ROYAL BAFOKENG PLATINUM

MORE THAN MINING

Annual Financial Statements 2022

Creating economic value for all our stakeholders by delivering *More than mining*

CONTENTS

STRATEGY

STRATEGIC PILLARS

OPERATIONAL

1 Towards operational excellence

1.1 Optimise volumes to achieve economic sustainability	In progress
1.2 Achieve cost efficiencies that contribute to the sustainability of the business	In progress
1.3 Achieve zero harm	Not achieved
1.4 Transform our workforce to achieve gender equality and inclusivity	In progress
1.5 Effective corporate governance designed to protect and grow value	Achieved
1.6 Contributing to community sustainability	Achieved
1.7 Environmental stewardship	In progress

2 Build flexibility to ensure sustainability

2.1 Maintain our immediately mineable sections (IMS) panel ratio at BRPM	Achieved
2.2 Creating the necessary IMS and maintaining it at Styldrift	Not achieved
2.3 Processing flexibility and capacity	In progress
2.4 Capital allocation	Achieved

GROWTH

3 Grow organically

3.1 Position RBPlat to compete over the long term	In progress
3.1.1 Completion of the MF2 upgrade of the Maseve concentrator	Achieved
3.1.2 Conversion of BRPM South shaft to UG2 as Merensky Mineral Reserves are depleted	Achieved
3.1.3 Styldrift is a shallow twin vertical shaft mechanised mine with an average mining depth of 680m giving access to both Merensky and UG2 resources with a life of mine exceeding 40 years	In progress

4 Pursue value enhancing opportunities

4.1 Royalty agreements	Achieved
4.2 Mergers and acquisitions	In progress
4.3 Gold streaming	Achieved

Achieved · In progress · Not achieved

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The Board of Directors (the Board) 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 13 to 80 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 2022 are set out on pages 13 to 80. The preparation thereof was supervised by the Interim Chief Financial Officer, Rotshidzwa Manenzhe CA(SA), and approved by the Board of Directors on 08 March 2023 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 2023

CHIEF EXECUTIVE OFFICER AND INTERIM CHIEF FINANCIAL OFFICER RESPONSIBILITY STATEMENT

The Chief Executive Officer (CEO) and the Interim Chief Financial Officer (CFO), whose names are stated below, hereby confirm that:

(a) the annual financial statements set out on pages 13 to 80, fairly present in all material respects the financial position, financial performance and cash flows of RBPlat in terms of IFRS;

(b) to the best of our knowledge and belief, 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 RBPlat and its consolidated subsidiaries have been provided to effectively prepare the financial statements of RBPlat;

(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 as the CEO and interim CFO with primary responsibility of implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and

(f) we are not aware of any fraud involving directors.

SD Phiri
Chief Executive Officer

RC Manenzhe
Interim Chief Financial Officer

08 March 2023

AUDIT AND RISK COMMITTEE REPORT

This report is provided by RBPlat's independent Audit and Risk Committee (the Committee) for the financial year-ended 31 December 2022.

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, whose profiles are available on pages 25 and 26 of the RBPlat 2022 integrated report and the Company's website. The Committee had four meetings during the year under review. At year-end, the four independent non-executive members of the Committee were:

	Attendance at meetings
Members	
Louisa Stephens (Chair)	4/4
Peter Ledger	3/4
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-only closed sessions were held, as were closed sessions with internal audit, risk and finance.

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. As we are not able to raise funding during the current corporate action the Committee ensured that RBPlat maintained flexibility in its capital management structure by retaining a cash buffer
- we ensured we were abiding by the legislation and regulations regarding the declaration of dividends during the corporate action, before recommending dividend distributions for approval by the Board
- 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. During 2022 the Committee oversaw the induction of a new external audit partner following the departure of the previous partner from KPMG
- 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 recommendations 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 to ensure the integrity of information for internal and stakeholder decision-making, as well as the adequacy and effectiveness of internal controls
- evaluating the skills and capacity of the finance function in general and the Interim Chief Financial Officer in particular. The Committee recommended her appointment to the Board and obtained approval of her appointment from the JSE
- 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.

In our 2021 report we said our focus in 2022 would include monitoring the ongoing implementation of our IT and technology strategy; the efforts to optimise performance at Styldrift, including achieving cost efficiencies through the value chain; and addressing climate change, climate-related financial information, and sustainability disclosure. While we made progress with these issues during 2022, we were not able to achieve as much as we had intended.

Areas of specific focus for the Committee during 2022

Key areas of focus for the Committee during the year under review were cost management and supply chain challenges. They are inextricably linked as rising costs in the supply chain are frequently the cause of increases in our mining costs. This included examining the segmental rates of the different mines, especially in relation to costs in a very tight supply chain environment affected by Covid-19 restrictions and the knock-on effects on the supply chain.

Supply chain issues included some suppliers not meeting the terms of their contracts and taking advantage of certain supply chain processes. Equipment was supplied that was not to specification and work commissioned was either not to standard or was not completed. Processes have since been tightened up to prevent this from happening. Some suppliers have been removed from our vendor list and others were put on terms.

Procurement of critical spares is a key concern as it has frequently been difficult to procure these items. The management of our inventory of these spares has been a focus area with the intention of ensuring they are stored safely and securely.

Areas of specific focus for the Committee during 2022 continued

Overall, cost management is a work in progress, affected by the slow ramp-up of Styldrift and the delay in the Maseve MF2 and tailings dam upgrades, which negatively impacted recoveries. At Styldrift, cost management related to technical and supply chain issues; inventory management and vendor management remain a challenge. It was the focus of an internal audit during the year under review. Recommendations from this audit are being implemented.

We identified that we need to ensure that our IT team has the business skills to achieve alignment/integration between RBPlat's IT strategy and its business strategy. During 2022 we appointed a company to assist with achieving this.

Our Risk Management team presented an Enterprise Risk Management (ERM) policy and framework, as well as a revised combined assurance model and revised standards to the Committee.

Our focus for 2023

The Committee will maintain its focus on cost management, the supply chain as well as monitoring and oversight of the integration of RBPlat's IT strategy with its business strategy.

Annual confirmations

The principal matters attended to by the Committee during the year under review included:

- Annual financial statements and the 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 Riegert Stoltz, who in the opinion of the Committee are independent of the Company, as the external auditor for the financial year ended 31 December 2022
  - 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 Interim Chief Financial Officer 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 Interim Chief Financial Officer
- 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

Impairment of housing assets

Management reviewed the methodology applied to the calculation of the expected credit loss relating to the employee housing loan receivables. The methodology and models were reassessed in 2022 and updated to cater for socio-political and economic conditions. 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 2023

DIRECTORS' REPORT FOR THE GROUP AND COMPANY

PRINCIPAL ACTIVITIES AND PROFILE

Royal Bafokeng Platinum Limited (RBPlat) was incorporated in July 2008 by Royal Bafokeng Holdings Proprietary Limited (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 the BRPM and Styldrift mines. With Styldrift achieving its target of ramping up to 150ktpm in the last quarter of 2018. On 11 December 2018, Royal Bafokeng Resources Proprietary Limited (RBR) 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)

RESULTS AND DIVIDEND

The financial results of the Group and the Company are set out in the 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), the Companies Act 71 of 2008 and the JSE Listings Requirements. The annual financial statements include amounts based on judgements and estimates made by management. For further analysis of the results for the period under review, refer to the financial review report on pages 48 to 53 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 has been done through the declaration of annual dividends in each financial year since 2021, with consideration also given to special dividends and other methods of capital returns, where appropriate.

On that basis, an interim dividend of 245.0 cents per ordinary share and a final dividend of 535.0 cents per ordinary share were declared out of retained earnings by the Board on 02 August 2022 and 08 March 2023, respectively, in respect of the full year ended 31 December 2022, after considering the impact of the dividend distribution on the solvency and liquidity of the Company.

REVIEW OF THE BUSINESS, FUTURE DEVELOPMENTS AND SUBSEQUENT EVENTS

The business context on pages 12 to 14 of our 2022 integrated report provides details of the Group's operating environment. The Group's operational performance for 2022 is discussed on page 54 and information on our future outlook can be found throughout the 2022 integrated report. The financial review on pages 48 to 53 of the 2022 integrated report, together with these annual financial statements, provide a full description of our financial performance for the year, while our subsequent events are described in detail in Note 37 of these annual financial statements.

GOING CONCERN

Based on the current financial and operating performance of the Group, the Group's financial budgets and forecasts and the Group's solvency and liquidity position, the directors believe that the Group will continue as a going concern in the foreseeable future.

CORPORATE GOVERNANCE

A report on our corporate governance and our application of the principles of King IV are included in our 2022 integrated report as well as at the Company's website www.bafokengplatinum.co.za/governance.php.

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

Our integrated report for 2022 provides information on our ESG performance under the various capitals in the performance section of the report on page 93. Information on employee benefits and remuneration is provided on page 76 of the integrated report.

MATERIAL BORROWINGS

The Group's five-year Revolving Credit Facility (RCF) amounting to R2 000 million and a one-year General Banking Facility (GBF) amounting to R1 008 million have remained the same compared to the previous year. For material borrowings and facilities, please refer to Note 13 to the annual financial statements.

EMPLOYEE SHARE SCHEMES

In 2022, the Remuneration and Nominations Committees and the Board considered and approved the establishment of a new cash-based long-term incentive scheme, the '2022 RBPlat Phantom Share Plan'. The old equity-based share schemes being the RBPlat Share Appreciation Rights Plan (SARS), the Bonus Share Plan (BSP) and the Forfeitable Share Plan (FSP) ('the old schemes') were terminated. In accordance with the JSE Listings Requirements, as new shares (including treasury shares) will not be issued under the 2022 RBPlat Phantom Share Plan, it does not constitute a share scheme requiring compliance with Schedule 14 of the JSE Listings Requirements and shareholder approval was not required. Please refer to Note 20 of the annual financial statements.

In addition, a new Employee Share Ownership Plan (ESOP) was also established following an agreement, which was concluded with the labour representatives in terms of which RBPlat will utilise three percent of its annual net profit after tax to acquire shares for the benefit of qualifying employees. The implementation of the ESOP is currently on hold, as the Company is still considering the timing and method of its implementation, given the corporate action which the Company is currently subject to. The qualifying employees are full-time employees of the Group and full-time employees of the Group's volume contractor companies. Please refer to Note 15 of the annual financial statements.

CORPORATE ACTION

RBPlat has a strong track record of value accretive mergers and acquisitions and this remains a further key pillar to our strategy. Aligned to this strategic pillar, we continue to evaluate the transactions with Impala Platinum Holdings Limited (Implats) and Northam Platinum Holdings Limited (Northam) in an effort to unlock value for our shareholders. In 2021, both Implats and Northam acquired significant shareholdings in RBPlat. As at the date of issue of these financial statements, Northam has not yet made a formal offer following its firm intention announcement in November 2022, Implats made a general offer to all RBPlat shareholders in January 2022. The Implats offer is subject to fulfilment of certain conditions precedent as set out in the Implats Offer Circular. The key outstanding condition is the issuing of the compliance certificate by the Takeover Regulation Panel (TRP). As at 31 December 2022, Implats and Northam held 40.71% and 34.52%, respectively, in RBPlat.

In the most recent development, Implats announced on 24 February 2023 that it has extended the closing date of its offer to RBPlat shareholders to 31 March 2023 due to regulatory delays in relation to the issuance of the TRP's Compliance Certificate and that the date set for fulfilment or waiver of the conditions precedent has been moved to 31 March 2023.

DIRECTORATE

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

* *Resigned as an executive director on 3 April 2022 and appointed as a non-executive director on the same day, in compliance with Regulation 108 of the Companies Act*

DIRECTORS AND PRESCRIBED OFFICERS' DISCLOSURE OF INTERESTS IN CONTRACTS

During the period under review and at the time of signing off the 2022 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.

Due to the ongoing Implats offer and the firm intention announcement by Northam to make an offer, the Board has decided to continue to pause the appointment of a full-time CFO and executive director until the conclusion of the corporate action and the Board has clarity of the direction of the Company. The Company appointed the Head of Finance (Ms Manenzhe) as the Interim CFO. The Board, together with the Audit and Risk Committee, having considered the requirements of the Company with regard to its Financial Director, as well as Ms Manenzhe's familiarity and experience with the Group's financial requirements, has extended the period during which Ms Manenzhe fulfils the role of Interim CFO to 30 June 2023. The Company has obtained formal dispensation from the JSE in this regard.

In addition, the Company also entered into fixed-term contracts (FTCs) with the CEO and COO following their retirement on 7 April 2022. The Company reached agreements with the CEO and COO to retain their services as executives post their retirement for a period of 12 months to April 2023 or a change of control, whichever is the earlier. The Company considered the retention of the CEO and COO for a further period to be extremely important for all stakeholders to secure the safe and effective operations of the Company during a period of uncertainty which precluded the appointment of replacement executives with the requisite skills and experience. In terms of their retirement, the CEO and COO were entitled to pro-rata accelerated vesting of their scheme shares. To incentivise the CEO and COO to enter into the FTCs and to remain with the Company for the fixed period, the Company exercised a discretion under the applicable scheme rules to permit the vesting of the balance of the long-term incentive awards that the CEO and COO would otherwise have forfeited as a consequence of their retirement (the Deferred Award), subject to the condition that the shares comprising the Deferred Award would be held by a broker in escrow until a further employment condition and performance conditions were met. The vesting of the Deferred Award was made subject to the CEO and COO remaining in the Company's employ until 7 April 2023 (the Employment Condition) and to their satisfying the performance conditions prescribed in the FTCs (the Performance Conditions). Due to the unavailability of shares to settle the Deferred Award, and by agreement between the parties, the Deferred Award was subsequently converted into a cash-settled award equivalent to the monetary value of the shares comprising the Deferred Award (the Cash Bonus). Accrual and settlement of the Cash Bonus is regulated by the FTCs and remains subject to the satisfaction of the Employment Condition and the Performance Conditions. Under the FTCs, the CEO and COO remained eligible to participate in the Company's short term incentive scheme for the period under review.

SERVICE CONTRACTS OF DIRECTORS AND PRESCRIBED OFFICERS continued

Due to personal medical reasons and circumstances pertaining to the COO, it has been agreed that the COO will, for the time being, render strategic and operational services to the Company remotely. Mr Anthony Durrant who is RBPlat's Group Mining Engineer, and has been with the Company since 2009 will be assisting the COO with the day-to-day operational activities. He has 33 years' experience in the mining industry which includes extensive trackless bord and pillar and conventional mining experience.

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 AGM (pages 131 to 134 of the 2022 integrated report) and are also available online (www.bafokengplatinum.co.za).

At the AGM held on 22 June 2022, the following special resolutions were tabled to the shareholders:

Resolution tabled	Result
– 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	Adopted
– to approve the non-executive directors' fees	Adopted
– 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	Not Adopted

The Company has not been granted a general authority by its shareholders to buy back issued ordinary shares and therefore no shares have been repurchased.

POWERS OF THE BOARD

Subject to RBPlat's Memorandum of Incorporation (MOI), South African legislation and 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 31 of the annual financial statements on pages 51 to 55.

SHARE CAPITAL

Full details of the authorised and issued share capital of the Company are set out in Note 14 to the annual financial statements. As at 31 December 2022, there were 290 334 425 ordinary shares in issue at no par value.

MAJOR SHAREHOLDERS

The following shareholders were the registered holders of 5% or more of the issued ordinary shares in the Company at 31 December 2022:

Beneficial shareholders holding of 5% or more	Number of shares	%
Directors and prescribed officers' interest in Royal Bafokeng Platinum Limited		
Impala Platinum Holdings Limited	118 203 683	40.71
Northam Platinum Holdings Limited	100 219 552	34.52
Government Employees Pension Fund	26 905 582	9.27

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

DIRECTORS AND PRESCRIBED OFFICERS' INTERESTS IN ROYAL BAFOKENG PLATINUM LIMITED

	Number of shares			
	2022 beneficial		2021 beneficial	
	Direct	Indirect	Direct	Indirect
Executive directors				
Steve Phiri*	–	–	–	754 485
Hanré Rossouw**	–	–	–	1 045 466
Prescribed officers				
Neil Carr	–	–	–	458 308
Vicky Tlhabanelo	–	–	–	294 374
Lindiwe Montshiwagae	–	–	–	268 613
Lester Jooste (Company Secretary)	–	–	–	113 607

* *Executive director*
** *Resigned as an executive director on 3 April 2022 and appointed as a non-executive director on the same day*

None of the directors or prescribed officers own any shares in RBPlat apart from holding the awards held under the cash-settled 2022 RBPlat Phantom Share Plan.

SHARE DEALINGS

	Shares sold	Average share price	Date
Share dealings by executive directors			
Steve Phiri	188 311	R90 cash and 0.3 Implats shares for every RBPlat share	11 April 2022
Steve Phiri (Retirement vested shares)	378 396	R90 cash and 0.3 Implats shares for every RBPlat share	20 May 2022
Hanré Rossouw	102 198	R90 cash and 0.3 Implats shares for every RBPlat share	11 April 2022
Hanré Rossouw (Share Appreciation Rights)	420 248	R160.56	8 April 2022
Share dealings by prescribed officers			
Neil Carr	114 544	R90 cash and 0.3 Implats shares for every RBPlat share	11 April 2022
Neil Carr (Retirement vested shares)	226 208	R90 cash and 0.3 Implats shares for every RBPlat share	20 May 2022
Vicky Tlhabanelo	75 835	R163.54	1 April 2022
Lindiwe Montshiwagae	59 062	R90 cash and 0.3 Implats shares for every RBPlat share	11 April 2022
Rotshidzwa Manenzhe	28 870	R163.54	1 April 2022
Rotshidzwa Manenzhe (Share Appreciation Rights)	85 837	R157.70	1 May 2022
Lester Jooste (Company Secretary)	27 856	R163.54	1 April 2022

SIGNIFICANT AGREEMENTS

Disposal of concentrate agreement

The disposal of concentrate agreement (DOCA) 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 in 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.

Up until 11 August 2022 (the optional termination date in terms of the DOCA) RBR was obliged to sell, and RPM obliged to purchase 50% of the concentrate of the RBR operations (RBR's reserved concentrate). 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%.

Given that RBPlat is currently the subject of a mandatory offer by Implats and was notified on 9 November 2022 of Northam's firm intention to make a conditional general offer to acquire all or a portion of the remaining shares in RBPlat, RPM and RBR have agreed that it would be advisable for RPM to further delay its decision regarding the DOCA. RBR has accordingly agreed that RPM can deliver a termination notice in terms of the DOCA at any time on or before 10 February 2024 on the basis that if a termination notice is given on or before that date, the termination date of the DOCA in respect of 17% or 50%, as the case may be, of the concentrate will remain 11 August 2024 (or such later date as RBR may require (provided it is no later than 18 months after the date of the termination notice)).

Impala Platinum Holdings Limited (Implats) royalty agreements

These agreements regulate the terms on which RBR disposes of the UG2 ore mined by Implats from its 6 and 8 shafts and the UG2 and Merensky ore mined from its shaft 20. A royalty equivalent to 17.5% of gross Platinum Group Metals (PGMs), nickel and copper revenue will be paid for the UG2 and Merensky ore mined from the shaft 20 area. The 6 and 8 shaft royalty agreement was renegotiated in 2013 and is linked to market conditions and the profitability of the Implats Rustenburg operations. In terms of the amended royalty agreement for 6 and 8 shafts, Implats will pay RBR a royalty that is based upon a factor that is linked to the Implats 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 2025 and from the shaft 20 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 SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Royal Bafokeng Platinum Limited (the Group and Company) set out on pages 13 to 80, which comprise:

- the consolidated and company statements of financial position as at 31 December 2022,
- 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,
- the notes to the consolidated and company financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Royal Bafokeng Platinum Limited as at 31 December 2022, its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS 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 separate 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 separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

Expected credit losses on employee housing loan receivable

Refer to note 7.1 and 33.1.2 of the consolidated financial statements

Key audit matter

The Group constructs and sells houses to employees in terms of its employee home ownership scheme. As of 31 December 2022, the Group had an employee housing loan receivable of R950.4 million.

The requirements for expected credit losses, or 'ECL' in terms of IFRS 9, Financial Instruments ('IFRS 9') are complex and assumptions relating to economic and Group specific factors need to be taken into account in the ECL assessment.

The ECL assessment on the housing loan receivable is material to the consolidated financial statements in terms of its magnitude, the level of subjective judgements 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 characteristics and days past due;
- Historical credit losses experienced on the loans receivable;
- Historical loss rates adjusted to reflect the current and forward-looking information on macro-economic factors influencing the ability of the employees to settle the loans receivables; and
- Probability of default, exposure at default and loss given default.

Accordingly this was considered to be a matter of most significance in the audit of the consolidated financial statements.

How the matter was addressed in our audit

Our audit of the assumptions and model applied in the valuation of the expected credit loss, included the following audit procedures that were executed with the assistance of our credit specialist:

Obtained an understanding of the assumptions relating to the ECL calculation with management.

In assessing the ECL against the requirements of IFRS 9, our procedures included:

- Assessment of management's methodology against the IFRS 9 ECL guidance and industry practice by inspecting management's historical ECL data and management's model for calculating the impairment on the housing loans receivable;
- Made use of our credit specialists 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;
- Our credit specialists calculated a range of the possible expected credit loss relating to the housing loan receivable portfolio, based on two independent challenger scenarios, and compared these values to those recognised by management;
- Performed an analysis of the year-on-year movement of the home loan exposure and ECL;
- Tested the mathematical accuracy of the calculations to estimate the ECL;
- Selected 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*.

Other information

The directors are responsible for the other information. The other information comprises the information included in the documents titled “Royal Bafokeng Platinum – Integrated Report for the year ended 31 December 2022” and “Royal Bafokeng Platinum – Annual Financial Statements 2022”, 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 separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate 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 separate 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 separate 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 separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 separate 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 separate 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 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 separate 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate 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 two years.

KPMG Inc.
Registered Auditor

Per Riegert Stoltz
Chartered Accountant (SA)
Registered Auditor
Director
8 March 2023

KPMG Inc.
KPMG Crescent
85 Empire Road
Parktown
2193

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2022

	Notes	Group 2022 audited R (million)	Group 2021 audited R (million)
ASSETS			
Non-current assets		**23 933.8**	23 432.1
Property, plant and equipment	3	**17 285.6**	16 696.9
Mineral rights	4	**5 050.4**	5 196.6
Right-of-use assets	5	**40.2**	34.7
Environmental trust deposits and guarantee investments	6	**312.0**	281.0
Employee housing loan receivable	7.1	**936.8**	903.1
Employee housing benefit	7.2	**246.5**	262.4
Housing insurance investment	8	**62.3**	57.4
Current assets		**12 462.5**	11 615.1
Employee housing loan receivable	7.1	**13.6**	14.6
Employee housing benefit	7.2	**21.4**	23.9
Employee housing assets	7.3	**272.8**	494.3
Inventories	9	**658.9**	564.5
Trade and other receivables	10	**6 954.5**	5 552.1
Current tax receivable	11	**158.2**	67.3
Non-current assets held for sale	12	**30.0**	–
Cash and cash equivalents	13	**4 353.1**	4 898.4
Total assets		**36 396.3**	35 047.2
EQUITY AND LIABILITIES			
Total equity		**24 685.6**	24 266.6
Stated capital	14	**12 522.3**	12 413.6
Retained earnings		**12 122.4**	11 601.3
Share-based payment reserve	15	**40.9**	251.7
Non-current liabilities		**9 737.1**	9 193.5
Deferred tax liability	16	**5 668.7**	5 533.1
PIC housing facility	17	**1 449.5**	1 487.5
Deferred revenue	18	**1 923.5**	1 896.0
Restoration, rehabilitation and other provisions	19	**341.8**	245.4
Share-based payment liability	20	**324.8**	–
Lease liabilities	5	**28.8**	31.5
Current liabilities		**1 973.6**	1 587.1
Trade and other payables	22	**1 302.8**	1 302.3
Current tax payable	11	**3.1**	4.7
Current portion of PIC housing facility	17	**45.3**	48.0
Current portion of deferred revenue	18	**200.2**	228.0
Current portion of share-based payment liability	20	**409.3**	–
Current portion of lease liabilities	5	**12.9**	4.1
Total equity and liabilities		**36 396.3**	35 047.2

The notes on pages 17 to 67 form an integral part of these consolidated annual financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

	Notes	Group 2022 audited R (million)	Group 2021 audited R (million)
Revenue	23	**15 911.3**	16 428.7
Cost of sales	26	**(11 669.2)**	(9 618.8)*
Gross profit		**4 242.1**	6 809.9*
Other income	24.1	**751.5**	1 062.3
Other expenses	24.2	**(42.4)**	(18.5)*
Administrative expenses		**(348.0)**	(363.1)
Corporate office	26	**(259.8)**	(237.4)
Housing project	26	**(40.5)**	(55.5)
Industry membership and market development	26	**(47.7)**	(42.5)
Maseve care and maintenance and other costs	26	**–**	(27.7)
Impairment of assets	27	**(239.5)**	–
Finance income	25.1	**386.8**	255.1
Finance cost	25.2	**(329.3)**	(694.7)
Premium on buy-back of convertible bonds		**–**	(312.5)
Other finance costs		**(329.3)**	(382.2)
Profit before tax		**4 421.2**	7 051.0
Income tax expense	28	**(1 100.6)**	(541.1)
Current tax expense	28	**(862.8)**	(188.0)
Deferred tax expense	28	**(237.8)**	(353.1)
Net profit for the period		**3 320.6**	6 509.9
Other comprehensive income for the period		**–**	–
Total comprehensive income		**3 320.6**	6 509.9
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic EPS (cents/share)	35	**1 146.3**	2 332.4
Diluted EPS (cents/share)	35	**1 146.3**	2 270.7

* *The 2021 Maseve care and maintenance costs of R18.5 million incurred after the group reorganisation and amalgamation process was concluded have been reclassified from cost of sales to other expenses based on their nature*

The notes on pages 17 to 67 form an integral part of these consolidated annual financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	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)
2022						
Balance at 1 January 2022	**287 987 327**	**12 413.6**	**251.7**	**11 601.3**	**24 266.6**	**24 266.6**
Share-based payment charge	**–**	**–**	**115.3**	**–**	**115.3**	**115.3**
2019 BSP and FSP shares vested in April 2022	**2 033 405**	**79.3**	**(79.3)**	**–**	**–**	**–**
Initial recognition and transfer to share-based payment liability	**–**	**–**	**(204.7)**	**(489.3)**	**(694.0)**	**(694.0)**
Deferred tax on the share-based payment liability	**–**	**–**	**–**	**102.2**	**102.2**	**102.2**
Share options and Share Appreciation Rights (SARS) exercised	**313 693**	**29.4**	**(42.1)**	**(143.5)#**	**(156.2)**	**(156.2)**
Total comprehensive income	**–**	**–**	**–**	**3 320.6**	**3 320.6**	**3 320.6**
Dividends paid	**–**	**–**	**–**	**(2 268.9)**	**(2 268.9)**	**(2 268.9)**
Balance at 31 December 2022	**290 334 425**	**12 522.3**	**40.9**	**12 122.4**	**24 685.6**	**24 685.6**
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 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 bonds	–	(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

 # SARS exercised amounting to R143.5 million is net of R55.8 million income tax credit recognised directly in equity
** The number of shares is net of 1 029 219 treasury shares relating to the Company's management share incentive scheme.*

The notes on pages 17 to 67 form an integral part of these consolidated annual financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

	Notes	Group 2022 audited R (million)	Group 2021 audited R (million)
Cash flows from operating activities			
Cash generated from operations	29	**4 533.1**	8 873.9
Interest received	25.1	**365.2**	226.0
Interest paid	25.2	**(2.9)**	(71.3)
Dividends tax paid#		**(31.8)**	–
Dividends paid	32	**(2 268.9)**	(3 070.1)
Dividend received		**2.7**	0.9
Income tax paid	11	**(955.3)**	(259.3)
Net cash inflow from operating activities		**1 642.1**	5 700.1
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**1.6**	2.7
Acquisition of property, plant and equipment	3	**(1 822.6)**	(1 782.5)
Employee housing loan receivable repayments	7.1	**10.0**	9.7
Increase in environmental trust deposits and investments	6	**(30.1)**	(28.9)
Net cash outflow from investing activities		**(1 841.1)**	(1 799.0)
Cash flows from financing activities			
Repayment of PIC housing facility	17	**(146.7)**	(101.0)
Proceeds from interest-bearing borrowings		**647.5***	890.3
Convertible bonds repurchased/redeemed		**–**	(482.3)
Repayment of interest-bearing borrowings		**(647.5)***	(1 499.7)
Principal elements of lease payments	5.3	**(11.0)**	(16.0)
Settlement of Share Appreciation Rights		**(199.3)**	(106.9)
Proceeds from share options exercised**	14	**10.7**	69.7
Net cash outflow from financing activities		**(346.3)**	(1 245.9)
Net (decrease)/increase in cash and cash equivalents		**(545.3)**	2 655.2
Cash and cash equivalents at the beginning of the period	13	**4 898.4**	2 243.2
Cash and cash equivalents at the end of the period	13	**4 353.1**	4 898.4

Relates to deemed dividend tax paid to the South African Revenue Service in terms of section 64 of the South African Income Tax Act of 1962 following the conversion of the bonds in 2021

* *Interest-bearing borrowings were drawn down and repaid in the current year*

** *Excludes R18.7 million (2021: R57.7 million) non-cash portion relating to the transfer of the share-based payment reserve to stated capital (refer to Note 15)*

The notes on pages 17 to 67 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 2022

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 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 2023. 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 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 and financial liabilities, 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 annual financial statements, are detailed in the relevant notes to the annual financial statements.

Functional and 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 2022.

Standard	Subject	Date
	Annual Improvements to IFRS Standards 2018 – 2020	1 January 2022
IFRS 1	*First-time Adoption of International Financial Reporting Standards* The amendment allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. The amendment did not have an impact on the Group's financial statements.	
IFRS 9	*Financial Instruments* The amendment clarifies which fees should be included in the 10% test for derecognition of financial liabilities. The amendment did not have an impact on the Group's financial statements.	1 January 2022
IFRS 16	*Leases* This amendment aims to remove any confusion about the treatment of lease incentives by amending illustrative example 13 by removing the illustration of payments from the lessor relating to leasehold improvements. The amendment did not have an impact on the Group's financial statements.	1 January 2022
IAS 16	*Property, Plant and Equipment – Proceeds before intended use* This amendment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received 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 received from selling such items and the costs of producing those items, in profit or loss. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. The amendment did not have an impact on the Group's financial statements as there was no revenue offset against the costs capitalised during the current period.	1 January 2022

1. GENERAL INFORMATION continued

New standards, amendments and interpretations to existing standards continued

New and amended standards adopted by the Group continued

Standard	Subject	Date
IAS 37	*Provisions, Contingent Liabilities and Contingent Assets – Onerous Contract – Cost of fulfilling a contract* The amendment clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The amendment did not 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* Minor amendments were made to IFRS 3 *Business Combinations* to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. The amendment did not have an impact on the Group's financial statements, but will be applied when applicable in the future.	1 January 2022

The following new accounting standards and interpretations have been published that are not mandatory for the 31 December 2022 reporting period 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.

IAS 1	*Presentation of Financial Statements – Classification of Liabilities as current and non-current* The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. The impact of the amendment will be assessed and applied in the future.	1 January 2023
IAS 1	*Disclosure of Accounting Policies – amendments to IAS 1 and IFRS Practice Statement 2* The amendments require entities to disclose their material rather than their significant accounting policies. These standards define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. The impact of the amendments will be assessed and applied in the future.	1 January 2023
IAS 8	*Accounting Policies, Changes in Accounting Estimates and Errors* The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. 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 impact of the amendment will be assessed and applied in the future.	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 at 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 in the statement of financial position. 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, unrealised gains and losses on transactions between Group companies are 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 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 statement of comprehensive income. 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.

2.2 General

2.2.1 Financial instruments

Financial assets comprise environmental trust deposits and guarantee investments, trade and other receivables (excluding prepaid expenses, capitalised funding transaction costs, deposits 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.

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities comprise borrowings, lease liabilities and trade and other payables (excluding VAT payables). The Group classifies its financial liabilities as liabilities at amortised cost, except for share-based payment liability which is measured on initial recognition and subsequently at fair value through profit or loss.

2. GROUP ACCOUNTING POLICIES continued

2.2 General continued

2.2.1 Financial instruments continued

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of comprehensive income.

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.

Effective 1 January 2022, the amendment to IAS 16 prohibits 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 does not have an impact on the Group's financial statements as there was no revenue offset against the costs capitalised during the current period.

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's, 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 the statement of comprehensive income
- 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

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

3. PROPERTY, PLANT AND EQUIPMENT continued

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

The carrying amount of an item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains or losses on disposal of property, plant and equipment are determined by comparing proceeds on disposal with carrying amounts and are included in the statement of comprehensive income.

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 loss will reduce the carrying amount of property, plant and equipment to its recoverable amount. The impairment loss is included in the statement of comprehensive income. 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 the statement of comprehensive income.

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 incurred 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.

Phase 2: Ramp-up phase

Capitalisation of costs to 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 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.

Phase 3: Production phase

When the commercial production indicators are met, the mine moves to the production phase. Revenue as well as operating costs relating to the production from the mine are recognised in the statement of comprehensive income. During this phase, costs are reclassified from capital-work-in-progress to the different classes of assets and depreciation commences.

Critical accounting estimates and assumptions

Management applied the following critical accounting estimates and assumptions:

Assessment of impairment indicators

The estimates and assumptions used in the assessment of impairment indicators is an area of significant judgement. Refer to page 23 for the details of the assessment and assumptions used in our impairment indicator 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.

3. PROPERTY, PLANT AND EQUIPMENT continued

Critical accounting estimates and assumptions continued

Mineral reserves continued

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 their 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.

	Group						
	Land and buildings R (million)	Furniture and fittings and computer equipment R (million)	Mining assets (including decommissioning asset) R (million)	Capital work in progress R (million)	Plant and machinery R (million)	Vehicles and equipment R (million)	Total R (million)
2022							
At 1 January 2022	**575.3**	**28.6**	**10 145.3**	**1 736.0**	**4 202.7**	**9.0**	**16 696.9**
Additions	**6.3**	**11.8**	**333.0**	**1 023.4**	**439.2**	**8.9**	**1 822.6**
Change in estimate of decommissioning asset	**–**	**–**	**60.8**	**–**	**–**	**–**	**60.8**
Transfer to non-current assets held for sale (refer to Note 12)	**(30.0)**	**–**	**–**	**–**	**–**	**–**	**(30.0)**
Disposal	**–**	**–**	**–**	**–**	**(1.8)**	**–**	**(1.8)**
Impairment (refer to Note 27)	**(35.7)**	**–**	**–**	**–**	**–**	**–**	**(35.7)**
Depreciation	**(24.5)**	**(22.4)**	**(391.8)**	**–**	**(785.0)**	**(3.5)**	**(1 227.2)**
Transfers	**(15.9)**	**26.0**	**1 192.8**	**(1 670.7)**	**465.4**	**2.4**	**–**
At 31 December 2022	**475.5**	**44.0**	**11 340.1**	**1 088.7**	**4 320.5**	**16.8**	**17 285.6**
Cost	**642.3**	**110.0**	**16 988.8**	**1 111.1**	**7 627.6**	**96.8**	**26 576.6**
Accumulated depreciation and impairment	**(166.8)**	**(66.0)**	**(5 648.7)**	**(22.4)**	**(3 307.1)**	**(80.0)**	**(9 291.0)**
At 31 December 2022	**475.5**	**44.0**	**11 340.1**	**1 088.7**	**4 320.5**	**16.8**	**17 285.6**
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

3. PROPERTY, PLANT AND EQUIPMENT continued

Assessment of impairment indicators

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*. Management applies judgement in assessing whether an impairment indicator has occurred. If an impairment indicator is concluded to exist, IAS 36 requires that an impairment test be performed. In assessing whether there are any indicators that long-lived assets may be impaired, management mainly considered the following indicators:

- the RBPlat market capitalisation significantly exceeded its net asset value
- the PGM pricing environment has been stable and is not forecasted to significantly decrease. The following key assumptions used in representing management's best estimates indicate that the commodity prices will not significantly decrease and impact the cash flow forecasts adversely. These assumptions are tested against external sources and market consensus:
  - long-term real platinum price of US$1 117 per ounce (2021: US$975 per ounce)
  - long-term real palladium price of US$1 290 per ounce (2021: US$1 523 per ounce)
  - long-term real gold price of US$1 524 per ounce (2021: US$1 332 per ounce)
  - long-term real rhodium price of US$5 757 per ounce (2021: US$5 710 per ounce)
  - a long-term real rand:US$ exchange rate of R16.65:US$ (2021: R17.07:US$)
- the forecasts of production output, costs and capital expenditure per the recent Board-approved business plans indicate that there are no expected significant changes to the business that may have an adverse impact on the business in the near future. The production output is based on the detailed life of mine plan. The costs and capital expenditure have been forecasted taking into account the forecast inflation as well as internal plans.

Taking into account the above and other internal and external forces, including the recent business performance and the going concern assessment of the business, it was concluded that there are no indicators of impairment.

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 cash-generating units (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.
- 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

Management applied the following critical accounting estimates and assumptions:

Assessment of impairment indicators

The estimates and assumptions used in the assessment of impairment indicators is an area of significant judgement. Refer to Note 3 for details of the estimates and assumptions used in our impairment assessment.

Amortisation of mineral rights

Amortisation of mineral rights is provided for on a UOP basis which is impacted by the estimation of reserves. Refer to Note 3 for more details.

4. MINERAL RIGHTS continued

	Group	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	**5 196.6**	5 353.2
Less: Amortisation (included in cost of sales — refer to Note 26)	**(146.2)**	(156.6)
Closing balance at 31 December	**5 050.4**	5 196.6
Cost	**6 767.0**	6 767.0
Accumulated amortisation and impairment	**(1 716.6)**	(1 570.4)
Closing balance at 31 December	**5 050.4**	5 196.6

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 leases 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.

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 the statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less, while leases of low-value assets relate to the lease of printers.

Variable lease payments

The lease payments 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. LEASES continued

5.1 Amounts recognised in the statement of financial position

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

	Group	
	2022 R (million)	2021 R (million)
Right-of-use assets		
Buildings	6.6	8.3
Equipment	33.6	26.4
Closing balance at 31 December	40.2	34.7
Lease liabilities		
Non-current portion of lease liabilities	(28.8)	(31.5)
Current portion of lease liabilities	(12.9)	(4.1)
Closing balance at 31 December	(41.7)	(35.6)

Additions to the right-of-use assets during the 2022 financial year were R20.9 million (2021: R33.1 million).

5.2 Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	Group	
	2022 R (million)	2021 R (million)
Depreciation charge of right-of-use assets		
Buildings	1.7	2.4
Equipment	10.4	13.1
Total depreciation charge of right-of-use assets	12.1	15.5
Interest expense (included in finance cost — refer to Note 25.2)	2.9	2.1

The total cash outflow for leases in the current year is R13.9 million (2021: R18.1 million).

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	
	2022 R (million)	2021 R (million)
Right-of-use assets		
Opening balance at 1 January	34.7	16.0
New leases entered into	20.9	33.1
Depreciation	(12.1)	(15.5)
Modification	(3.3)	1.1
Closing balance at 31 December	40.2	34.7
Lease liabilities		
Opening balance at 1 January	35.6	17.4
Interest capitalised	2.9	2.1
Interest paid	(2.9)	(2.1)
Capital repayment	(11.0)	(16.0)
New leases entered into	20.9	33.1
Modification	(3.8)	1.1
Closing balance at 31 December	41.7	35.6
Net debt as at 31 December	(1.5)	(0.9)

Refer to Note 33.1.3 for the lease liabilities maturity analysis.

6. ENVIRONMENTAL TRUST DEPOSITS AND GUARANTEE INVESTMENTS

Environmental trust deposits held in the Nedbank, Rand Merchant Bank (RMB) and Standard Bank accounts are classified at amortised cost. Environmental guarantee investments are held at fair value through profit or loss.

Bafokeng Rasimone Platinum Environmental Rehabilitation Trust (BRP JV Environmental Rehabilitation Trust)

The BRP JV 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 BRP JV Environmental Rehabilitation Trust and providing guarantees to the Department of Mineral Resources and Energy (DMRE).

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 19 for details of the environmental rehabilitation provision.

Interest earned on deposits paid to the trust is accounted for as finance income and income earned linked to the performance of the equity-linked component of the investment is accounted for as a fair value adjustment in other 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. Impairment on these deposits is recognised using the credit loss model — refer to Note 33.1.2.

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 investments, 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.

These investments are financial assets that are initially recognised at fair value.

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.

The environmental guarantee investments are fair valued every month and the fair value adjustment is recognised as other income in the statement of comprehensive income. Refer to Note 33.1.5 for the fair value disclosure for the environmental guarantee Investments.

	Group	
	2022 R (million)	2021 R (million)
Environmental trust deposits		
Held in Standard Bank and Rand Merchant Bank accounts		
Opening balance at 1 January	**14.0**	13.5
Plus: Interest earned on environmental trust deposits (refer to Note 25.1)	**0.7**	0.5
Closing balance at 31 December	**14.7**	14.0
Held in Nedbank deposit notes		
Opening balance at 1 January	**162.4**	155.8
Plus: Interest earned on environmental trust deposits (refer to Note 25.1)	**9.3**	6.6
Closing balance at 31 December	**171.7**	162.4
Total deposits held by the BRP JV Environmental Rehabilitation Trust at 31 December	**186.4**	176.4
Environmental guarantee investments		
Opening balance at 1 January	**104.6**	84.5
Plus: Contributions made during the year	**20.1**	22.3
Plus/(Less): Fair value adjustments net of management fee	**0.9**	(2.2)
Closing balance at 31 December	**125.6**	104.6
Total environmental trust deposits and guarantee investments at 31 December	**312.0**	281.0

7. EMPLOYEE HOUSING

RBRP, a wholly owned subsidiary of RBR, is a property company that was created in 2013 for the purpose of an employee housing 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. Income earned from the sale of employee housing assets is not in the ordinary activities of RBR or the Group's ordinary activities. This income therefore falls outside the scope of IFRS 15. Consequently, the income is reflected as other income in the statement of comprehensive income.

The employee housing 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 the 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 the review of the demand for the houses by employees. The results of the review indicated that the number of houses constructed was in line with the demand for houses. As a result, no additional houses will be constructed. Of the completed houses, 33 houses (2021: 106 houses) were sold, resulting in 113 houses (2021: 146 houses) being held as employee housing assets available for sale as at 31 December 2022, 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%, 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 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 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 is therefore recognised at amortised cost. Finance income is recognised using the appropriate effective interest rate as determined above and recognised in the statement of comprehensive income.

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 — refer to Note 33.1.2.

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 2022:

- Instalment
  - Initial instalment for 80m^2 house of R4 711 from 1 July 2022 to 30 June 2023 (2021: R4 383 from 1 July 2021 to 30 June 2022)
  - Initial instalment for 140m^2 house of R9 139 from 1 July 2022 to 30 June 2023 (2021: R8 501 from 1 July 2021 to 30 June 2022)
  - Instalments increase on 1 July of each year and are fixed for a period of 12 months
- Interest accrual
  - The prime lending rate (defined as the 'benchmark rate at which private banks lend out to the public') is used as the base discount rate with an adjustment of 2.5% for counterparty credit risk (relative to the prime lending rate).
- Payment period
  - The initial repayment period for the majority of the loans is 172 months
  - The repayment period, however, is adjusted based on interest rate movements

Other key assumptions used in determining the employee housing loan receivable

- Interest accruals
  - Interest is charged at 7.5% (2021: 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 was 6.5% (2021: 5.2%))
  - Interest rates are adjusted annually effective from 1 July and 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%
- In calculating the expected credit loss, the following was taken into account:
  - Loss given default of 10.0% (2021: 5.0%)
  - Probability of default of 3.0% (2021: 2.0%)
  - The collateral in place 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	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	**917.7**	853.9
Plus: Houses sold to employees net of cancellation of sale during the year	**29.4**	76.9
Plus: Contractual interest capitalised	**90.4**	87.9*
Less: Contractual interest received	**(87.8)**	(79.8)*
Plus: Fair value adjustment — interest income	**16.3**	20.1
Less: Estimated credit loss	**(1.5)**	(0.3)
Less: Repayment of employee housing loan receivable	**(10.0)**	(9.7)
Less: Employee housing loan receivable write-off	**(2.4)**	(11.9)
Plus: Reversal of employee housing benefit	**20.1**	23.4
Less: Employee housing benefit (refer to Note 7.2)	**(21.8)**	(42.8)
Closing balance at 31 December	**950.4**	917.7
Split between:		
Non-current portion of employee housing loan receivable	**936.8**	903.1
Current portion of employee housing loan receivable	**13.6**	14.6
	950.4	917.7

** In 2021, the contractual interest capitalised included both the contractual interest capitalised and the contractual interest received. These have been disclosed separately.*

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) or the loan period. If the employee's service period differs from the initial expectation on occupation date, the change in expectation is recognised 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	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	**286.3**	288.6
Plus: Employee housing loan benefit (refer to Note 7.1)	**21.8**	42.8
Less: Amortisation charge for the year	**(21.4)**	(22.9)
Less: Reversal of employee housing benefit (including write-off)*	**(18.8)**	(22.2)
Closing balance at 31 December	**267.9**	286.3
Split between:		
Non-current portion of employee housing benefit	**246.5**	262.4
Current portion of employee housing benefit	**21.4**	23.9
	267.9	286.3

** 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

The employee housing assets consist of houses on hand and undeveloped land and are classified as current assets. Income earned from the sale of employee housing assets is not in RBR's 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, Changes 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 costs 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.

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 the statement of comprehensive income as other income on disposal of employee housing assets.

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

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

Critical 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.

During 2022, a process to sell the undeveloped land was initiated. In order to determine the fair value of the undeveloped land, a valuation was performed by an independent expert with appropriate qualifications and experience in the location and category of the undeveloped land valued. The independent expert utilised a market approach with level 2 inputs in determining the value. The valuation approach was based on comparable sales of land in the surrounding areas. The fair value less cost of disposal was determined to be R166.22 per m^2 equating to R179.1 million. As a result, an impairment loss of R203.8 million was recognised in the statement of comprehensive income. Refer to Note 27.

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 (2021: R0.7 million) and R1.3 million (2021: R1.3 million), respectively
- Suspension of construction impacted the way the undeveloped value of land will be recovered, management's intention is to recover the value of undeveloped land through sale
- Independent valuation of undeveloped land of R184.69 (2021: R650) per m^2 with an estimated selling cost of R18.47 per m^2 resulting in the fair value less to cost of R166.22 per m^2
- Independent valuation of $80m^2$ and $140m^2$ houses amounting to R0.8 million (2021: R0.8 million) and R1.3 million (2021: R1.3 million), respectively.

	Group	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	**494.3**	542.3
Additions due to cancellation of sale agreements	**46.1**	68.3
Houses sold to employees during the year (exclusive of VAT)	**(63.8)**	(116.3)
Impairment of employee housing assets (refer to Note 27)	**(203.8)**	–
Closing balance at 31 December	**272.8**	494.3

8. HOUSING INSURANCE INVESTMENT

The housing insurance investment comprises of a cell captive that is set up with Guardrisk to cover the risk of retrenchment for employees having an employee housing loan, and a special experience account with Centriq Insurance Company Limited consisting of rollover insurance premiums (self-insurance) 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 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	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	**57.4**	49.1
Plus: Fair value adjustments	**4.9**	8.3
Closing balance at 31 December	**62.3**	57.4

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

for the year ended 31 December 2022

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.

	Group	
	2022 R (million)	2021 R (million)
Consumables	**335.6**	288.3
Stockpiles	**323.3**	276.2
Closing balance at 31 December	**658.9**	564.5

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 33.1.1 for sensitivity analysis).

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 average commodity price used to fair value the trade receivables at the end of the period was R17.2586 (2021: R15.8606) and US$2 032.6 (2021: US$1 683.8) per ounce, respectively.

Impala Platinum Holdings Limited (Implats) royalty receivable, deposits made, VAT receivable, prepaid expenses, 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 the 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 Resources 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. Provisional royalty tax return is submitted based on estimates and payable bi-annually with the annual royalty tax return due after year-end. As a result, R54.8 million (2021: R70.5 million) was receivable from the State pending the submission of the annual royalty return.

Funding 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 (funding 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 33.1.2).

10. TRADE AND OTHER RECEIVABLES continued

	Group	
	2022 R (million)	2021 R (million)
Trade receivables (RPM concentrate debtor — refer to Note 33.1)	**6 547.2**	5 192.8
Implats royalty receivable (refer to Note 30)	**135.0**	142.4
VAT receivable	**13.3**	37.0
Styldrift deposit	**31.1**	29.8
Maseve restricted cash	**28.4**	28.4
Deposit paid for mining equipment	**—**	7.7
Prepaid expenses	**84.0**	17.1
State royalty taxes receivable	**54.8**	70.5
Funding transaction costs capitalised	**7.7**	9.7
Interest accrued on cash and cash equivalents	**30.4**	13.2
Other receivables	**22.6**	3.5
Closing balance at 31 December	**6 954.5**	5 552.1

11. CURRENT TAX RECEIVABLE/(PAYABLE)

	Group	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	**62.6**	(8.7)
Income tax charge (refer to Note 28)	**(862.8)**	(188.0)
Payments made	**955.3**	259.3
Closing balance at 31 December	**155.1**	62.6
Current tax receivable/(payable) comprises:		
Current tax receivable	**158.2**	67.3
Current tax payable	**(3.1)**	(4.7)
Closing balance at 31 December	**155.1**	62.6

12. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in the statement of comprehensive income. A gain is recognised for any subsequent increases in fair value less costs to sell an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated while they are classified as held for sale.

RBPlat management committed to a plan to sell the Sundown Ranch farm and hotel (disposal group assets). Accordingly, these assets have been reclassified to non-current assets held for sale in line with the requirements of IFRS 5. On the date of reclassification, efforts to sell the assets with the carrying amount of R65.7 million had advanced and the sale was expected to be concluded within 12 months.

The fair value less costs to sell was determined to be R30 million as agreed with the potential buyer. As a result, an impairment loss of R35.7 million was recognised and has been included in 'Impairment of assets' in the consolidated statement of comprehensive income.

At 31 December 2022, the disposal group assets were stated at fair value less costs to sell and comprised the following assets.

	Group	
	2022 R (million)	2021 R (million)
Property, plant and equipment	**30.0**	—
Closing balance at 31 December	**30.0**	—

Subsequent to year-end the sale was concluded and the proceeds of R30 million were received.

13. 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	
	2022 R (million)	2021 R (million)
Cash at bank and on hand	**92.2**	134.6
Short-term deposits	**4 260.9**	4 763.8
Closing balance at 31 December	**4 353.1**	4 898.4
The cash and cash equivalents above are split as follows:		
Cash and cash equivalents — RBR operations	**3.3**	567.0
Cash and cash equivalents — RBPlat corporate office	**4 270.1**	4 203.3
Cash and cash equivalents — RBRP (housing project ring-fenced cash)	**79.7**	128.1
Closing balance at 31 December	**4 353.1**	4 898.4

RBRP housing project ring-fenced cash may only be used for the financing of the Employee Home Ownership Scheme. Included in the RBPlat corporate office cash and cash equivalents balance is an amount of R204.5 million set aside for the new ESOP. Refer to Note 15.

Facilities

The Group has R3 008 million debt facilities made up of a Revolving Credit Facility (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 R122.8 million (2021: R118.6 million) of its R1 000 million GBF for guarantees. RBP MS utilised R0.8 million (2021: 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 2022.

The PIC housing facility was a R2 200 million facility accruing interest at CPI plus a margin of 1%. At 31 December 2022, R1 273.7 million was drawn (2021: 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 are shown in the table below:

	Group				
	Facility amount R (million)	**Utilised amount R (million)**	**Available facility R (million)**	**Repayment date**	**Interest rate**
Committed facilities					
2022					
Revolving credit facility	**2 000.0**	**–**	**2 000.0**	**31 October 2026**	**JIBAR plus 2.5%**
General banking facilities	**1 008.0**	**(123.6)**	**884.4**	**31 October 2023**	**Prime less 1.4%**
PIC housing facility	**1 273.7**	**(1 273.7)**	**–**	**Refer to Note 17**	**CPI plus 1%**
Total at 31 December	**4 281.7**	**(1 397.3)**	**2 884.4**		
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	4 281.7	(1 393.1)	2 888.6		

13. CASH AND CASH EQUIVALENTS continued

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.

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 2022, none of the covenants were breached.

14. 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 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	
	2022	2021
Authorised share capital		
1 000 000 000 (2021: 1 000 000 000) ordinary shares with no par value	**1 000 000 000**	1 000 000 000
1 500 000 (2021: 1 500 000) 'A1' ordinary shares with no par value	**1 500 000**	1 500 000
1 500 000 (2021: 1 500 000) 'A2' ordinary shares with no par value	**1 500 000**	1 500 000
1 500 000 (2021: 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
	R (million)	R (million)
Stated capital		
Opening balance at 1 January	**12 413.6**	11 263.7
1 883 112 BSP and RFSP shares vested in April 2021	**–**	68.4
2 033 405 BSP and FSP shares vested in April 2022	**79.3**	–
Share options and SARS exercised	**29.4**	127.4
Conversion of convertible bonds	**–**	954.1
Total 290 334 425 (2021: 287 987 327) ordinary shares	**12 522.3**	12 413.6

All ordinary shares have the same voting rights and they are presented net of any treasury shares held by the Group. At 31 December 2022, the treasury shares outstanding amounted to nil (2021: 1 029 219) ordinary shares.

15. SHARE-BASED PAYMENT RESERVE

The Group operated a number of equity-settled share-based compensation plans, under which the subsidiary entities receive services from employees as consideration for equity instruments of the Company. The fair value of the services received in exchange for the grant of the equity instrument was recognised as an expense with a corresponding increase to the share-based payment reserve in equity. The total amount to be expensed was determined by reference to the fair value of the equity instrument determined on the respective grant dates.

In the second quarter of 2022, the Remuneration and Nominations Committees and the Board considered and approved in principle the establishment of a new cash-based long-term incentive scheme, the '2022 RBPlat Phantom Share Plan'. Furthermore, the current equity-based share schemes being the RBPlat Share Appreciation Rights Plan (SARS), the Bonus Share Plan (BSP) and the Forfeitable Share Plan (FSP) ('the old schemes') have been terminated. This termination has resulted in the transfer of R204.7 million from the share-based payment reserve to the share-based payment liability. Refer to Note 20.

RBPlat Employee Share Ownership Scheme

The Group signed an agreement with the labour representatives to establish a profit share funded Employee Share Ownership Plan (ESOP) with the following objectives:
- to enhance accountability of all qualifying employees
- to maximise the Group's overall profitability to fund and grow the pool of the ESOP
- to contribute and facilitate the further financial empowerment and promotion of capital accumulation and savings of employees
- to enable further alignment of shareholders and employees' interests through sharing in the Group's performance.

The qualifying employees are full-time employees of the Group and full-time employees of the Group's volume contractor companies.

15. SHARE-BASED PAYMENT RESERVE continued

In 2022, three percent (3%) of the Group's 2021 net profit after tax (NPAT) was set aside for the purchase of the ESOP shares forming part of the initial 2022 allocations.

Scheme rules

In terms of the scheme rules, the Group will, at the end of every financial year, contribute 3% of the Group's NPAT. However, if the NPAT generated by the Group is less than R500 million in any financial year, the qualifying employees will be afforded a loan amounting to R1 780 per qualifying employee to fund the ESOP allocation for the particular year. This loan will be interest-free and will be fully refundable to the Group from the ESOP pool of funds earned in any future financial year where profitability exceeds R500 million.

The annual NPAT amount will be used solely to purchase RBPlat shares on the market at the prevailing market price for qualifying employees. The shares will be held by an escrow agent on behalf of the qualifying employees for the vesting period of five years from allocation date.

The qualifying employees are entitled to all dividends declared by RBPlat in respect of the ESOP shares allocated to them during the vesting period. However, during this period, all dividends will be used to purchase additional shares, which will be subject to the same conditions applicable to the underlying allocations.

At the vesting date, the shares constituting the allocated shares and additional shares procured through the dividends declared will, subject to the ESOP rules, vest in the name of the individual qualifying employees.

The right of a participant to any ESOP shares (including dividends and additional shares procured through the dividends declared) shall be forfeited by a fault participant ('bad leaver') who leaves before the five-year vesting period. The forfeited shares are reverted to the ESOP for re-allocation to other participants.

In the event of a no fault participant ('good leaver') who leaves before the five-year vesting period, a pro rata portion of their ESOP shares (including dividends and additional shares procured through the dividends declared) will vest on termination date, while the balance will lapse.

Accounting treatment of the ESOP

Given the current scheme rules, the shares to be issued in terms of this scheme are accounted for as equity-settled share-based payments.

Although the grant date of 1 January 2022 has been achieved, the implementation of the ESOP is currently on hold, as the Company is still considering the timing and method of implementation thereof, given the current corporate action that the Company is subject to. The funds amounting to R195.3 million (3% of the 2021 NPAT) have however been set aside and invested in an interest-bearing account. The interest earned on the funds accrues for the benefit of the ESOP and forms part of the initial allocations. By 31 December 2022, the balance of the funds including interest of R9.2 million amounted to R204.5 million.

The following table summarises the movement in the share-based payment reserve:

	Group	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	**251.7**	284.6
Share-based payment expense	**115.3**	93.2
BSP and FSP shares vested	**(79.3)**	(68.4)
Share options and SARS exercised	**(42.1)**	(57.7)
Transfer to share-based payment liability (refer to Note 20)	**(204.7)**	–
Closing balance at 31 December	**40.9**	251.7

16. DEFERRED TAX LIABILITY

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 substantively 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	
	2022 R (million)	2021 R (million)
Deferred tax comprises:		
Deferred tax liability	**5 668.7**	5 533.1
Closing balance at 31 December	**5 668.7**	5 533.1

	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)**
2022						
Opening balance at 1 January	**1 455.0**	**4 741.2**	**(531.7)**	**(56.5)**	**(74.9)**	**5 533.1**
Deferred tax on the share-based payment liability charged to equity	**–**	**–**	**–**	**–**	**(102.2)**	**(102.2)**
Charged to statement of comprehensive income	**(40.9)**	**31.8**	**531.7**	**(31.9)**	**(37.1)**	**453.6**
Change in tax rate charged to statement of comprehensive income	**(50.5)**	**(170.5)**	**–**	**3.6**	**1.6**	**(215.8)**
Closing balance at 31 December	**1 363.6**	**4 602.5**	**–**	**(84.8)**	**(212.6)**	**5 668.7**
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

Tax losses included in RBP MS and RBRP, which are not recognised as deferred tax assets, amount to R146.8 million (2021: R278.5 million) and R146.3 million (2021: R113.2 million), respectively. RBR had an unredeemed capital allowance of R1 366.8 million in 2021 which has been fully utilised in the current year. Of the deferred tax liability, approximately R5 200.8 million (2021: R5 093.7 million) will realise after 12 months.

Refer to Note 28 for details relating to the change in the tax rate.

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. Furthermore, the repaid portion of the facility is also not available. 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.

	Group	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	**1 535.5**	1 558.0
Plus: Contractual interest charges capitalised to loan	**103.9**	72.7
Plus: Fair value interest charges capitalised to loan	**25.6**	29.2
Less: Amortisation of fair value adjustment to loan	**(23.5)**	(23.4)
Less: Repayments	**(146.7)**	(101.0)
Closing balance at 31 December	**1 494.8**	1 535.5
Split between:		
Non-current portion of PIC housing facility	**1 449.5**	1 487.5
Current portion of PIC housing facility	**45.3**	48.0
	1 494.8	1 535.5

18. 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 Implats royalty areas), payable over the life of mine (LOM) (the stream). In addition to the advance payment, RBPlat receives 5% cash (variable consideration) (refer to Note 23) 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. The related costs of the purchase of the gold credits are included in cost of sales (refer to Note 26).

In terms of this agreement, 70% of the gold production will be delivered to Triple Flag until 261 000 ounces have been delivered (payable gold), 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.

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. 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.

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 the statement of comprehensive income 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. 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	
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	45 years	The starting point for the LOM is the approved LOM plan for the operations (excluding Styldrift II and the Implats royalty areas) with a portion of resources included beyond the current LOM 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 the 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 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. RBPlat 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.

Any changes to the key inputs impacting the ounces delivered could significantly change the quantum of the cumulative revenue amount recognised in the statement of comprehensive income.

18. DEFERRED REVENUE continued

The following table summarises the changes in deferred revenue:

	Group	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	**2 124.0**	2 126.7
Interest charge (refer to Note 25.2)	**185.2**	186.0
Deferred revenue recognised during the period (refer to Note 23)	**(185.5)**	(188.7)
Closing balance at 31 December	**2 123.7**	2 124.0
Split between:		
Non-current portion of deferred revenue	**1 923.5**	1 896.0
Current portion of deferred revenue	**200.2**	228.0
	2 123.7	2 124.0

3 198 gold ounces (2021: 3 412) were delivered from BRPM while 4 383 gold ounces (2021: 4 681) were delivered from Styldrift.

19. 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 the statement of comprehensive income 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.

Restoration costs

Changes in the discounted amount of estimated restoration costs are charged to the statement of comprehensive income 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.

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.

19. RESTORATION, REHABILITATION AND OTHER PROVISIONS continued

Critical accounting estimates and assumptions continued

Environmental rehabilitation obligations continued

Key assumptions used were:

	Group	
	2022	2021
Current cost estimate R (million)	**636.8**	534.9
Inflation rate (%)	**7.4**	4.9
Nominal discount rate (%)	**11.6**	10.5
Real pre-tax risk-free discount rate (%)	**3.9**	5.3

The movement in the provisions can be attributed to the following:

	Group	
	2022 R (million)	2021 R (million)
Restoration and rehabilitation provisions		
Opening balance at 1 January	**112.0**	113.7
Unwinding of discount (refer to Note 25.2)	**11.7**	10.5
Change in estimate of provision taken to statement of comprehensive income	**19.9**	(10.9)
Change in estimate of provision taken to decommissioning asset	**60.8**	(1.3)
Restoration and rehabilitation provision closing balance at 31 December	**204.4**	112.0
Other provisions		
Deferred output VAT	**137.4**	133.4
Closing balance at 31 December*	**341.8**	245.4

* *Refer to Note 34 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 remediating groundwater and soil pollution.

The deferred output VAT 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 repaid by employees. The deferred output VAT is initially recognised at the prevailing VAT rate of the selling price when a house is sold. This provision is payable to the South African Revenue Service in line with the terms of section 16(4)(a)(ii). When a sale is cancelled the provision is reversed.

20. SHARE-BASED PAYMENT LIABILITY

During the current period, the Remuneration and Nominations Committees assessed that the recent acquisition of RBPlat shares by Implats and Northam Platinum Holdings Limited (Northam) and the current corporate action may lead to the following:

- a low free float on the JSE, with little to no liquidity
- the shares may no longer represent a fair valuation of the Company
- a limitation on the number of shares available and authorised for the share plans

As a result, the Remuneration and Nominations Committees replaced the equity-settled share-based compensation plans (old schemes) held by employees of the Group, excluding the RBPlat ESOP scheme discussed under Note 15, with the cash-settled share-based compensation plans (the replacement awards/new schemes). The changes from the old schemes to the replacement awards/new schemes only affect the manner of settlement and all other terms, including vesting period and number of instruments allocated to each individual remains the same. Accordingly, from a commercial perspective, there is no difference in the value of the benefit each participant was allocated under the old schemes.

The fair value of the new share-based compensation awards determined at the modification date approximate the fair value of the replaced share-based compensation awards determined at the cancellation date, being 30 June 2022. In addition, the vesting conditions, vesting periods and all other terms of the replacement awards were adjusted to ensure consistency with the old schemes. Therefore, the transaction is considered a replacement of previous equity instruments and accounted for as a modification of the old scheme.

The fair value of the replacement awards at modification date was determined using the binomial model and a share-based payment liability of R694.0 million was recognised. The share-based payment reserve (equity) of R204.7 million was transferred to the share-based payment liability (refer to Note 15). The share-based payment liability exceeded the share-based payment reserve by R489.3 million. The Group has elected to recognise this difference between the liability and the share-based payment reserve in equity as this is treated as a repurchase of an equity interest.

20. SHARE-BASED PAYMENT LIABILITY continued

After the modification date, the fair value movements of the amount payable to employees in respect of awards, which will be settled in cash, is recognised as an expense with a corresponding increase in the share-based payment liability, over the period during which the employees become unconditionally entitled to payment. This liability will be remeasured at each reporting date and at settlement date based on the fair value of the awards. Any changes in the liability are recognised in the statement of comprehensive income.

Critical accounting estimates and assumptions

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

Key inputs

Notional bonus shares (previously bonus share plan)

	2022	2021	2020	2019
Weighted average share price on grant date (R)	146.50	86.30	55.23	34.40
Vesting years	2025	2024	2023	2022

Notional performance shares (previously forfeitable share plan)

	2022	2021	2020	2019	2018	2017
Weighted average share price on grant date (R)	127.22	86.30	55.23	34.02	33.18	41.65
Vesting years	2025 to 2027	2024 to 2026	2023 to 2025	2022 to 2024	2021 to 2023	2020 to 2022

Notional share appreciation rights (previously share appreciation rights)

	2022	2021	2020	2019	2018
Weighted average share price on grant date (R)	150.48	72.05	55.23	34.82	28.41
Volatility (%)	28.0 to 60.0	53.95 to 57.58	44.54 to 56.01	38.82 to 45.94	35.19 to 41.73
Dividend yield (%)	7.67	–	–	–	–
Risk-free interest rate (%)	7.07 to 9.60	7.46 to 8.20	7.50 to 8.72	8.25 to 8.67	8.41 to 8.79
Vesting years	2025 to 2027	2024 to 2026	2023 to 2025	2022 to 2024	2021 to 2023

Activity on awards outstanding

	Notional share appreciation rights (previously share appreciation rights Plan)		Notional bonus share (previously bonus share plan)		Notional performance shares (previously forfeitable share plan)	
	Number of shares	Weighted average award price	Number of shares	Weighted average award price	Number of shares	Weighted average award price
For the year ended 31 December 2022						
Opening balance at 1 January	6 943 594	35.20	2 654 130	56.74	4 157 309	44.88
Granted	827 811	146.36	622 448	145.84	442 443	127.22
Forfeited	(530 738)	38.12	(229 183)	84.41	(961 023)	48.06
Exercised/vested	(2 389 912)	27.36	(907 887)	71.58	(1 316 656)	108.07
Closing balance at 31 December	4 850 755	57.71	2 139 508	91.49	2 322 073	63.20
For the year ended 31 December 2021						
Opening balance at 1 January	8 657 406	31.81	2 317 247	32.04	3 662 797	31.00
Granted	326 367	72.05	1 216 595	86.30	1 111 711	86.30
Forfeited	(180 607)	(16.35)	(39 379)	47.06	(616 200)	37.04
Exercised/vested	(1 859 572)	27.0	(840 333)	31.86	(999)	86.93
Closing balance at 31 December	6 943 594	35.20	2 654 130	56.74	4 157 309	44.88

20. SHARE-BASED PAYMENT LIABILITY continued

The following table summarises the movement in the share-based liability:

	Group	
	2022 R (million)	2021 R (million)
Share-based payment liability		
Opening balance at 1 January	**–**	–
Transfer from share-based payment reserve (refer to Note 15)	**204.7**	–
Initial recognition of share-based payment liability	**489.3**	–
Share-based payment expense	**161.3**	–
Settlement of share-based payment liability	**(121.2)**	–
Closing balance at 31 December	**734.1**	–
Split between:		
Non-current portion of share-based payment liability	**324.8**	–
Current portion of share-based payment liability	**409.3**	–
	734.1	–

21. CONTINGENCIES AND COMMITMENTS

Guarantees and commitments

	Group	
	2022 R (million)	2021 R (million)
21.1 Guarantees issued		
RBR and RBP MS, wholly owned subsidiaries of RBPlat, granted the following guarantees:		
Eskom early termination guarantee for Styldrift (guarantee 31160603)	**17.5**	17.5
Eskom to secure power supply for Styldrift (guarantee OGPE 001449)	**57.1**	57.1
DMRE guarantees for the rehabilitation of land disturbed by prospecting/mining (guarantee 32388608)	**1.3**	1.3
Eskom to secure 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
Employee-related guarantees	**4.2**	–
Total bank guarantees issued at 31 December	**123.6**	119.4
DMRE guarantees for environmental rehabilitation liability	**639.9**	388.7
Total insurance guarantees issued at 31 December	**639.9**	388.7
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	**706.0**	565.9
Approved expenditure not yet contracted for	**1 666.0**	2 501.5
Total capital commitments	**2 372.0**	3 067.4

21.3 Contingent liability – remediate groundwater and topsoil provision – Maseve

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 remediation strategy was developed to guide us with the implementation of remediation activities. As a result, BRPM and Styldrift's current closure costs estimate includes the groundwater remediation costs. However, the groundwater remediation plan for Maseve has not yet been completed.

In addition, RBR has not determined whether there will be sufficient topsoil to rehabilitate Maseve. As a result, a study will be undertaken in 2023.

21. CONTINGENCIES AND COMMITMENTS continued

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 14 June 2022 the High Court of South Africa dismissed Africa Wide's claims in the legal proceedings against PTM, RBPlat and Maseve with costs. Subsequent to the ruling, Africa Wide applied for leave to appeal the High Court ruling. Its application was dismissed.

22. TRADE AND OTHER PAYABLES

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

Refer to Note 19 for the accounting policy relating to provisions.

	Group	
	2022 R (million)	2021 R (million)
Trade payables	**492.0**	414.4
Payroll accruals and provisions	**121.5**	145.0
Housing project accruals and provisions	**29.0**	34.6
BRPM and Styldrift accruals and provisions	**265.0**	261.3
Leave pay provisions	**303.0**	283.6
VAT payable	**92.3**	131.6
Deemed dividends payable	**–**	31.8
Closing balance at 31 December	**1 302.8**	1 302.3

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 American Platinum Limited. The ordinary business activities of the RBPlat Group are 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, since 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 is considered to be a 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.

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 18 for more details.

In terms of this agreement, 70% of the gold production will be delivered to Triple Flag until 261 000 ounces have been delivered (payable gold), 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.

23. REVENUE continued

Revenue from gold streaming continued

In addition to the advance payment received (refer to Note 18), 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.

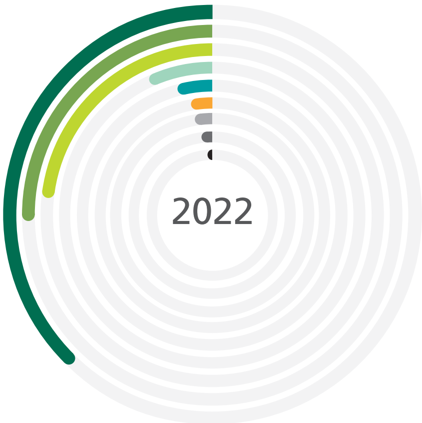
	Group	
	2022 R (million)	2021 R (million)
Revenue from disposal of concentrate		
Revenue from contract with customers	**15 810.6**	16 639.9
Other revenue	**(95.5)**	(410.7)
	15 715.1	16 229.2
Revenue from gold streaming		
Revenue from advanced payment (refer to Note 18)	**185.5**	188.7
Variable consideration	**10.7**	10.8
	196.2	199.5
Total	**15 911.3**	16 428.7

Revenue per metal

	BRPM R (million)	Styldrift R (million)	Total R (million)
2022			
Platinum	**2 291.2**	**1 609.4**	**3 900.6**
Palladium	**2 099.8**	**1 469.8**	**3 569.6**
Rhodium	**4 166.6**	**1 712.3**	**5 878.9**
Gold	**126.4**	**154.3**	**280.7**
Nickel	**357.6**	**609.5**	**967.1**
Other	**638.2**	**480.0**	**1 118.2**
Total revenue from disposal of concentrate	**9 679.8**	**6 035.3**	**15 715.1**
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

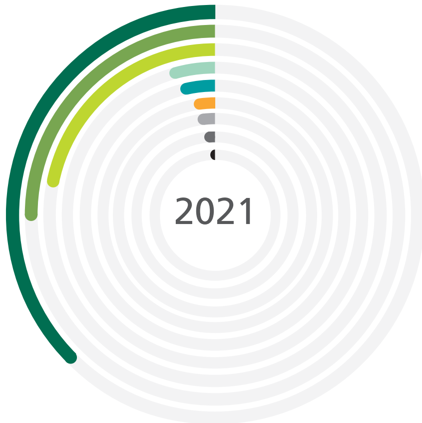
23. REVENUE continued

Revenue contribution 2022



37.4% Rhodium
24.8% Platinum
22.7% Palladium
6.2% Nickel
3.6% Iridium
2.1% Ruthenium
1.8% Gold
1.1% Copper
0.3% Cobalt

Revenue contribution 2021



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

24. OTHER INCOME/(EXPENSES)

The Implats royalty consists of royalties received from Implats 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 Implats Rustenburg operations' gross profit margin with a minimum of 5% and a maximum of 25% of revenue. Implats pays 17.5% of revenue as royalty to RBR for the 20 shaft area. During the year, R158.0 million (2021: R586.8 million) royalty income was received for the 6 and 8 shaft areas and R168.7 million (2021: R151.7 million) for the shaft 20 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/(expenses). 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 of housing assets relates to the difference between the proceeds received and the carrying amount of the housing asset (refer Note 7.3).

		Group	
		2022 R (million)	2021 R (million)
24.1	Other income		
	Implats royalty (Group resources mined by Implats)	326.7	738.5
	Levy and other income from housing assets	15.3	17.5
	Realised and unrealised gains and losses on fair value of forward exchange contracts	53.5	64.2
	Revaluation of concentrate sales — exchange rate differences	325.8	213.1
	Net gain on fair value of cash held in money market accounts	7.9	4.1
	Profit on disposal of housing assets	11.5	20.6
	Other	10.8	4.3
	Total other income	751.5	1 062.3
24.2	Other expenses		
	Maseve — care and maintenance and other costs	(42.4)	(18.5)
	Total other expenses	(42.4)	(18.5)

25. NET FINANCE INCOME/(COST)

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 employee housing loan receivable 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.

		2022 R (million)	2021 R (million)
25.1	Finance income consists of the following:		
	Interest income on environmental trust deposits (refer to Note 6)	10.0	7.1
	Interest income on cash and cash equivalents	267.4	139.2
	Interest income on employee housing loan receivable – contractual (refer to Note 7.1)	90.4	87.9
	Interest income on employee housing loan receivable – fair value (refer to Note 7.1)	16.3	20.1
	Dividend income on investments	2.7	0.9
	Total finance income	386.8	255.1
	Included in the total finance income are the following cash items presented in the statement of cash flows		
	Interest received on environmental trust deposits (refer to Note 6)	10.0	7.1
	Interest received on cash and cash equivalents	267.4	139.2
	Interest received on employee housing loan receivable (refer to Note 7.1)	87.8	79.7
	Total finance income received per the statement of cash flows	365.2	226.0
25.2	Finance cost consists of the following:		
	Interest expense – short-term borrowings	–	(0.2)
	Interest expense – lease liability (refer to Note 5.2)	(2.9)	(2.1)
	Interest expense – PIC housing facility	(129.5)	(101.9)
	Interest expense – convertible bonds	–	(54.3)
	Premium on buy-back of convertible bonds	–	(312.5)
	Interest expense – deferred revenue (refer to Note 18)	(185.2)	(186.0)
	Interest expense – long-term borrowings	–	(27.2)
	Unwinding of discount on decommissioning and restoration provision (refer to Note 19)	(11.7)	(10.5)
	Total finance cost	(329.3)	(694.7)
	Net finance income/(cost)	57.5	(439.6)
	Included in the total finance cost are the following cash items presented in the statement of cash flows		
	Interest paid – lease liability	(2.9)	(2.1)
	Interest paid – long-term borrowings	–	(27.2)
	Interest paid convertible bonds	–	(42.0)
	Total finance cost paid per the statement of cash flows	(2.9)	(71.3)

26. PROFIT BEFORE TAX

Short-term employee benefits

Remuneration to employees is charged to the statement of comprehensive income 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.

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 both cash-settled and 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. Refer to Notes 15 and 20 for more details.

Gold credits purchases

Refer to Note 18 for the accounting policy relating to gold credits purchases.

26. PROFIT BEFORE TAX continued

	Group 2022 R (million)	2021 R (million)
Included in the profit before tax are the following items:		
On-mine costs:		
– Labour	3 387.9	3 032.1
– Utilities	778.5	642.3
– Contractor costs	1 510.5	1 292.3
– Movement in inventories	(47.1)	(48.9)
– Materials and other mining costs	3 376.3	2 682.2
Materials and other mining costs for RBR operations	3 508.3	2 866.5
Elimination of intergroup management fee	(132.0)	(184.3)
State royalty taxes	630.6	214.3
Depreciation — property, plant and equipment	1 226.5	1 154.6
Depreciation — right-of-use assets	10.3	13.6
Amortisation — mineral rights	146.2	156.6
Share-based payment expense (refer to Notes 15 and 20)	245.9	68.1
Social and Labour Plan expenditure	146.0	167.8
Covid-19 related costs	10.0	24.6
Gold credits purchases	222.6	215.1
Other	25.0	4.1
Total cost of sales	11 669.2	9 618.8
Included in corporate office expenses:		
Advisory fees	47.2	27.4
Legal fees	30.8	17.2
Employee costs (including directors' remuneration)	112.0	105.6
Depreciation of RBP MS property, plant and equipment	0.6	0.8
Revolving credit facility and working capital facility commitment fees	23.1	30.8
Fees for guarantees	1.6	3.1
Share-based payment expense (refer to Notes 15 and 20)	30.7	25.1
Rent and maintenance for corporate office	2.4	3.3
Other	11.4	24.1
Total corporate office expenses	259.8	237.4
Included in housing project expenses:		
Legal fees	6.2	4.6
Property rates and taxes, water and electricity	(3.9)	3.9
Security	11.0	10.0
Maintenance	8.8	13.6
Depreciation of RBRP property, plant and equipment	0.1	0.3
Amortisation of employee housing benefit and fair value adjustment to loan	(2.1)	(0.6)
Employee housing loan receivable write-off	2.4	11.9
Insurance expenditure	0.8	0.9
Salaries and wages	9.7	9.3
Expected credit loss	4.9	0.3
Other	2.6	1.3
Total housing project expenses	40.5	55.5

26. PROFIT BEFORE TAX continued

	Group 2022 R (million)	2021 R (million)
Included in Maseve care and maintenance and other costs:		
Labour	–	7.4
Utilities	–	0.3
Contractor costs	–	0.1
Materials and other mining costs	–	6.7
Depreciation	–	13.0
Other	–	0.2
Total Maseve care and maintenance and other costs*	–	27.7
Industry membership and market development	**47.7**	42.5
External audit fees for the Group included in profit before tax:		
– Fees for audit	**10.5**	5.2
Total external audit fees	**10.5**	5.2

* *Maseve care and maintenance and other costs related to costs incurred by Maseve before the Group reorganisation and amalgamation process was concluded between Maseve and RBR in May 2021. Subsequent to the amalgamation, these costs have been disclosed in other expenses. Refer to Note 24.2.*

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. IMPAIRMENT OF ASSETS

Impairment of housing assets

During 2022, a valuation of the undeveloped land held by RBRP was performed by an independent expert with appropriate qualifications and experience in the location and category of the undeveloped land valued. The valuation indicated that the recoverable amount of the undeveloped land was less than its carrying amount. As a result, an impairment amount of R203.8 million was recognised. Refer to Note 7.3.

Impairment of non-current assets held of sale

An impairment of R35.7 million was recognised on the reclassification of the Sundown Ranch assets to non-current assets held for sale. Refer to Note 12.

	2022 R (million)	2021 R (million)
Impairment of housing assets (refer to Note 7.3)	**203.8**	–
Impairment of non-current assets held for sale (refer to Note 12)	**35.7**	–
Total impairment of assets	**239.5**	–

28. 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 tax and deferred tax provisions in the period in which such determinations are made.

	Group	
	2022 R (million)	2021 R (million)
Income tax expense		
Income tax expense	**(862.8)**	(188.0)
Current year	**(862.6)**	(188.0)
Prior year	**(0.2)**	–
Deferred tax expense	**(237.8)**	(353.1)
Current year	**(251.3)**	(437.3)
Prior year	**13.5**	84.2
Total income tax expense	**(1 100.6)**	(541.1)
Tax rate reconciliation:		
Profit before tax	**4 421.2**	7 051.0
Tax expense calculated at a tax rate of 28% (2021: 28%)	**(1 237.9)**	(1 974.3)
Non-taxable income – dividends	**0.8**	0.3
Non-taxable income – other	**1.7**	0.6
Non-deductible expenses – legal and advisory fees	**(17.7)**	(6.1)
Non-deductible expenses – other	**(7.1)**	(6.3)
Non-deductible expenses – buy-back of convertible bonds	**–**	(10.5)
Non-deductible expenses – impairment of assets	**(18.3)**	–
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	**(51.2)**	(460.4)
Change in tax rate	**215.8**	–
Prior year adjustments	**13.3**	(13.4)
Total	**(1 100.6)**	(541.1)
Effective tax rate (%)	**24.9**	7.7

On 24 February 2021, the South African Minister of Finance announced a change in the companies tax rate from 28% to 27% for companies with years of assessment commencing on or after 1 April 2022. The Minister confirmed this rate change on 23 February 2022. The rate change affected the deferred tax for the year ended 31 December 2022 and will affect the income tax for the year ending 31 December 2023.

As part of the corporate income tax restructuring process announced by the Minister above, certain measures were put in place to broaden the tax base. These amendments were 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.

29. CASH GENERATED BY OPERATIONS

	Group	
	2022 R (million)	2021 R (million)
Cash generated by operations is calculated as follows:		
Profit before tax	4 421.2	7 051.0
Adjusted for:		
Depreciation of property, plant and equipment (refer to Note 3)	1 227.2	1 168.7
Depreciation of right-of-use assets (refer to Note 5.2)	12.1	15.5
IFRS 16 modification gain/(loss) (refer to Note 5.3)	(0.5)	–
Amortisation of mineral rights (refer to Note 4)	146.2	156.6
Amortisation of employee housing benefit and fair value adjustment to the PIC housing facility (refer to Notes 7.2 and 17)	(2.1)	(0.5)
Amortisation of debt funding fees	–	9.3
Impairment of assets (refer to Note 27)	239.5	–
Employee housing loan receivable write-off (refer to Note 7.1)	2.4	11.9
Expected credit loss (refer to Note 26)	4.9	0.3
Unwinding of deferred revenue (refer to Note 18)	(185.5)	(188.7)
Share-based payment expense (refer to Note 26)	276.6	93.2
Change in estimate of restoration provision taken to the statement of comprehensive income (refer to Note 19)	19.9	(10.9)
Fair value adjustment – housing insurance investment (refer to Note 8)	(4.9)	(8.3)
Fair value adjustment – environmental guarantee investments (refer to Note 6)	(0.9)	1.7
Deferred rental income – RBRP	–	(0.2)
Loss/(profit) on sale of property, plant and equipment and other assets	0.3	(1.2)
Fair value adjustment on employee housing loan receivable	(1.3)	(1.2)
Premium on redemption of convertible bonds	–	312.5
Finance cost (refer to Note 25.2)	329.3	382.2
Finance income (refer to Note 25.1)	(386.8)	(255.1)
	6 097.6	8 736.8
Changes in working capital	(1 564.5)	137.1
Increase in inventories	(94.4)	(74.0)
(Increase)/decrease in trade and other receivables	(1 441.2)	120.7
Increase in trade and other payables	92.2	90.4
Movement in share-based payment liability	(121.1)	–
Cash generated by operations	4 533.1	8 873.9

30. RELATED PARTY TRANSACTIONS

RBPlat's two largest shareholders are Northam and Implats (both incorporated in South Africa), which own 34.52% and 40.71%, respectively. The remaining 24.77% is widely held.

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

	Interest in capital	
	2022 %	2021 %
Related parties		
Direct investment		
RBP MS	100	100
RBR	100	100
Indirect investment via RBR		
BRMS	100	100
RBRP	100	100
BRP JV Environmental Rehabilitation Trust	100	100

30. RELATED PARTY TRANSACTIONS continued

RBR operations received royalty income from Implats (refer to Note 24)

The following table summarises the balances and transactions with related parties:

	Group 2022 R (million)	Group 2021 R (million)
Balances at 31 December		
Amount owing by Implats for the fourth quarter royalty income (refer to Note 10)	135.0	142.4
Transactions with Implats		
Royalty income (refer to Note 24)	326.7	738.5

Details relating to key management remuneration (prescribed officers), share options and shareholdings in the Company are disclosed in Note 31.

31. REMUNERATION

31.1 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	Termina-tion benefits R	Total R
2022								
Executive directors								
Steve Phiri	1 Apr '10	–	5 518 652	1 247 392	190 704	4 882 208	–	11 838 956
Hanré Rossouw*	1 Oct '18	–	1 531 435	93 647	47 186	3 504 118	406 223	5 582 609
Non-executive directors**								
Mark Moffett	22 Sep '14	1 378 241	–	–	–	–	–	1 378 241
Thoko Mokgosi-Mwantembe	5 Nov '14	861 930	–	–	–	–	–	861 930
Obakeng Phetwe	28 Feb '18	1 822 276	–	–	–	–	–	1 822 276
Mike Rogers	7 Dec '09	958 473	–	–	–	–	–	958 473
Louisa Stephens	22 Sep '14	959 246	–	–	–	–	–	959 246
Peter Ledger	28 Feb '18	840 899	–	–	–	–	–	840 899
Zanele Matlala	24 Sep '18	669 079	–	–	–	–	–	669 079
Total		7 490 144	7 050 087	1 341 039	237 890	8 386 326	406 223	24 911 709

* *Resigned as an executive director on 3 April 2022 and appointed as a non-executive director on the same day*

** *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 22 June 2022*

31. REMUNERATION continued

31.1 Directors, other executives and prescribed officers' remuneration continued

Directors' remuneration and related payments continued

	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*

Other executives and prescribed officers' remuneration and payments

	Date appointed	Basic salary R	Retire-ment benefits R	Other benefits R	Discre-tionary perfor-mance bonuses R	Total R
2022						
Other executives and prescribed officers						
Neil Carr	1 Dec '10	3 781 114	824 321	281 666	3 328 379	8 215 480
Vicky Tlhabanelo	1 Apr '10	2 916 321	660 859	94 258	2 365 105	6 036 543
Lindiwe Montshiwagae	1 Jun '10	2 531 988	308 043	240 395	2 133 024	5 213 450
Lester Jooste	7 Jul '10	2 128 047	200 297	175 374	1 328 838	3 832 556
Rotshidzwa Manenzhe	1 May '18	2 884 168	173 640	41 939	1 557 941	4 657 688
Total		14 241 638	2 167 160	833 632	10 713 287	27 955 717
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

31. REMUNERATION continued

31.1 Directors, other executives and prescribed officers' remuneration continued

Other executives and prescribed officers' remuneration and payments continued

On 7 April 2022, the CEO and COO retired and their permanent employment with the Company terminated. Upon their retirement, the CEO and COO became entitled to pro rated accelerated vesting of a portion of their long-term incentive scheme awards in accordance with the applicable scheme rules. The portion of the awards that vested was settled to the CEO and the COO in shares and is reflected in the table below.

Due to the ongoing corporate activity and the need to retain senior members of management to oversee and secure the transition to new ownership, the Company retained the CEO and COO on fixed-term contracts of employment (FTCs) with effect from 8 April 2022 and expiring on 7 April 2023, or upon a change of control, whichever is the earlier. The Company considered the retention of the CEO and COO for a further period to be extremely important for all stakeholders to secure the safe and effective operations of the Company during a period of uncertainty which precluded the appointment of replacement executives with the requisite skills and experience. To incentivise the CEO and COO to enter into the FTCs and to remain with the Company for the fixed period, the Company exercised a discretion under the applicable scheme rules to permit the vesting of the balance of the long-term incentive awards that the CEO and COO would otherwise have forfeited as a consequence of their retirement (the Deferred Award, subject to the condition that the shares comprising the Deferred Award would be held by a broker in escrow until a further employment condition and performance conditions were met. The vesting of the Deferred Award was made subject to the CEO and COO remaining in the Company's employ until 7 April 2023 (the Employment Condition) and to their satisfying the performance conditions prescribed in the FTCs (the Performance Conditions). Due to the unavailability of shares to settle the Deferred Award, and by agreement between the parties, the Deferred Award was subsequently converted into a cash-settled award equivalent to the monetary value of the shares comprising the Deferred Award (the Cash Bonus). Accrual and settlement of the Cash Bonus is regulated by the FTCs and remains subject to the satisfaction of the Employment Condition and the Performance Conditions. The CEO is eligible to receive a Cash Bonus of up to a maximum amount of R53.4 million and the COO is eligible to receive a Cash Bonus of up to a maximum amount of R32.2 million (these amounts being the value of the shares comprising the Deferred Award that would have been held in escrow). Whether and the extent to which the Employment Condition and the Performance Conditions have been satisfied by the CEO and COO, and the degree to which the Cash Bonus accrues to them, will be determined by the Company as soon as reasonably practicable on or after 7 April 2023. Under the FTCs, the CEO and COO remained eligible to participate in the Company's short-term incentive scheme for the period under review.

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. 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.

In relation to the 2022 RBPlat Phantom Share Plan, if the Mandatory Offer is implemented and there is a change of control as defined (i.e. if the Offeror acquires 50% or more of RBPlat's shares, and as a result of the implementation of the Mandatory Offer, the Company is 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 Committees 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 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.

Share vesting in respect of retirement and fixed-term contracts:

	Pro rata accelerated	Subject to further performance	Subject to further performance R (million)	Forfeited
CEO	378 396	356 091	53.4	133 163
COO	226 208	214 545	32.2	78 570

31.1.1 Share appreciation rights awarded

	Share appre-ciation rights awarded	Award date	Strike price R	Award value R	Vesting dates	Vested/ forfeited to date %	Share appre-ciation rights exercised/ forfeited	Balance of appre-ciation rights
2022								
Executive, non-executive directors and other executives								
Hanré Rossouw	800 469	1 Oct '18	25.61	20 500 000	1 Oct '21, '22, '23	100	800 469	–
Rotshidzwa Manenzhe	257 511	1 May '18	23.30	6 000 006	1 May '21, '22, '23	66.6	171 674	85 837

31. REMUNERATION continued

31.1 Directors, other executives and prescribed officers' remuneration continued

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

	Forfeitable share plan	Bonus share plan	Award date	Issue price R	Award value R	Vesting dates	Vesting amount %
2022							
Executive and non-executive directors							
Steve Phiri		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
	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*
Other executives and prescribed officers							
Vicky Tlhabanelo		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
		15 104	1 Apr '21	86.30	1 303 475	1 Apr '24	100
		7 414	1 Apr '22	159.51	1 182 607	1 Apr '25	100
	69 057		1 Apr '18	33.18	2 291 311	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*
	41 660		1 Apr '22	159.51	6 645 187	1 Apr '25, '26, '27	33.3*
Neil Carr		40 657	1 Apr '19	34.02	1 383 951	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
	116 117		1 Apr '18	33.18	3 852 762	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*
Rotshidzwa Manenzhe			1 Apr '19	34.02	–	1 Apr '22	100
		22 921	1 Apr '20	55.23	1 265 927	1 Apr '23	100
		17 736	1 Apr '21	86.30	1 530 617	1 Apr '24	100
		9 767	1 Apr '22	159.51	1 557 934	1 Apr '25	100
Lindiwe Montshiwagae		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
		6 686	1 Apr '22	159.51	1 066 484	1 Apr '25	100
	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*
	34 954		1 Apr '22	159.51	5 575 513	1 Apr '25, '26, '27	33.3*
Lester Jooste (Company Secretary)		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
		4 165	1 Apr '22	159.51	664 359	1 Apr '25	100
	50 011		1 Apr '21	86.30	4 315 949	1 Apr '24, '25, '26	33.3*
	28 410		1 Apr '22	159.51	4 531 679	1 Apr '25, '26, '27	33.3*

* *33.3% over a period of three years*

31. REMUNERATION continued

31.2 Group incentive share scheme

	Opening balance	Closing balance	Deemed strike price R	Issue dates	Vested/ exercised and forfeited	Vesting dates	Vesting %
Share appreciation rights issued to date	11 775 209	12 276 653	#	#	7 425 898#	#	33.3 over
Bonus scheme shares							
2018 awards – FSP	7 880 017	8 928 127	33.18	1 Apr '18	878 862	1 Apr '21	33.3 over three years
2019 awards – BSP	9 971 389	10 994 135	38.79	1 Apr '19	1 022 746	1 Apr '22	100
2019 awards – FSP	10 994 135	11 891 583	38.19	1 Apr '19	897 448	1 Apr '22, '23,'24	33.3 over three years
2020 awards – BSP	11 891 583	12 485 120	26.37	1 Apr '20	74 962	1 Apr '23	100
2020 awards – FSP	12 485 120	13 985 230	24.71	1 Apr '20	679 424	1 Apr '23, '24,'25	33.3 over three years
2021 awards – BSP	13 985 230	15 201 825	86.30	1 Apr '21	134 947	1 Apr '24	100
2021 awards – FSP	15 201 825	16 313 536	86.30	1 Apr '21	456 558	1 Apr '24, '25,'26	33.3 over three years
2022 awards – BSP	16 313 536	16 935 984	146.50	1 Apr '22	45 300	1 Apr '25	100
2022 awards – FSP	16 935 984	17 378 417	127.22	1 Apr '22	–	1 Apr '25, '26,'27	33.3 over three years

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 R159.51 from November 2017 to October 2022. The SARS vest at a rate of one-third after the third, fourth and fifth anniversary dates

32. 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 annual financial statements.

Final dividend declared

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 (2021: 575.0 cents per share). The dividend was payable on 4 April 2022 to shareholders who were on the register on 1 April 2022. This final dividend, amounting to R1 557.6 million, has been recognised in shareholders' equity in 2022.

Interim dividend declared

An interim cash dividend of 245.0 cents per share was declared by the Board on 2 August 2022 from profits accrued during the interim period ended 30 June 2022 (2021: 535.0 cents per share). The dividend was payable on 29 August 2022 to shareholders who were on the register on 26 August 2022. This interim dividend, amounting to R711.3 million, has been recognised in shareholders' equity in 2022.

The following table summarises dividends declared:

	Group	
	2022 Cents	2021 Cents
Final dividend	**535.0**	575.0
Interim dividend	**245.0**	535.0
Total	**780.0**	1 110.0
	R (million)	R (million)
Final dividend	**1 557.6**	1 523.9
Interim dividend	**711.3**	1 546.2
Total	**2 268.9**	3 070.1

Subsequent to year-end, a final dividend of 535.0 cents per share (2021: 535.0 cents per share) was declared. Refer to Note 37.

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

for the year ended 31 December 2022

33. FINANCIAL RISK MANAGEMENT

33.1 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 value	
	Notes	2022 R (million)	2021 R (million)	2022 R (million)	2021 R (million)
Financial assets at fair value					
Environmental guarantee investments	6	**125.6**	104.6	**125.6**	104.6
Housing insurance investment	8	**62.3**	57.4	**62.3**	57.4
Trade receivables (RPM concentrate debtor)	10	**6 547.2**	5 192.8	**6 547.2**	5 192.8
Financial assets at amortised cost					
Environmental trust deposits	6	**186.4**	176.4	**186.4**	176.4
Employee housing loan receivable	7.1	**950.4**	917.7	**950.4**	917.7
Other receivables (excludes prepaid expenses, funding transaction cost capitalised, deposits and VAT)	10	**271.2**	258.0	**271.2**	258.0
Cash and cash equivalents	13	**4 353.1**	4 898.4	**4 353.1**	4 898.4
Total financial assets		**12 496.2**	11 605.3	**12 496.2**	11 605.3
Financial liabilities at fair value					
Share-based payment liability	20	**734.1**	–	**734.1**	–
Financial liabilities at amortised cost					
PIC housing facility	17	**1 494.8**	1 535.5	**1 494.8**	1 535.5
Trade and other payables (excluding VAT)	22	**1 210.5**	1 170.6	**1 210.5**	1 170.6
Lease liability	5	**41.7**	35.6	**41.7**	35.6
Total financial liabilities		**3 481.1**	2 741.7	**3 481.1**	2 741.7

33.1.1 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 forward exchange 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.

33. FINANCIAL RISK MANAGEMENT continued

33.1 Financial risk factors continued

33.1.1 Market risk continued

Foreign exchange risk continued

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	2022 R (million)	2021 R (million)	2022 R (million)	2021 R (million)
Financial assets					
Trade and other receivables still subject to price fluctuations*	10	3 511.2	3 690.1	±351.1	±369.0
Trade and other receivables not subject to price fluctuations**	10	3 036.0	1 502.7	±303.6	±150.3
Total financial assets		6 547.2	5 192.8	±654.7	±519.3

** US$203.4 million at an exchange rate of R17.3811 (2021: US$232.7 million at an exchange rate of R15.8606)*
*** US$152.3 million (excluding VAT) at an exchange rate of R17.2586 (2021: US$82.4 million (excluding VAT) at an exchange rate of R15.8606)*

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 DOCA, 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.

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	2022 R (million)	2021 R (million)	2022 R (million)	2021 R (million)
Financial assets					
Trade receivables still subject to price fluctuations	10	3 511.2	3 690.1	±351.1	±369.0
Trade receivables not subject to price fluctuations	10	3 036.0	1 502.7	–	–
Total		6 547.2	5 192.8	±351.1	±369.0

33. FINANCIAL RISK MANAGEMENT continued

33.1 Financial risk factors continued

33.1.1 Market risk continued

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	2022 R (million)	2021 R (million)	2022 R (million)	2021 R (million)
Financial assets					
Environmental trust deposits	6	186.4	176.4	±1.9	±1.8
Employee housing loan receivable	7.1	950.4	917.7	±9.5	±9.2
Cash and cash equivalents	13	4 353.1	4 898.4	±43.5	±49.0
Total financial assets		5 489.9	5 992.5	±54.9	±60.0
Financial liabilities					
PIC housing facility	17	1 494.8	1 535.5	±15.0	±15.4
Share-based payment liability	20	734.1	–	±7.3	–
Lease liabilities	5	41.7	35.6	±0.4	±0.4
Total financial liabilities		2 270.6	1 571.1	±22.7	±15.8

33.1.2 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 R6 547.2 million (2021: R5 192.8 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. The carrying value of the cash and cash equivalents at year-end is R4 353.1 million (2021: R4 898.4 million).

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 into account 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 R950.4 million (2021: R917.7 million).

33. FINANCIAL RISK MANAGEMENT continued

33.1 Financial risk factors continued

33.1.2 Credit risk continued

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)
- Other receivables (excluding prepaid expenses, capitalised funding transaction costs, deposits and VAT) (refer to Note 10)
- Cash and cash equivalents (refer to Note 13)

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 credit 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 2022, the expected credit losses on the employee housing loan receivables recognised in the statement of comprehensive income amounted to R1.5 million (2021: R0.3 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 2022 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.

The recoverability of employee housing loan receivable 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 the risk of recoverability of the employee housing receivable is low.

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.

33. FINANCIAL RISK MANAGEMENT continued

33.1 Financial risk factors continued

33.1.2 Credit risk continued

Expected credit losses on employee housing loan receivable continued

Stage assessment continued

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	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	**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
ECL charge recognised in profit or loss during the year	**3.3**	2.8
Stage 1 ECL allowance	**(0.2)**	0.6
Stage 2 ECL allowance	**0.6**	0.4
Stage 3 ECL allowance	**2.9**	1.8
ECL write-off recognised in profit or loss during the year	**(1.8)**	(2.5)
Stage 1 ECL allowance	**(0.1)**	–
Stage 2 ECL allowance	**(0.2)**	–
Stage 3 ECL allowance	**(1.5)**	(2.5)
Balance as at 31 December	**5.7**	4.2
Stage 1 ECL allowance	**1.3**	1.6
Stage 2 ECL allowance	**0.8**	0.4
Stage 3 ECL allowance	**3.6**	2.2

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

	Group	
	2022 R (million)	2021 R (million)
Stage 1	**924.5**	891.2
Stage 2	**11.6**	16.5
Stage 3	**22.4**	26.1
Total gross employee housing loan receivable	**958.5**	933.8
Less: Estimated credit loss	**(5.7)**	(4.2)
Less: Write-off	**(2.4)**	(11.9)
Closing balance at 31 December	**950.4**	917.7

R0.9 million (2021: R0.9 million) of the employee housing loan receivable was past due for the current period. No other financial assets were past due for the current period under review or the comparative periods. 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.

33.1.3 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 13) on the basis of expected cash flows.

33. FINANCIAL RISK MANAGEMENT continued

33.1 Financial risk factors continued

33.1.3 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.

		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)
2022						
Trade and other payables (excluding VAT payable)	22	**1 210.5**	**–**	**–**	**–**	**1 210.5**
Financial guarantees	21.1	**–**	**–**	**0.8**	**–**	**0.8**
PIC housing facility	17	**155.9**	**155.9**	**467.6**	**1 870.5**	**2 649.9**
Lease liabilities	5	**15.2**	**14.0**	**12.9**	**0.8**	**42.9**
Share-based payment liability	20	**409.3**	**222.2**	**102.6**	**–**	**734.1**
2021						
Trade and other payables (excluding VAT payable)	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

33.1.4 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	2022 R (million)	2021 R (million)
Net cash/(debt)		**2 082.5**	3 327.3
Cash and cash equivalents	13	**4 353.1**	4 898.4
PIC housing facility	17	**(1 494.8)**	(1 535.5)
Share-based payment liability	20	**(734.1)**	–
Lease liabilities	5	**(41.7)**	(35.6)
Total equity		**24 673.3**	24 266.6
Net cash/(debt)-to-equity ratio (%)		**8.4**	13.7

The net cash/(debt)-to-equity ratio decreased from 13.7% to 8.4%.

33.1.5 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)

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33. FINANCIAL RISK MANAGEMENT continued

33.1 Financial risk factors continued

33.1.5 Fair value determination continued

The following table presents the financial assets and financial liabilities 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:

	Notes	Group		
		Level 1 R (million)	Level 2 R (million)	Level 3 R (million)
2022				
Financial assets at fair value				
Environmental guarantee investment[1]	6	–	125.6	–
Housing insurance investment[2]	8	–	–	62.3
RPM concentrate debtor[4]	10	–	–	6 547.2
Financial assets at amortised cost				
Employee housing loan receivable[3]	7.1	–	–	950.4
Implats royalty receivable[5]	10	–	–	135.0
Other receivables (excluding prepaid expenses, funding transaction costs capitalised, deposits and VAT)[5]	10	–	–	112.5
Environmental trust deposits[3]	6	–	–	186.4
Financial liabilities at fair value				
Share-based payment liability[6]	20	–	–	734.1
Financial liabilities at amortised cost				
PIC housing facility[3]	17	–	–	1 494.8
Lease liabilities[3]	5	–	–	41.7
Trade and other payables (excluding VAT payable)[5]	22	–	–	1 210.5
2021				
Financial assets at fair value				
Environmental guarantee investment[1]	6	–	104.6	–
Housing insurance investment[2]	8	–	–	57.4
RPM concentrate debtor[4]	10	–	–	5 192.8
Financial assets at amortised cost				
Employee housing loan receivable[3]	7.1	–	–	917.7
Implats royalty receivable[5]	10	–	–	142.4
Other receivables (excluding prepaid expenses, funding transaction costs capitalised, deposits and VAT)[5]	10	–	–	61.7
Environmental trust deposits[3]	6	–	–	176.4
Financial liabilities at amortised cost				
PIC housing facility[3]	17	–	–	1 535.5
Lease liabilities[3]	5	–	–	35.6
Trade and other payables (excluding VAT payable)[5]	22	–	–	1 170.7

[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*
[6] *The fair value was determined using the binomial model*

33. FINANCIAL RISK MANAGEMENT continued

33.1 Financial risk factors continued

33.1.5 Fair value determination continued

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 consolidated 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 debtor, Implats royalty and other receivables are included in Notes 23, 24 and 26.

34. 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 the RBR corporate function, are aggregated and shown as corporate office segment.

34. SEGMENTAL REPORTING continued

34.1 Segmental statement of comprehensive income

	For the year ended 31 December 2022							For the year ended 31 December 2021						
	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	9 762.7	6 148.6	15 911.3	28.9	3 550.7	(3 579.6)	15 911.3	9 294.1	7 134.6	16 428.7	66.6	3 264.5	(3 331.1)	16 428.7
Cost of sales	(5 272.1)	(5 724.2)	(10 996.3)	(17.4)	(4 176.4)	3 520.9	(11 669.2)	(4 486.4)	(4 940.9)	(9 427.3)	(46.0)	(3 420.8)	3 275.3	(9 618.8)*
Cash cost of sales excluding depreciation and amortisation	(4 859.0)	(4 977.6)	(9 836.6)	(17.4)	(4 018.3)	3 528.7	(10 343.6)	(4 120.9)	(4 204.7)	(8 325.6)	(46.0)	(3 254.1)	3 269.2	(8 356.5)*
Depreciation	(388.4)	(818.4)	(1 206.8)	–	(11.9)	(7.8)	(1 226.5)	(351.2)	(799.4)	(1 150.6)	–	(10.1)	6.1	(1 154.6)*
Amortisation	–	–	–	–	(146.2)	–	(146.2)	–	–	–	–	(156.6)	–	(156.6)
Movement in inventories	(24.7)	71.8	47.1	–	–	–	47.1	(14.3)	63.2	48.9	–	–	–	48.9
Gross profit/(loss) per segment and total	4 490.6	424.4	4 915.0	11.5	(625.7)	(58.7)	4 242.1	4 807.7	2 193.7	7 001.4	20.6	(156.3)	(55.8)	6 809.9*
Other income	602.2	69.1	671.3	15.3	2 413.4	(2 348.5)	751.5	919.3	101.2	1 020.5	17.5	3 588.2	(3 563.9)	1 062.3
Other expenses	–	(42.4)	(42.4)	–	–	–	(42.4)	–	(18.5)	(18.5)	–	–	–	(18.5)*
Total administrative expenditure	–	–	–	(33.2)	(317.8)	3.0	(348.0)	–	–	–	(55.5)	(311.0)	3.4	(363.1)
Administrative expenditure	–	–	–	(35.2)	(269.4)	3.0	(301.6)	–	–	–	(55.8)	(235.9)	3.4	(288.3)
Depreciation	–	–	–	(0.2)	(0.7)	–	(0.9)	–	–	–	(0.3)	(4.9)	–	(5.2)
Maseve care and maintenance	–	–	–	–	–	–	–	–	–	–	–	(27.7)	–	(27.7)
Amortisation of employee housing benefit and fair value adjustment to loan	–	–	–	2.2	–	–	2.2	–	–	–	0.6	–	–	0.6
Industry membership and market development	–	–	–	–	(47.7)	–	(47.7)	–	–	–	–	(42.5)	–	(42.5)
Impairment of assets	(12.8)	(21.4)	(34.2)	(138.5)	42.7	(109.5)	(239.5)	–	–	–	–	101.6	(101.6)	–
Net finance (cost)/income	(16.7)	(158.9)	(175.6)	(20.1)	252.9	0.3	57.5	(21.0)	(157.5)	(178.5)	9.2	3 309.6	(3 579.9)	(439.6)
Finance income	14.8	8.8	23.6	109.4	253.8	–	386.8	14.0	5.9	19.9	111.2	3 704.0	(3 580.0)	255.1
Other finance costs	(31.5)	(167.7)	(199.2)	(129.5)	(0.9)	0.3	(329.3)	(35.0)	(163.4)	(198.4)	(102.0)	(81.9)	0.1	(382.2)
Premium on buy-back of convertible bonds	–	–	–	–	–	–	–	–	–	–	–	(312.5)	–	(312.5)
Profit/(loss) before tax per segment and total	5 063.3	270.8	5 334.1	(165.0)	1 765.5	(2 513.4)	4 421.2	5 706.0	2 118.9	7 824.9	(8.2)	6 532.1	(7 297.8)	7 051.0
Taxation	–	–	–	–	–	–	(1 100.6)	–	–	–	–	–	–	(541.1)
Profit after tax attributable to owners of the Company							3 320.6							6 509.9

* *The 2021 Maseve care and maintenance and other cost of R18.5 million incurred after the group reorganisation and amalgamation process was concluded have been reclassified from cost of sales to other expenses based on their nature.*

34. SEGMENTAL REPORTING continued

34.2 Segmental statement of financial position

	As at 31 December 2022							As at 31 December 2021						
	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)	Consoli-dation 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)	Consoli-dation adjustment R (million)	Total R (million)
Non-current assets	4 900.9	12 779.2*	17 680.1	1 248.1	15 323.1	(10 317.5)	23 933.8	4 706.5	12 273.3*	16 979.8	1 225.5	14 484.6	(9 257.8)	23 432.1
Allocation of mineral rights	595.6	4 454.8	5 050.4	–	(5 050.4)	–	–	624.6	4 572.0	5 196.6	–	(5 196.6)	–	–
Non-current assets after allocation of mineral rights	5 496.5	17 234.0	22 730.5	1 248.1	10 272.7	(10 317.5)	23 933.8	5 331.1	16 845.3	22 176.4	1 225.5	9 288.0	(9 257.8)	23 432.1
Current assets	4 786.5	2 772.7	7 559.2	388.0	4 541.8	(26.5)	12 462.5	3 892.6	2 711.8	6 604.4	595.2	4 361.2	54.3	11 615.1
Employee housing current assets	–	–	–	304.9	–	2.9	307.8	–	–	–	464.2	–	68.6	532.8
Inventories	155.0	503.9	658.9	–	–	–	658.9	169.5	395.0	564.5	–	–	–	564.5
Non-current assets held for sale	13.2	16.8	30.0	–	–	–	30.0	–	–	–	–	–	–	–
Trade and other receivables	4 616.2	2 250.8	6 867.0	3.4	113.5	(29.4)	6 954.5	3 156.2	2 316.8	5 473.0	2.9	90.5	(14.3)	5 552.1
Current tax receivable	–	–	–	–	158.2	–	158.2	–	–	–	–	67.3	–	67.3
Cash and cash equivalents	2.1	1.2	3.3	79.7	4 270.1	–	4 353.1	566.9	–	566.9	128.1	4 203.4	–	4 898.4
Total assets per statement of financial position	10 283.0	20 006.7	30 289.7	1 636.1	14 814.5	(10 344.0)	36 396.3	9 223.7	19 557.1	28 780.8	1 820.7	13 649.2	(9 203.5)	35 047.2
Non-current liabilities	343.9	1 807.3	2 151.2	1 586.8	6 056.6	(57.5)	9 737.1	337.9	1 694.5	2 032.4	1 620.9	5 597.7	(57.5)	9 193.5
Deferred tax liability	–	–	–	–	5 724.3	(55.6)	5 668.7	–	–	–	–	5 587.5	(54.4)	5 533.1
Deferred revenue	186.6	1 736.9	1 923.5	–	–	–	1 923.5	238.8	1 657.2	1 896.0	–	–	–	1 896.0
Share-based payment liability	–	–	–	–	324.8	–	324.8	–	–	–	–	–	–	–
PIC housing facility	–	–	–	1 449.5	–	–	1 449.5	–	–	–	1 487.5	–	–	1 487.5
Lease liabilities	23.2	–	23.2	–	7.5	(1.9)	28.8	24.4	–	24.4	–	10.2	(3.1)	31.5
Long-term provisions and other	134.1	70.4	204.5	137.3	–	–	341.8	74.7	37.3	112.0	133.4	–	–	245.4
Current liabilities	(16 179.6)	10 536.7	(5 642.9)	109.5	7 537.9	(30.9)	1 973.6	(12 775.7)	10 080.1	(2 695.6)	87.6	6 692.8	(2 497.7)	1 587.1
Trade and other payables	617.0	326.4	943.4	29.1	348.7	(18.4)	1 302.8	578.2	285.2	863.4	34.7	417.2	(13.0)	1 302.3
RBR payable	(16 843.7)	10 045.7	(6 798.0)	35.1	6 774.1	(11.2)	–	(13 397.3)	9 607.4	(3 789.9)	4.9	6 268.7	(2 483.7)	–
Current portion of share-based payment liability	–	–	–	–	409.3	–	409.3	–	–	–	–	–	–	–
Current portion of PIC housing facility	–	–	–	45.3	–	–	45.3	–	–	–	48.0	–	–	48.0
Current tax payable	–	–	–	–	3.1	–	3.1	–	–	–	–	4.7	–	4.7
Current portion of deferred revenue	35.6	164.6	200.2	–	–	–	200.2	40.5	187.5	228.0	–	–	–	228.0
Current portion of lease liabilities	11.5	–	11.5	–	2.7	(1.3)	12.9	2.9	–	2.9	–	2.2	(1.0)	4.1
Total liabilities per statement of financial position	(15 835.7)	12 344.0	(3 491.7)	1 696.3	13 594.5	(88.4)	11 710.7	(12 437.8)	11 774.6	(663.2)	1 708.5	12 290.5	(2 555.2)	10 780.6

* *Includes Styldrift II exploration and evaluation costs*

34. SEGMENTAL REPORTING continued

34.3 Segmental statement of cash flows

	For the year ended 31 December 2022						For the year ended 31 December 2021					
	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	4 089.7	1 449.1	5 538.8	58.2	(3 954.9)	1 642.1	4 508.7	4 196.9	8 705.6	56.9	(3 062.4)	5 700.1
Proceeds from disposal of property, plant and equipment	–	1.6	1.6	–	–	1.6	–	2.6	2.6	–	0.1	2.7
Acquisition of property, plant and equipment	(475.7)	(1 383.8)	(1 859.5)	(0.1)	37.0	(1 822.6)	(392.1)	(1 429.6)	(1 821.7)	–	39.2	(1 782.5)
Cash acquired as part of Maseve amalgamation	–	–	–	–	–	–	–	0.1	0.1	–	(0.1)	–
Employee housing loan receivable repayments	–	–	–	10.0	–	10.0	–	–	–	9.7	–	9.7
Increase in environmental trust deposits and guarantees	(30.1)	–	(30.1)	–	–	(30.1)	(28.9)	–	(28.9)	–	–	(28.9)
Net cash (outflow)/inflow from investing activities	(505.8)	(1 382.2)	(1 888.0)	9.9	37.0	(1 841.1)	(421.0)	(1 426.9)	(1 847.9)	9.7	39.2	(1 799.0)
(Distributions to)/cash investments by RBR	(4 019.8)	14.4	(4 005.4)	30.2	3 975.2	–	(5 162.6)	(2 732.8)	(7 895.4)	(0.6)	7 896.0	–
Repayment of PIC housing facility	–	–	–	(146.7)	–	(146.7)	–	–	–	(101.0)	–	(101.0)
Proceeds from interest-bearing borrowings	–	–	–	–	647.5	647.5	–	–	–	–	890.3	890.3
Repayment of interest-bearing borrowings	–	–	–	–	(647.5)	(647.5)	–	–	–	–	(1 499.7)	(1 499.7)
Principal elements of lease payments	(9.7)	–	(9.7)	–	(1.3)	(11.0)	(9.8)	(3.8)	(13.6)	–	(2.4)	(16.0)
Settlement of share-based payment	(119.2)	(80.1)	(199.3)	–	–	(199.3)	(37.4)	(33.4)	(70.8)	–	(36.1)	(106.9)
Proceeds from share options exercised	–	–	–	–	10.7	10.7	–	–	–	–	69.7	69.7
Convertible bonds repurchased	–	–	–	–	–	–	–	–	–	–	(482.3)	(482.3)
Net cash (outflow)/inflow from financing activities	(4 148.7)	(65.7)	(4 214.4)	(116.5)	3 984.6	(346.3)	(5 209.8)	(2 770.0)	(7 979.8)	(101.6)	6 835.5	(1 245.9)
Net (decrease)/increase in cash and cash equivalents	(564.8)	1.2	(563.6)	(48.4)	66.7	(545.3)	(1 122.1)	–	(1 122.1)	(35.0)	3 812.3	2 655.2
Cash and cash equivalents at the beginning 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
Cash and cash equivalents at the end of the period	2.1	1.2	3.3	79.7	4 270.1	4 353.1	566.9	–	566.9	128.1	4 203.4	4 898.4

35. 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	
	2022	2021
Number of shares issued at 1 January	**289 016 546**	258 792 016
Management incentive schemes at 1 January	**(1 029 219)**	(277 629)
Number of shares issued outside the Group at 1 January	**287 987 327**	258 514 387
Adjusted for weighted average number of shares issued during the year	**1 632 089**	20 601 952
Weighted average number of ordinary shares in issue for earnings per share	**289 619 416**	279 116 339
Dilutive potential ordinary shares relating to management incentive schemes	**–**	7 585 141
Weighted average number of potential dilutive ordinary shares in issue	**289 619 416**	286 701 480
Profit attributable to owners of the Company R (million)	**3 320.6**	6 509.9
Adjustments	**–**	–
Diluted profit R (million)	**3 320.6**	6 509.9
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	**1 146.3**	2 332.4
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	**1 146.3**	2 270.7

	2022		2021	
	Gross	**Net**	Gross	Net
Headline earnings				
Profit attributable to owners of the Company R (million)		**3 320.6**		6 509.9
Adjustments:				
Profit on disposal of property, plant and equipment and other assets R (million)	**(11.2)**	**(8.0)**	(21.7)	(21.7)
Impairment of assets R (million)	**239.5**	**172.4**	–	–
Headline earnings R (million)		**3 485.0**		6 488.2
Diluted profit R (million)*		**3 485.0**		6 488.2
Basic headline earnings per share (cents/share)		**1 203.1**		2 324.6
Diluted headline earnings per share (cents/share)		**1 203.1**		2 263.1

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

36. GOING CONCERN

Based on the current financial and operational performance of the Group, the Group's financial budgets and forecasts, the Group's solvency and liquidity position, the available facilities (refer to Note 13), and compliance with financial covenants (refer to Note 13), the directors believe that the Group will continue as a going concern in the foreseeable future.

37. 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 2023 from profits accrued during the financial year ended 31 December 2022. The total cash dividend for the year amounted to 780.0 cents per share. The dividend is payable on 3 April 2023 to shareholders who will be on the register on 31 March 2023. This final dividend, amounting to approximately R1 553.3 million, has not been recognised as a liability in 2022. It will be recognised in shareholders' equity in the year ending 31 December 2023.

COMPANY STATEMENT OF FINANCIAL POSITION
as at 31 December 2022

	Notes	Company 2022 R (million)	2021 R (million)
ASSETS			
Non-current assets		7 021.3	7 022.3
Investment in subsidiaries	2	7 021.3	7 021.3
Deferred tax asset		–	1.0
Current assets		5 996.8	5 648.6
Intercompany loans	3.1	1 943.0	1 433.2
Other receivables		24.8	13.2
Cash and cash equivalents	4	4 029.0	4 202.2
Total assets		13 018.1	12 670.9
EQUITY AND LIABILITIES			
Total equity		13 006.6	12 622.5
Stated capital	5	12 522.3	12 413.6
Share-based payment reserve	6	40.9	251.7
Retained earnings/(loss)		443.4	(42.8)
Current liabilities		11.5	48.4
Trade and other payables	7	8.4	40.8
Current tax payable	8	3.1	4.7
Intercompany loans	3.2	–	2.9
Total equity and liabilities		13 018.1	12 670.9

The notes on pages 72 to 80 form an integral part of these annual financial statements.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

		Company	
	Notes	2022 R (million)	2021 R (million)
Finance income		318.5	161.8
Finance cost		–	(54.2)
Premium on redemption of convertible bonds		–	(312.5)
Dividend income	9	2 357.3	3 580.0
Other income		11.8	4.6
Administrative expenses		(99.5)	(56.1)
Expected credit loss		42.7	101.6
Profit before tax		2 630.8	3 425.2
Income tax (expense)/credit	10	(80.4)	1.3
Income tax expense		(79.4)	–
Deferred tax (expense)/credit		(1.0)	1.3
Net profit for the year		2 550.4	3 426.5
Other comprehensive income		–	–
Total comprehensive income		2 550.4	3 426.5

The notes on pages 72 to 80 form an integral part of these annual financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Company				
	Number of shares issued	Stated capital R (million)	Share-based payment reserve R (million)	Retained earnings/(loss) R (million)	Total R (million)
2022					
Balance at 1 January 2022	**287 987 327**	**12 413.6**	**251.7**	**(42.8)**	**12 622.5**
Share-based payment charge	**–**	**–**	**115.3**	**–**	**115.3**
2019 BSP and RFSP shares vested in April 2022	**2 033 405**	**79.3**	**(79.3)**	**–**	**–**
Share options and SARS exercised	**313 693**	**29.4**	**(42.1)**	**–**	**(12.7)**
Transfer of reserve on change of share-based payment settlement	**–**	**–**	**(204.7)**	**204.7**	**–**
Total comprehensive income	**–**	**–**	**–**	**2 550.4**	**2 550.4**
Dividends paid	**–**	**–**	**–**	**(2 268.9)**	**(2 268.9)**
Balance at 31 December 2022	**290 334 425**	**12 522.3**	**40.9**	**443.4**	**13 006.6**
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

** The number of shares is net of 1 029 219 treasury shares relating to the Company's management share incentive scheme*

The notes on pages 72 to 80 form an integral part of these annual financial statements.

COMPANY STATEMENT OF CASH FLOWS
for the year ended 31 December 2022

	Notes	Company 2022 R (million)	2021 R (million)
Cash flows from operating activities			
Cash (utilised in)/generated from operations	11	**(8.0)**	37.0
Finance income		**318.5**	72.9
Finance cost		**–**	(42.0)
Dividends tax paid*		**(31.8)**	–
Dividends received	9	**2 357.3**	3 545.0
Dividends paid		**(2 268.9)**	(3 070.1)
Tax paid	8	**(81.0)**	–
Net cash inflow from operating activities		**286.1**	542.8
Cash flows from investing activities			
Related party loans granted		**(6 089.0)**	(2 672.5)
Proceeds from related party loans		**5 619.0**	6 600.3
Net cash (outflow)/inflow from investing activities		**(470.0)**	3 927.8
Cash flows from financing activities			
Proceeds from share options exercised		**10.7**	69.7
Convertible bonds repurchased		**–**	(482.3)
Net cash inflow/(outflow) from financing activities		**10.7**	(412.6)
Net (decrease)/increase in cash and cash equivalents		**(173.2)**	4 058.0
Cash and cash equivalents at the beginning of the period	4	**4 202.2**	144.2
Cash and cash equivalents at the end of the period	4	**4 029.0**	4 202.2

* *Relates to the deemed dividend tax paid to the South African Revenue Service in terms of Section 64 of the South African Income Tax Act of 1962 following the conversion of the bonds in 2021*

The notes on pages 72 to 80 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 2022

1. GENERAL INFORMATION AND BASIS OF PREPARATION AND ACCOUNTING POLICIES

The general information and basis of preparation are disclosed on pages 17 to 20. 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.

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 2022.

Standard	Subject	Date
	Annual Improvements to IFRS Standards 2018 – 2020	1 January 2022
IFRS 1	*First-time Adoption of International Financial Reporting Standards* The amendment allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption. The amendment did not have an impact on the Company's financial statements.	
IFRS 9	*Financial Instruments* The amendment clarifies which fees should be included in the 10% test for derecognition of financial liabilities. The amendment did not have an impact on the Company's financial statements.	
IFRS 16	*Leases* This amendment aims to remove any confusion about the treatment of lease incentives by amending illustrative example 13 by removing the illustration of payments from the lessor relating to leasehold improvements. The amendment did not have an impact on the Company's financial statements.	
IAS 16	*Property, Plant and Equipment – Proceeds before intended use* This amendment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received 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 received from selling such items and the costs of producing those items, in profit or loss. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. The amendment did not have an impact on the Company's financial statements as there was no revenue offset 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 amendment clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The amendment did not have an impact on the Company'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* Minor amendments were made to IFRS 3 *Business Combinations* to update the references to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. The amendment did not have an impact on the Company's financial statements, but will be applied when applicable in the future.	1 January 2022

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

Standards, amendments and interpretations to existing standards continued

New and amended standards adopted by the Company continued

The following new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. These are new standards and amendments that are applicable to the nature of the Company and may possibly have an impact on the Company.

Standard	Subject	Date
IAS 1	*Presentation of Financial Statements – Classification of Liabilities as current and non-current* The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity The impact of the amendment will be assessed and applied in the future.	1 January 2023
IAS 1	*Disclosure of Accounting Policies – amendments to IAS 1 and IFRS Practice Statement 2* The amendments require entities to disclose their material rather than their significant accounting policies. These standards define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. The impact of the amendment will be assessed and applied in the future.	1 January 2023
IAS 8	*Accounting Policies, Changes in Accounting Estimates and Errors* The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. 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 impact of the amendment will be assessed and applied in the future.	1 January 2023

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

for the year ended 31 December 2022

2. INVESTMENT IN SUBSIDIARIES

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

	Company	
	2022 R (million)	2021 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 (RBP MS) (100% interest)	**–**	–
– 321 no par value ordinary shares in Royal Bafokeng Resources Proprietary Limited (RBR) (99.7% interest)	**7 021.3**	7 021.3
Closing balance at 31 December	**7 021.3**	7 021.3

** Amounts of R1 000 (2021:R1 000) are nominal and do not exceed R1 million therefore Rnil is disclosed (2021: Rnil)*

Indirect investment in subsidiaries consists of:
- Bafokeng Rasimone Management Services Proprietary Limited (100% interest)
- Royal Bafokeng Resources Properties (RF) Proprietary Limited (100% interest)
- One 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 impairment assessment performed.

There was no impairment of the investment in subsidiaries in the current financial year (2021: 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 are 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

R266.9 million (2021: R309.6 million) expected credit loss was recognised relating to a loan with RBP MS.

The movement in the stage 3 expected credit loss during the year was as follows:

	Company	
	2022 R (million)	2021 R (million)
Opening balance as 1 January	**309.6**	349.5
ECL movement recognised in the statement of comprehensive income	**(42.7)**	(39.9)
Balance as at 31 December	**266.9**	309.6

3.1 Intercompany loans receivable

	Company	
	2022 R (million)	2021 R (million)
Non-interest-bearing*		
– Royal Bafokeng Resources Proprietary Limited	**312.9**	114.7
– Bafokeng Rasimone Management Services Proprietary Limited	**216.3**	–
Closing balance at 31 December	**529.2**	114.7
Interest bearing**		
– Royal Bafokeng Resources Proprietary Limited	**1 413.8**	1 318.5
Closing balance at 31 December	**1 413.8**	1 318.5
Total intercompany loans receivable	**1 943.0**	1 433.2

** The above intercompany loans bear no interest and are repayable on demand*
*** The loan bears interest at 7% per annum and is repayable on demand*

3. INTERCOMPANY LOANS continued

3.2 Intercompany loans payable

	Company	
	2022 R (million)	2021 R (million)
Non-interest-bearing*		
– Bafokeng Rasimone Management Services Proprietary Limited	**–**	2.9
Closing balance at 31 December	**–**	2.9

* *The above intercompany loans bear no interest and are repayable on demand*

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	
	2022 R (million)	2021 R (million)
Cash at bank and on hand	**5.6**	3.3
Short-term deposits	**4 023.4**	4 198.9
Closing balance at 31 December	**4 029.0**	4 202.2

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 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	
	2022	2021
Authorised share capital		
1 000 000 000 (2021: 1 000 000 000) ordinary shares with no par value	**1 000 000 000**	1 000 000 000
1 500 000 (2021: 1 500 000) 'A1' ordinary shares with no par value	**1 500 000**	1 500 000
1 500 000 (2021: 1 500 000) 'A2' ordinary shares with no par value	**1 500 000**	1 500 000
1 500 000 (2021: 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
	R (million)	R (million)
Stated capital		
Opening balance at 1 January	**12 413.6**	11 263.7
1 883 112 BSP and RFSP shares vested in April 2021	**–**	68.4
2 033 405 BSP and RFSP shares vested in April 2022	**79.3**	–
Share options exercised	**29.4**	127.4
Conversion of convertible bonds	**–**	954.1
Total 290 334 425 (2021: 287 987 327) ordinary shares	**12 522.3**	12 413.6

All ordinary shares have the same voting rights and are presented net of any treasury shares held by the Company. At 31 December 2022, the treasury shares outstanding amounted to nil (2021: 1 029 219) ordinary shares.

6. SHARE-BASED PAYMENT RESERVE

The Group operated a number of equity-settled, share-based compensation plans under which the entity receives services from employees as consideration for equity instruments of the Company. In the current year, the Group established a new equity-settled employee share ownership scheme (ESOP) for the Group's full-time employees and volume contractors. Refer to Note 15 of the consolidated annual financial statements.

In the second quarter of 2022, the Group converted its equity-settled plans except for the new ESOP into cash-settled plans as detailed in Note 20 of the consolidated annual financial statements. This conversion resulted in the transfer of R204.7 million from the share-based payment reserve to subsidiary intercompany loan amounts.

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	
	2022 R (million)	2021 R (million)
Opening balance at 1 January	**251.7**	284.6
Transfer of reserve on change of share-based payment settlement	**(204.7)**	–
BSP and FSP shares vested	**(79.3)**	(68.4)
Share options and SARS exercised	**(42.1)**	(57.7)
Share-based payment expense	**115.3**	93.2
Closing balance at 31 December	**40.9**	251.7

7. TRADE AND OTHER PAYABLES

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

	Company	
	2022 R (million)	2021 R (million)
Deemed dividends tax payable	**–**	31.8
Other	**8.4**	9.0
Total	**8.4**	40.8

8. CURRENT TAX PAYABLE

	Company	
	2022 R (million)	2021 R (million)
The movement in the balance can be explained as follows:		
Opening balance at 1 January	**(4.7)**	(4.7)
Income tax charge	**(79.4)**	–
Payments made	**81.0**	–
Closing balance at 31 December	**(3.1)**	(4.7)
Current tax payable comprises:		
Current tax payable	**(3.1)**	(4.7)
Closing balance at 31 December	**(3.1)**	(4.7)

9. DIVIDEND INCOME

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

	Company	
	2022 R (million)	2021 R (million)
Dividend received from RBR	**2 357.3**	3 545.0
Dividend in specie received from Maseve	**–**	35.0
Total dividend income	**2 357.3**	3 580.0

10. 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	
	2022 R (million)	2021 R (million)
Income tax expense	(79.4)	–
Current year	(79.4)	–
Deferred tax credit	(1.0)	1.3
Current year	(1.0)	1.3
Total income tax expense	(80.4)	1.3
Tax rate reconciliation:		
Profit before tax	2 630.8	3 425.2
Tax calculated at a tax rate of 28%	(736.6)	(959.1)
Non-taxable income – dividend received	660.0	1 002.4
Non-taxable income – other	1.7	–
Section 24J premium on conversion of convertible bonds	–	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	(17.4)	(5.8)
Expected credit loss	11.9	29.3
Total	(80.4)	1.3
Effective tax rate (%)	3.1	–

11. CASH GENERATED BY OPERATIONS

	Company	
	2022 R (million)	2021 R (million)
Profit before tax	2 630.8	3 425.2
Finance and dividend income	(2 675.8)	(3 741.8)
Finance cost	–	54.2
Expected credit loss	(42.7)	(101.6)
Premium on redemption of convertible bonds	–	312.5
Changes in working capital	79.7	88.5
(Decrease)/increase in accruals	(0.6)	8.0
Decrease in other receivables	80.3	80.5
Cash (utilised in)/generated from operations	(8.0)	37.0

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

for the year ended 31 December 2022

12. FINANCIAL RISK MANAGEMENT

The Company's activities expose 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 value	
	Notes	2022 R (million)	2021 R (million)	2022 R (million)	2021 R (million)
Financial assets at amortised cost					
Cash and cash equivalents	4	4 029.0	4 202.2	4 029.0	4 202.2
Intercompany loans receivable	3.1	1 943.0	1 433.2	1 943.0	1 433.2
Other receivables (excluding prepaid expenses)		24.8	13.2	24.8	13.2
Total financial assets		5 996.8	5 648.6	5 996.8	5 648.6
Financial liabilities at amortised cost					
Intercompany loans payable	3.2	–	2.9	–	2.9
Trade and other payables		8.4	40.8	8.4	40.8
Total financial liabilities		8.4	43.7	8.4	43.7

12.1 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	2022 R (million)	2021 R (million)	2022 R (million)	2021 R (million)
Financial assets					
Cash and cash equivalents	4	4 029.0	4 202.2	±40.29	±42.02

12.2 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.

12. FINANCIAL RISK MANAGEMENT continued

Categories of financial instruments continued

12.2 Credit risk continued

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

R260.1 million (2021: R309.6 million) expected credit loss was recognised relating to a loan with RBP MS.

12.3 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)
2022						
Trade and other payables	7	**8.4**	**–**	**–**	**–**	**8.4**
2021						
Trade and other payables	7	40.8	–	–	–	40.8
Intercompany loan payable	3.2	2.9	–	–	–	2.9

12.4 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	2022 R (million)	2021 R (million)
Net cash/(debt)		**4 029.0**	4 202.2
Cash and cash equivalents	4	**4 029.0**	4 202.2
Total equity		**13 006.6**	12 622.5
Net cash/(debt)-to-equity ratio %		**31.0**	33.3

12. FINANCIAL RISK MANAGEMENT continued

12.5 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 and 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)
2022				
Financial assets at amortised cost				
Cash and cash equivalents[1]	4	**–**	**–**	**4 029.0**
Intercompany loans receivable[1]	3.1	**–**	**–**	**1 943.0**
Other receivables (excluding prepaid expenses)[1]		**–**	**–**	**24.8**
Financial liabilities at amortised cost				
Trade and other payables	7	**–**	**–**	**8.4**
2021				
Financial assets at amortised cost				
Cash and cash equivalents[1]	4	–	–	4 202.2
Intercompany loans receivable[1]	3.1	–	–	1 433.2
Other receivables (excluding prepaid expenses)[1]		–	–	13.2
Financial liabilities at amortised cost				
Trade and other payables	7	–	–	40.8

[1] *Carrying amount approximates fair value*

13. GOING CONCERN

Based on the current financial and operational performance of the Company, the Company's financial budgets and forecasts, the Company'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. Refer to Note 36 in the consolidated annual financial statements.

14. 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 2023 from profits accrued during the financial year ended 31 December 2022. The total cash dividend for the year amounted to 780.0 cents per share. The dividend is payable on 3 April 2023 to shareholders who will be on the register on 31 March 2023. This final dividend, amounting to approximately R1 553.3 million, has not been recognised as a liability in 2022. It will be recognised in shareholders' equity in the year ending 31 December 2023.

NON-IFRS MEASURES

for the year ended 31 December 2022

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.

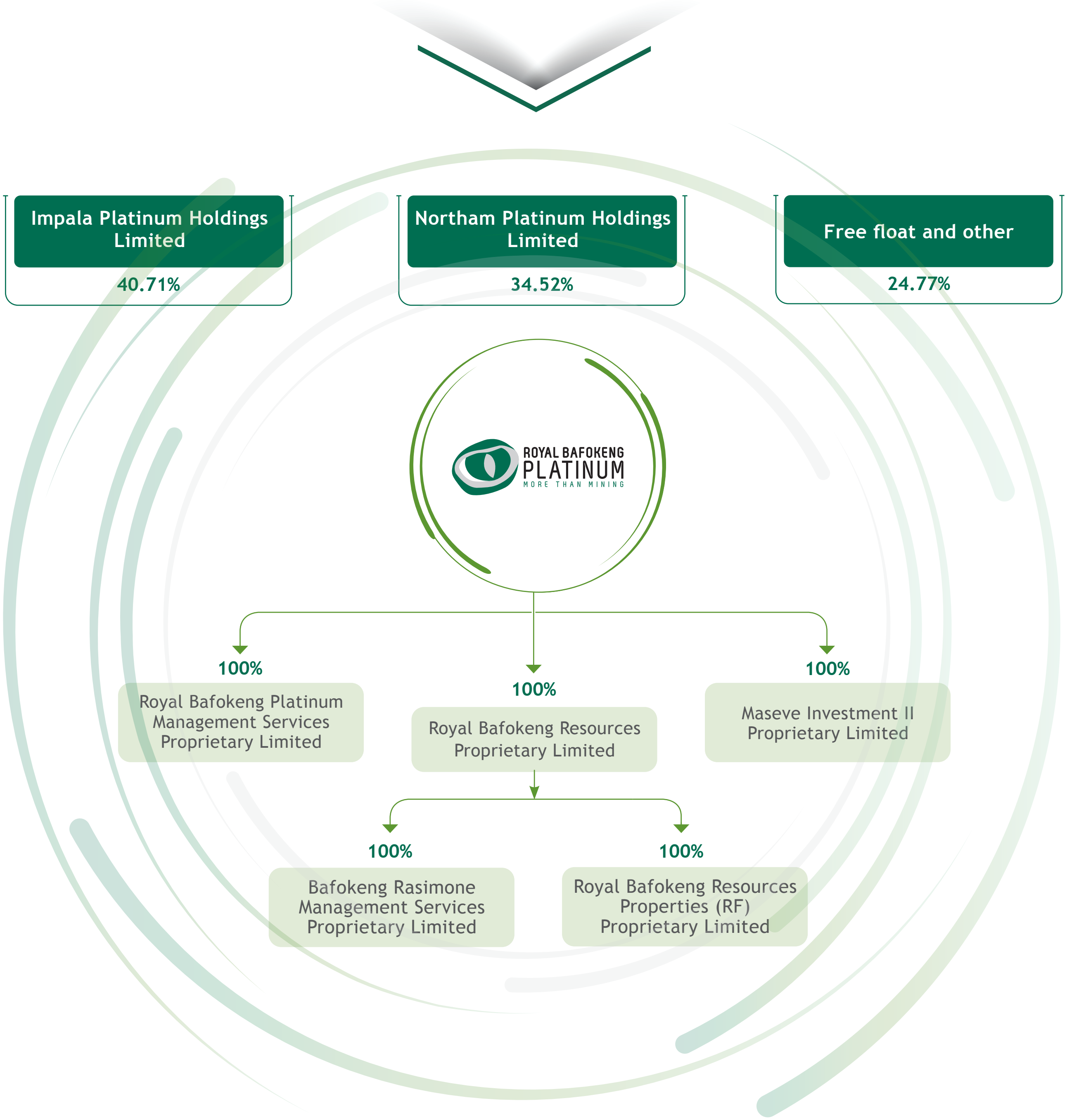
The reconciliation of EBITDA to the relevant IFRS profit before tax is shown below:

	Group	
	2022 R (million)	2021 R (million)
Profit before tax	**4 421.2**	7 051.0
Less: Finance income	**(386.8)**	(255.1)
Plus: Finance cost (excluding premium on conversion of convertible bonds)	**329.3**	382.2
Plus: Impairment of assets and write-offs	**246.8**	12.2
Plus: Depreciation of assets	**1 239.3**	1 184.3
Plus: Amortisation (mineral rights, employee benefit and PIC housing facility)	**144.1**	156.0
EBITDA	**5 993.9**	8 530.6

GROUP STRUCTURE

Royal Bafokeng Platinum Group structure

at 31 December 2022



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
10 March 2023

ADMINISTRATION

Company registered office
Royal Bafokeng Platinum Limited
Registration number: 2008/015696/06
JSE share code: RBP
ISIN: ZAE000149936

The Pivot
No 1 Monte Casino Boulevard
Block C
4th Floor
Fourways
Johannesburg
2021
South Africa

PO Box 2283
Fourways
2055
South Africa

COMPANY SECRETARY

Lester Jooste
Email: lester@bafokengplatinum.co.za
Telephone: +27 10 590 4519
Telefax: +27 086 572 8047

INVESTOR RELATIONS AND CORPORATE COMMUNICATIONS

Lindiwe Montshiwagae
Email: lindiwe@bafokengplatinum.co.za
Telephone: +27 10 590 4517
Telefax: +27 086 219 5131

PUBLIC OFFICER

Rotshidzwa Manenzhe
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Telephone: +27 10 590 4514
Telefax: +27 086 219 5131

INDEPENDENT EXTERNAL AUDITORS

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85 Empire Road
Parktown
Johannesburg
2193

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg
2196

Private Bag X9000
Saxonwold
2132
South Africa
Telephone: +27 11 370 5000
Telefax: + 27 11 688 5200

EQUITY SPONSOR

Merrill Lynch South Africa Proprietary Limited
t/a BofA Securities
1 Sandton Drive
Sandhurst
Johannesburg
2196

Bastion

ROYAL BAFOKENG PLATINUM

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No 1 Monte Casino Boulevard
Block C
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Fourways

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