413.6**	11 263.7
Share-based payment reserve	6	**251.7**	284.6
Retained loss		**(42.8)**	(399.2)
Non-current liabilities		**(1.0)**	1 143.7
Deferred tax liability	7	**(1.0)**	21.6
Convertible bond liability	8	**–**	1 122.1
Current liabilities		**48.4**	10.9
Trade and other payables	9	**40.8**	0.9
Current tax payable	10	**4.7**	4.7
Intercompany loans	3.2	**2.9**	5.3
Total equity and liabilities		**12 669.9**	12 303.7

The notes on pages 80 to 90 form an integral part of these annual financial statements.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2021

		Company	
	Note	2021 R (million)	2020 R (million)
Finance income		161.8	125.1
Finance cost		(54.2)	(156.6)
Premium on redemption of convertible bond	8	(312.5)	–
Dividend income	11	3 580.0	–
Other income		4.6	1.9
Administrative expenses		(56.1)	(27.0)
Expected credit loss		101.6	(349.5)
Profit/(loss) before tax		3 425.2	(406.1)
Income tax credit	12	1.3	3.2
Income tax expense		–	(4.7)
Deferred tax credit		1.3	7.9
Net profit/(loss) for the year		3 426.5	(402.9)
Other comprehensive income		–	–
Total comprehensive income/(loss)		3 426.5	(402.9)

The notes on pages 80 to 90 form an integral part of these annual financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Company				
	Number of shares issued	Stated capital R (million)	Share-based payment reserve R (million)	Retained loss R (million)	Total R (million)
2021					
Balance at 1 January 2021	**258 514 387**	**11 263.7**	**284.6**	**(399.2)**	**11 149.1**
Share-based payment charge	**–**	**–**	**93.2**	**–**	**93.2**
2018 BSP and RFSP shares vested in April 2021	**1 883 112**	**68.4**	**(68.4)**	**–**	**–**
Convertible bonds converted	**26 108 136**	**964.6**	**–**	**–**	**964.6**
Deferred tax on convertible bonds	**–**	**21.3**	**–**	**–**	**21.3**
Share options and SARS exercised	**1 481 692**	**127.4**	**(57.7)**	**–**	**69.7**
Total comprehensive income	**–**	**–**	**–**	**3 426.5**	**3 426.5**
Deemed dividend tax on the convertible bonds	**–**	**(31.8)**	**–**	**–**	**(31.8)**
Dividends paid	**–**	**–**	**–**	**(3 070.1)**	**(3 070.1)**
Balance at 31 December 2021	**287 987 327***	**12 413.6**	**251.7**	**(42.8)**	**12 622.5**
2020					
Balance at 1 January 2020	256 548 170	11 148.4	298.8	3.7	11 450.9
Share-based payment charge	–	–	73.3	–	73.3
Share options exercised	541 581	66.3	(15.2)	–	51.1
2017 BSP and RFSP shares vested in April 2020	1 424 636	72.3	(72.3)	–	–
Mahube share premium	–	(23.3)	–	–	(23.3)
Total comprehensive loss	–	–	–	(402.9)	(402.9)
Balance at 31 December 2020	258 514 387*	11 263.7	284.6	(399.2)	11 149.1

** The number of shares is net of 1 029 219 (2020: 277 629) treasury shares relating to the Company's management share incentive scheme*

The notes on pages 80 to 90 form an integral part of these annual financial statements.

COMPANY STATEMENT OF CASH FLOWS
for the year ended 31 December 2021

	Notes	Company 2021 R (million)	Company 2020 R (million)
Cash flows from operating activities			
Cash generated by operations	13	**37.0**	25.5
Finance income		**72.9**	125.1
Finance cost		**(42.0)**	(84.0)
Dividends received		**3 545.0**	–
Dividends paid	11	**(3 070.1)**	–
Net cash inflow from operating activities		**542.8**	66.6
Cash flows from investing activities			
Related party loans granted		**(2 672.5)**	(4 016.2)
Proceeds from related party loans		**6 600.3**	3 957.2
Net cash inflow/(outflow) from investing activities		**3 927.8**	(59.0)
Cash flows from financing activities			
Proceeds from share options exercised		**69.7**	51.1
Convertible bonds repurchased	8	**(482.3)**	–
Net cash inflow/(outflow) from financing activities		**(412.6)**	51.1
Net increase in cash and cash equivalents		**4 058.0**	58.7
Cash and cash equivalents at the beginning of the period	4	**144.2**	85.5
Cash and cash equivalents at the end of the period	4	**4 202.2**	144.2

The notes on pages 80 to 90 form an integral part of these annual financial statements.

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS AND RELATED ACCOUNTING POLICIES

for the year ended 31 December 2021

1. GENERAL INFORMATION AND BASIS OF PREPARATION AND ACCOUNTING POLICIES

The general information and basis of preparation are disclosed on pages 80 and 81. Accounting policies specific to the items in the notes to the financial statements have been included in the individual notes.

Functional currency and presentation currency

These annual financial statements are presented in South African rand (ZAR), which is also the Company's functional currency. All financial information is presented in rand million, unless otherwise stated.

New standards, amendments and interpretations to existing standards

New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2021.

Standard	Subject	Date
IFRS 7, IFRS 9 and IFRS 16	Financial Instruments: Disclosures – Interest rate benchmark reforms phase 2 Financial Instruments: Recognition and Measurement – Interest rate benchmark reforms phase 2 Leases – Interest rate benchmark reforms phase 2 The amendments to IFRS 9, IFRS 7 and IFRS 16 amend the requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 7 requires a company to make additional disclosures in its financial statements so that investors can better understand the effects of IBOR reform on that company. The amendments to IFRS 9 enable a company to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform. The amendments to IFRS 9 enable (and require) companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the IBOR reform, by requiring companies to amend their hedging relationships to reflect: – designating an alternative benchmark rate as the hedged risk; or – changing the description of the hedged item, including the designated portion, or of the hedging instrument. The amendment to IFRS 16 enables a company to apply a practical expedient to account for a lease modification required by the IBOR reform. The amendments to IFRS 9, IFRS 7 and IFRS 16 did not have any impact on the amounts recognised in the prior periods and are not expected to affect current or future periods.	1 January 2021

1. GENERAL INFORMATION AND BASIS OF PREPARATION AND ACCOUNTING POLICIES continued

New standards, amendments and interpretations to existing standards continued

The following new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company. These are new standards that are applicable to the nature of the Company and may possibly have an impact on the Company.

Standard	Subject	Date
IFRS 9	*Financial Instruments — Annual Improvements to IFRS 2018 — 2020* The amendment clarifies which fees an entity includes when it applies the '10 percent' test when assessing whether to derecognise a financial liability. The amendment is not expected to have an impact on the Company's financial statements, but will be applied when applicable in the future.	1 January 2022
IAS 1	*Presentation of Financial Statements — Classification of liabilities as current and non-current* The amendments clarify how to classify debt and other liabilities as current or non-current. The amendment is not expected to have an impact on the Company's financial statements, but will be applied when applicable in the future.	1 January 2023
IAS 37	*Provisions, Contingent Liabilities and Contingent Assets — Onerous Contract — Cost of fulfilling a contract* The amendments specify which costs should be included in an entity's assessment of whether a contract will be loss making. The amendment is not expected to have an impact on the Company's financial statements, but will be applied when applicable in the future.	1 January 2022
IAS 8	*Accounting Policies, Changes in Accounting Estimates and Errors* The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged. The impact of the amendment will be assessed and applied in the future.	1 January 2023
IAS 12	*Income Taxes — Deferred Tax related to Assets and Liabilities arising from a Single Transaction* The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items. The disclosure of deferred tax is already aligned to the amendment, as a result, there is no impact on the Company's financial statement arising from the amendment.	1 January 2023

2. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries is accounted for at cost less any provision for impairment in the Company's financial statements.

	Company	
	2021 R (million)	2020 R (million)
Investments in unlisted companies at cost:		
Direct investment in subsidiaries consists of:		
– 1 000 no par value ordinary shares in Royal Bafokeng Platinum Management Services* Proprietary Limited (RBPMS) (100% interest)	–	–
– 320 no par value ordinary shares in Royal Bafokeng Resources Proprietary Limited (RBR) (99.7% interest)	7 021.3	6 819.2
– 27 264 no par value ordinary shares in Maseve Investments 11 Proprietary Limited (Maseve) (100% interest)	–	167.1
Closing balance at 31 December	7 021.3	6 986.3

** Amounts are nominal and do not exceed R1 million therefore Rnil is disclosed (2020: Rnil)*

Indirect investment in subsidiaries consists of:
- Bafokeng Rasimone Management Services Proprietary Limited (100% interest)
- Royal Bafokeng Resources Properties (RF) Proprietary Limited (100% interest)
- 1 no par value ordinary share in Royal Bafokeng Resources Proprietary Limited (0.3% interest)

All subsidiaries are incorporated in South Africa.

The impairment assessment of the recoverable amount of the investment in subsidiaries indicated that no impairment of the carrying amount is required. Refer to Note 3 of the Group's consolidated annual financial statements for more information on the inputs used.

There was no impairment of the investment in subsidiaries in the current financial year (2020: Rnil).

During the period, a Group reorganisation and amalgamation process was concluded between Maseve and RBR resulting in the investment in Maseve being Rnil.

3. INTERCOMPANY LOANS

Intercompany loans are carried at cost and are included in current assets as they are payable on demand.

The business model of the Company is to hold the intercompany loans to collect the contractual cash flows. The contractual cash flows represent solely payment of principal and interest and is therefore classified at amortised cost. Finance income receivable from RBR is recognised using the appropriate effective interest rate.

In calculating the expected credit loss the following was taken into account:
- The net asset position of the subsidiaries at each year end
- The fact that the loans have no fixed terms of repayment and are payable on demand

Expected credit loss of R27.1 million was recognised in 2020 relating to a loan with Maseve. In 2021, the expected credit loss was reversed following the amalgamation of Maseve and RBR as the combined entity has sufficient resources to settle the loan. R309.6 million (2020: R322.4 million) expected credit loss was recognised relating to a loan with RBPMS.

3.1 Intercompany loans receivable

	Company	
	2021 R (million)	2020 R (million)
Non-interest-bearing*		
– Royal Bafokeng Resources Proprietary Limited	114.7	3 943.1
Closing balance at 31 December	114.7	3 943.1
Interest bearing**		
– Royal Bafokeng Resources Proprietary Limited	1 318.5	1 229.6
Closing balance at 31 December	1 318.5	1 229.6
Total intercompany loans receivable	1 433.2	5 172.7

3. INTERCOMPANY LOANS continued

3.2 Intercompany loans payable

	Company	
	2021 R (million)	2020 R (million)
Non-interest-bearing*		
– Bafokeng Rasimone Management Services Proprietary Limited	2.9	5.3
Closing balance at 31 December	2.9	5.3

* *The above intercompany loans bear no interest and have no fixed terms of repayment*
** *The loan bears interest at 7% per annum and has no specific repayment terms*

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are recognised in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks, money market instruments and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in the current liabilities on the statement of financial position.

	Company	
	2021 R (million)	2020 R (million)
Cash at bank and on hand	3.3	7.5
Short-term deposits	4 198.9	136.7
Closing balance at 31 December	4 202.2	144.2

5. STATED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The carrying value of the Company's shares held by the Company's subsidiaries in respect of share schemes are shown as a reduction in shareholders' equity. When share options are exercised, the Company issues new shares or issues shares from treasury shares. The proceeds received net of any directly attributable transaction costs are credited to stated capital when options are exercised.

	Company	
	2021 R (million)	2020 R (million)
Authorised share capital		
1 000 000 000 (2020: 1 000 000 000) ordinary shares with no par value	1 000 000 000	1 000 000 000
1 500 000 (2020: 1 500 000) 'A1' ordinary shares with no par value	1 500 000	1 500 000
1 500 000 (2020: 1 500 000) 'A2' ordinary shares with no par value	1 500 000	1 500 000
1 500 000 (2020: 1 500 000) 'A3' ordinary shares with no par value	1 500 000	1 500 000
Total authorised share capital	1 004 500 000	1 004 500 000
Stated capital		
Opening balance at 1 January	11 263.7	11 148.4
1 668 993 BSP and RFSP shares vested April 2021	68.4	–
1 424 636 BSP and RFSP shares vested April 2020	–	72.3
Share options exercised	127.4	66.3
Mahube share premium	–	(23.3)
Conversion of convertible bonds	954.1	–
Total 287 987 327 (2020: 258 514 387) ordinary shares	12 413.6	11 263.7

All ordinary shares have the same voting rights and are presented net of any treasury shares held by the Group. At 31 December 2021, the treasury shares outstanding amounted to 1 029 219 (2020: 277 629) ordinary shares.

6. SHARE-BASED PAYMENT RESERVE

The Group operates a number of equity-settled share-based compensation plans under which the entity's subsidiaries receives services from employees as consideration for equity instruments of the Group.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase in the investment in subsidiary with a corresponding credit to equity. The Company recovers the relevant amounts from the respective subsidiaries, and this is accounted for as a reduction of the investment in subsidiary over the vesting period.

	Company	
	2021 R (million)	2020 R (million)
Opening balance at 1 January	**284.6**	298.8
Share-based payment charge	**93.2**	73.3
BSP and RFSP shares vested	**(68.4)**	(72.3)
Share options and SARS exercised	**(57.7)**	(15.2)
Closing balance at 31 December	**251.7**	284.6

7. DEFERRED TAX LIABILITY

Deferred tax assets and liabilities are determined using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is determined using tax rates that have been enacted or substantially enacted before the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

	Company	
	2021 R (million)	2020 R (million)
Opening balance at 1 January	**21.6**	29.5
Credited to statement of comprehensive income	**(1.3)**	(7.9)
Deferred tax on the convertible bond	**(21.3)**	–
Closing balance at 31 December	**(1.0)**	21.6

8. CONVERTIBLE BOND LIABILITY

RBPlat issued 120 000 7% senior unsecured convertible bonds for R1.2 billion on 15 March 2017. Shareholders' approval for the conversion of the convertible bonds was obtained on 8 May 2017. The bonds were convertible into ordinary shares of RBPlat at the option of the holder at a conversion price of R38.7572 (initial conversion price of R42.9438). The conversion price was subject to customary adjustments for reconstructions of equity to maintain the relative rights of the bondholders. Interest on the bonds was payable semi-annually in arrears on 16 March and 16 September of each year for five years ending 16 March 2022. The bonds were listed on the JSE Main Board under stock code number RBPCB.

Throughout the first half of 2021, 102 152 of the 120 000 convertible bonds were converted into 26 108 136 ordinary shares at a conversion price of R38.7572, while 17 369 of the 120 000 convertible bonds were bought back from the market at a cost of R477.4 million which includes a premium of R312.5 million incurred on the buy-back of the convertible bonds.

On 20 May 2021 and pursuant to the terms and conditions of the convertible bonds, RBPlat issued a notice to the Trustee and each holder of the bonds, for the early redemption of all of the convertible bonds outstanding, at their par value principal amount of R10 000 per bond, together with accrued unpaid interest amounting to R203.3 per bond, calculated up to but excluding 30 June 2021. As a result, 479 outstanding convertible bonds were redeemed at an amount of R4.9 million and cancelled. As at 30 June 2021, there were no convertible bonds which remained in issue.

8. CONVERTIBLE BOND LIABILITY continued

	Company	
	2021 R (million)	2020 R (million)
Opening balance at 1 January	**1 122.1**	1 049.5
Plus: Interest	**54.3**	156.6
Premium on buy-back of convertible bond	**312.5**	–
Less: Interest paid	**(42.0)**	(84.0)
Less: Convertible bonds converted to shares	**(964.6)**	–
Less: Convertible bonds buy-back/redeemed	**(482.3)**	–
Closing balance at 31 December	**–**	1 122.1

The carrying amount of the liability portion at initial recognition is measured as the difference between the cash proceeds and the fair value of the embedded derivative. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion or maturity of the bonds using the effective interest rate method. When the bond is extinguished through a buy-back, the related liability portion is derecognised. To the extent that the consideration paid exceeds the carrying amount of the liability, a gain or loss is recognised in profit or loss. When the bond is extinguished through a conversion, the related liability portion is derecognised and the conversion to equity is recognised in the statement of changes in equity at the carrying value of the liability just before conversion.

9. TRADE AND OTHER PAYABLES

Trade payables are recognised at fair value and subsequently measured at amortised cost.

	Company	
	2021 R (million)	2020 R (million)
Deemed dividends payable*	**31.8**	–
Other	**9.0**	0.9
Total	**40.8**	0.9

* *In the current year, RBPlat converted 102 152 bonds into equity. Refer to Note 8. This resulted in a deemed dividend of R31.8 million payable to the South African Revenue Service in terms of section 64 of the South African Income Tax Act. The dividends were calculated at 20% of the differential between the conversion price of R38.7572 and the prevailing share price on the day of conversion for all bondholders unless a reduced rate is applicable to the holder in terms of the Income Tax Act.*

10. CURRENT TAX PAYABLE

	Company	
	2021 R (million)	2020 R (million)
The movement in the balance can be explained as follows:		
Opening balance at 1 January	**(4.7)**	–
Income tax charge	**–**	(4.7)
Closing balance at 31 December	**(4.7)**	(4.7)
Current tax payable comprises:		
Current tax payable	**(4.7)**	(4.7)
Closing balance at 31 December	**(4.7)**	(4.7)

11. DIVIDEND INCOME

Dividend income is recognised in the statement of comprehensive income when the right to receive payment is established.

	Company	
	2021 R (million)	2020 R (million)
Dividend received from RBR	**3 545.0**	–
Dividend in specie received from Maseve	**35.0**	–
Total dividend income	**3 580.0**	–

12. INCOME TAX EXPENSE

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the statement of financial position date, and any adjustment of tax payable for previous years.

Critical estimates and assumptions

Significant judgement 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. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the period in which such determinations are made.

	Company	
	2021 R (million)	2020 R (million)
Income tax expense	–	(4.7)
Current year	–	(4.7)
Deferred tax credit	**1.3**	7.9
Current year	**1.3**	20.5
Prior year	–	(12.6)
Total income tax expense	**1.3**	3.2
Tax rate reconciliation:		
Profit/(loss) before tax	**3 425.2**	(406.1)
Tax calculated at a tax rate of 28%	**(959.1)**	113.7
Non-taxable income – dividend received	**1 002.4**	–
Section 24J premium on conversion of convertible bond	**384.2**	–
Tax losses not recognised	**(439.2)**	–
Non-deductible expenses – buy-back of convertible bonds	**(10.5)**	–
Non-deductible expenses – legal and advisory fees	**(5.8)**	–
Expected credit loss	**29.3**	(97.9)
Prior year adjustments	–	(12.6)
Total	**1.3**	3.2
Effective tax rate (%)	–	(0.8)

13. CASH GENERATED BY OPERATIONS

	Company	
	2021 R (million)	2020 R (million)
Profit/(loss) before tax	**3 425.2**	(406.1)
Finance and dividend income	**(3 741.8)**	(125.1)
Finance cost	**54.2**	156.6
Expected credit loss	**(101.6)**	349.5
Premium on redemption of convertible bond	**312.5**	
Changes in working capital	**88.5**	50.6
Increase in accruals	**8.0**	0.4
Decrease in other receivables	**80.5**	50.2
Cash generated by operations	**37.0**	25.5

14. FINANCIAL RISK MANAGEMENT

The Company's activities exposes it to a variety of strategic and financial risks, including liquidity risk, credit risk and capital risk. The Company's overall risk management programme focuses on the broader business environment, especially the unpredictability of the financial markets and seeks to minimise potential adverse effects of such risks on the Company's financial performance.

Risk management is carried out in terms of the enterprise risk framework and related policies approved by the Audit and Risk Committee and the Board, which set the overall risk appetite and related financial risk tolerances.

Categories of financial instruments

		Company			
		Carrying amount		Fair values	
	Notes	2021 R (million)	2020 R (million)	2021 R (million)	2020 R (million)
Financial assets at amortised cost					
Cash and cash equivalents	4	4 202.2	144.2	4 202.2	144.2
Intercompany loans receivable	3.1	1 433.2	5 172.7	1 433.2	5 172.7
Other receivables (excluding prepaid expenses)		13.2	0.5	13.2	0.5
Total financial assets		5 648.6	5 317.4	5 648.6	5 317.4
Financial liabilities at amortised cost					
Convertible bond liability	8	–	1 122.1	–	1 122.1
Intercompany loans payable	3.2	2.9	5.3	2.9	5.3
Trade and other payables		40.8	0.9	40.8	0.9
Total financial liabilities		43.7	1 128.3	43.7	1 128.3

14.1 Cash flow and fair value interest rate risk

The Company is exposed to cash flow interest rate risk in respect of its floating rate financial assets and liabilities. The Company monitors its exposure to fluctuating interest rates. Cash and cash equivalents are primarily invested with short-term maturity dates, which expose the Company to cash flow interest rate risk.

Sensitivity analysis

Interest rate risk sensitivity analysis presents the effect of 100 basis points up and down in the interest rate to the financial instruments in the statement of financial position and statement of comprehensive income.

		Company			
		Statement of financial position		Statement of comprehensive income	
	Notes	2021 R (million)	2020 R (million)	2021 R (million)	2020 R (million)
Financial assets					
Cash and cash equivalents	4	4 202.2	144.2	±42.02	±1.44

14. FINANCIAL RISK MANAGEMENT continued

14.2 Credit risk

Credit risk arises from the risk that the financial asset counterparty may default or not meet its obligations timeously. The maximum exposure to the credit risk is represented by the carrying amount of all the financial assets. The potential concentration of credit risk could arise in cash and cash equivalents, intercompany loan receivables, and other receivables (excluding prepaid expenses).

Cash and cash equivalent's credit risk is limited to the big five banks in South Africa being Absa, Standard Bank, FNB, Nedbank and Investec. Investments may be made with any of these banks.

In addition to bank investments, RBPlat may invest in collective investment schemes, for example, money market investments where the capital is guaranteed and the investment is likely to outperform the bank deposit yield. The following criteria are applicable:
- The fund must allow withdrawal of money invested at any time
- RBPlat's investment may not exceed 20% of the total fund size
- The fund must have a minimum Fitch rating of A
- The fund must have a minimum Fitch rating of BBB- for individual assets held in the fund

The limits per bank are applied on a see-through basis, taking account of direct investments and indirect investments held via money market fund investments. The balance of the investments in any particular bank or money market fund may not exceed 30% of the total fund invested.

Financial assets measured at amortised cost are subject to the expected credit loss model and include the following:
- Intercompany loan receivables
- Other receivables (excluding prepaid expenses and VAT)
- Cash and cash equivalents

For all financial assets, the general expected credit loss model is used. This means that the probability of default occurring in the next 12 months is considered, together with the loss which may arise from such events of default, unless there has been a significant increase in credit risk. Financial assets at amortised cost are stated net of the loss allowance in the statement of financial position. Such financial assets are written off when there is no reasonable expectation of recovery.

Other than the intercompany loans receivable, the expected credit losses for all other amortised cost financial assets were assessed to be immaterial.

In calculating the expected credit loss on the intercompany loans receivable, the following was taken into account:
- The net asset position of the subsidiaries at each year end
- The fact that the loans have no fixed terms of repayment and are payable on demand
- The ability of the subsidiary to generate income

Expected credit loss of R27.1 million was recognised in 2020 relating to a loan with Maseve. In 2021, the expected credit loss was reversed following the amalgamation of Maseve and RBR as the combined entity has sufficient resources to settle the loan. R309.6 million (2020: R322.4 million) expected credit loss was recognised relating to a loan with RBPMS.

14. FINANCIAL RISK MANAGEMENT continued

14.3 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. Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flows.

The table below analyses the Company's liabilities into the relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within one year equal their carrying amounts as the impact of discounting is insignificant.

		Company				
	Notes	Less than one year R (million)	Between one and two years R (million)	Between two and five years R (million)	Over five years R (million)	Total R (million)
2021						
Trade and other payables	9	**40.8**	**–**	**–**	**–**	**40.8**
Intercompany loan payable	3.2	**2.9**	**–**	**–**	**–**	**2.9**
2020						
Trade and other payables	9	0.9	–	–	–	0.9
Convertible bond liability	8	84.0	1 242.0	–	–	1 326.0
Intercompany loan payable	3.2	5.3	–	–	–	5.3

14.4 Capital risk management

The Company defines total capital as equity plus debt in the statement of financial position. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure in order to reduce the cost of capital.

		Company	
	Notes	2021 R (million)	2020 R (million)
Net cash/(debt)		**4 202.2**	(977.9)
Cash and cash equivalents	4	**4 202.2**	144.2
Convertible bond liability	8	**–**	(1 122.1)
Total equity		**12 622.5**	11 149.1
Net cash/(debt)-to-equity ratio %		**33.3**	(8.8)

The net cash/(debt)-to-equity ratio improved from 8.8% to 33.3% following the conversion, buy-back and redemption of the convertible bond.

14. FINANCIAL RISK MANAGEMENT continued

14.5 Fair value determination

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:
- Level 1 — quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 — inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The following table presents the financial liabilities measured at amortised cost but for which fair value disclosure are provided at 31 December:

		Company		
	Notes	Level 1 R (million)	Level 2 R (million)	Level 3 R (million)
2021				
Financial assets at amortised cost				
Cash and cash equivalents[2]	4	–	–	**4 202.2**
Intercompany loans receivable[2]		–	–	**1 433.2**
Other receivables (excluding prepaid expenses)[2]	3.1	–	–	**13.2**
Financial liabilities at amortised cost				
Trade and other payables	9	–	–	**40.8**
2020				
Financial assets at amortised cost				
Cash and cash equivalents[2]	4	–	–	144.2
Intercompany loans receivable[2]	3.1	–	–	5 172.7
Other receivables (excluding prepaid expenses)[2]		–	–	0.5
Financial liabilities at amortised cost				
Convertible bond liability[1]	8	–	–	1 122.1
Trade and other payables	9	–	–	0.9

[1] *The fair value was determined using a discounted cash flow model*
[2] *Carrying amount approximates fair value*

15. GOING CONCERN

Management has assessed the going concern assumption taking into account the impact of the Covid-19 pandemic. Based on the current financial and operational performance of the Group, the Group's solvency and liquidity position and the available facilities, the directors believe that the Company will continue as a going concern in the foreseeable future.

16. SUBSEQUENT EVENTS

Declaration of final dividend

A final gross cash dividend of 535.0 cents per share was declared by the Board on 8 March 2022 from profits accrued during the financial year ended 31 December 2021. The total cash dividend for the year amounted to 1 070.0 cents per share. The dividend is payable on 4 April 2022 to shareholders who will be on the register on 1 April 2022. This final dividend, amounting to approximately R1 500.0 million, has not been recognised as a liability in 2021. It will be recognised in shareholders' equity in the year ending 31 December 2022.

Acquisition of Additional Shares by Implats

Following its offer to the RBPlat ordinary shareholders set out in the Implats Circular dated 17 January 2022, Implats announced on 28 February 2022 that it had concluded agreements to acquire a further 1 003 495 RBPlat shares constituting approximately 0.35% of the RBPlat shares in issue. This will result in the Implat's shareholding in RBPlat increasing to 35.66%.

NON-IFRS MEASURES
for the year ended 31 December 2021

The Company utilises certain non-IFRS performance measures and ratios in managing the business and may provide users of the financial information with additional meaningful comparisons between current results and results in the prior period. Non-IFRS financial measures should be viewed in addition to and not as an alternative for the reported operating results or cash flows from operations or any other measure of performance prepared in accordance with IFRS. In addition, these measures may not be comparable to similarly titled measures used by other companies.

Non-IFRS measures such as EBITDA are considered as pro forma financial information in terms of the JSE Listing Requirements. The pro forma financial information is the responsibility of the Group's Board of Directors and is presented for illustration purposes only, and because of its nature, EBITDA should not be considered as a representation of financial performance. This pro forma financial information has been reported on by KPMG Inc. in terms of ISAE 3420, and its unmodified report is available for inspection at the Company's registered office.

EBITDA

EBITDA gives an indication of the current operational profitability of the business.

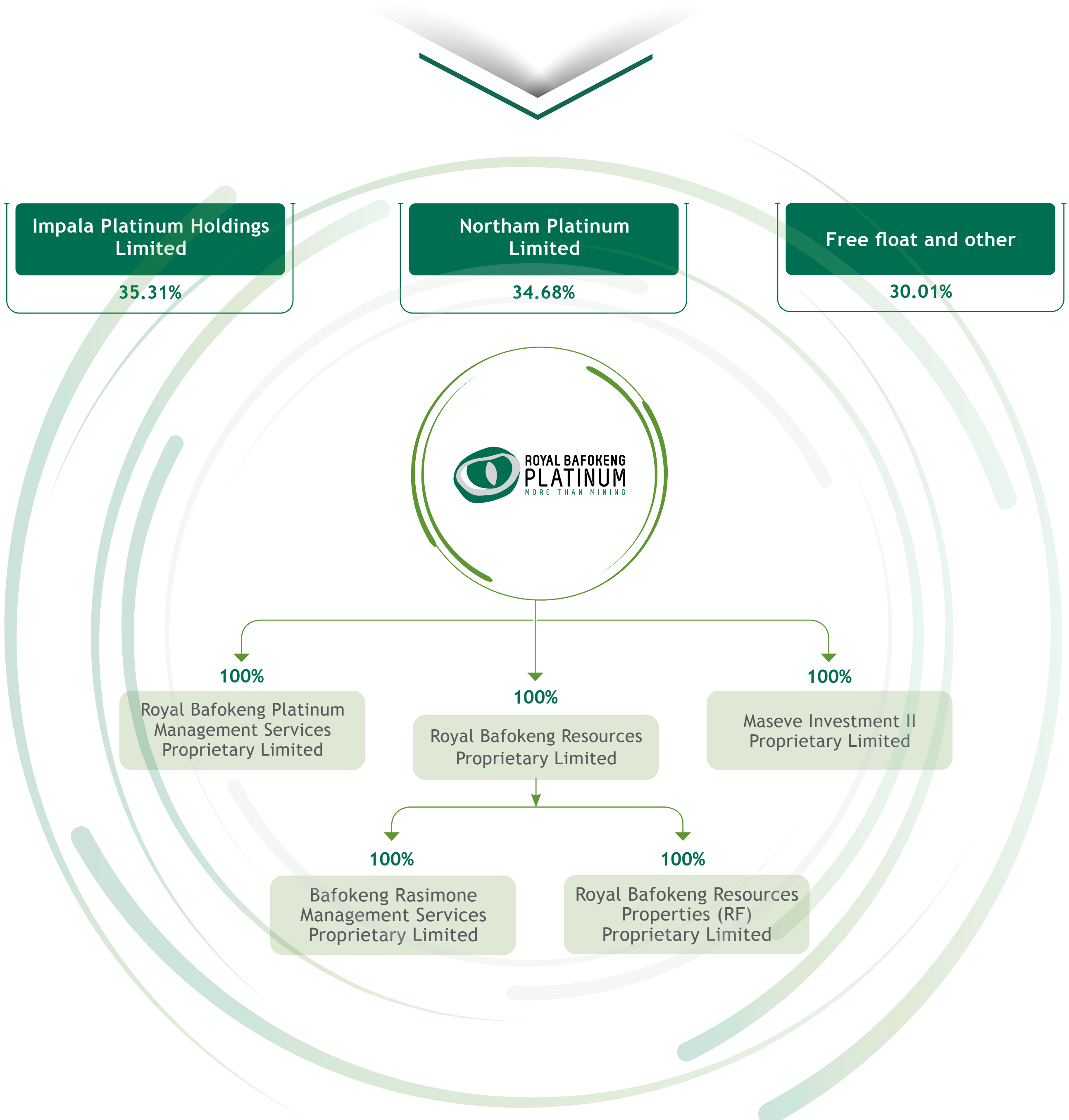
The reconciliation of EBITDA to the relevant IFRS profit before tax is shown below:

	Group	
	2021 R (million)	2020 R (million)
Profit before tax	**7 051.0**	5 023.3
Less: Finance income	**(255.1)**	(154.7)
Plus: Finance cost (excluding premium on conversion of convertible bonds)	**382.2**	487.3
Plus: Scrapping of assets and write-offs	**12.2**	4.1
Plus: Depreciation of assets	**1 184.3**	1 141.5
Plus: Amortisation (mineral rights, employee housing loan receivables and benefits)	**156.0**	145.0
EBITDA	**8 530.6**	6 646.5

GROUP STRUCTURE

Royal Bafokeng Platinum Group structure

at 31 December 2021



CORPORATE INFORMATION

SHAREHOLDERS' DIARY

Financial year-end:
31 December of each year
Interim period-end:
30 June of each year

INTEGRATED REPORT

Mailed to shareholders
11 March 2022

ADMINISTRATION

Company registered office
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JSE share code: RBP
ISIN: ZAE000149936

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