

Notes to the company financial statements *Impala Platinum Holdings Limited – Year ended 30 June 2004*

(All amounts in Rand millions unless otherwise stated) 2004 2003

1 Property, plant and equipment

Other assets		
Cost		
Opening net book amount	–	0.2
Disposals	–	(0.2)
Closing net book amount	–	–

2 Investments in subsidiaries, associates and joint ventures

Associates	1 046.7	982.0
Subsidiaries and joint venture (Annexure A)	1 061.0	1 155.3
	2 107.7	2 137.3
Associates		
At cost		
Makwiro Platinum Mines (Private) Limited	247.0	247.0
Two Rivers Platinum (Proprietary) Limited	316.8	274.8
Aquarius Platinum (South Africa) (Proprietary) Limited	482.9	460.2
Total investments in associates	1 046.7	982.0

3 Deferred income tax assets

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

Deferred tax assets:		
– Deferred tax asset to be recovered after more than 12 months	9.4	–

Deferred income taxes are calculated at the prevailing tax rates of the different fiscal authorities where the asset or liability originates.

The movement on the deferred income tax account is as follows:

At the beginning of the year	–	–
Tax credit to equity (Note 9)	9.4	–
At the end of the year	9.4	–

4 Available-for-sale financial investments

Investments in listed shares

Comprise shares in the following listed companies

Aquarius Platinum Limited

Beginning of the year	229.7	422.5
Exchange differences	(27.7)	(41.6)
Share price movement	(30.3)	(151.2)
End of the year	171.7	229.7

(All amounts in Rand millions unless otherwise stated) 2004 2003

4 Available-for-sale financial investments (continued)

During the period under review, the company maintained its strategic shareholding in Aquarius Platinum Limited, holding 7 141 966 shares (2003: 7 141 966) which amounts to approximately 8.6% (2003: 8.9%) of the issued share capital of that company. The shares are currently listed on the Australian Stock Exchange and the London Stock Exchange. The fair value of these shares as at the close of business on 30 June 2004 by reference to Stock Exchange quoted prices and closing exchange rates was R171.7 million (2003: R229.7 million).

Investment in unlisted shares

Shares beneficially owned in the undermentioned concern at fair value:

Silplat (Proprietary) Limited	14.7	–
	186.4	229.7

5 Non-current receivables and prepayments

Loans

Messina Platinum Mines Limited	–	23.5
Less: current portion of loan (Note 6)	–	(23.5)
	–	–

The Messina Platinum Mines Limited loan bore interest at JIBAR plus 6%, and was repaid during 2004.

6 Current receivables and prepayments

Other receivables	8.4	19.1
Current portion of loans (Note 5)	–	23.5
	8.4	42.6

7 Cash and cash equivalents

For the purposes of the cash flow statement, the cash and cash equivalents comprise cash and bank balances.

0.0	0.0
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8 Share capital and share premium

	Number of shares (millions)	Ordinary shares R million	Share premium R million	Total R million
At 30 June 2002	66.554	13.3	589.6	602.9
Issued in terms of the share option scheme	0.040	0.0	14.9	14.9
At 30 June 2003	66.594	13.3	604.5	617.8
Issued in terms of the share option scheme	0.027	0.0	9.5	9.5
At 30 June 2004	66.621	13.3	614.0	627.3

The total authorised ordinary share capital comprise 100 million (2003: 100 million) shares with a par value of 20 cents each. All issued shares are fully paid.

(All amounts in Rand millions unless otherwise stated) 2004 2003

8 Share capital and share premium (continued)

Authorised amount	20.0	20.0
Up to 10% of the unissued shares may be issued by the directors at their discretion until the next annual general meeting.		

9 Other reserves

	Available-for-sale investments	
Balance 1 July 2002	393.4	
Revaluation – gross (Note 4)	(192.8)	
Balance 30 June 2003	200.6	
Revaluation – gross (Note 4)	(58.0)	
Revaluation – tax (Note 3)	9.4	
Balance 30 June 2004	<u>152.0</u>	

10 Trade and other payables

Trade payables	<u>10.2</u>	3.1
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11 Other (expenses)/income

Exploration expenditure	(8.9)	(31.9)
Recoupment of investment in Brandrill Limited	–	0.6
Professional fees	(26.0)	(5.5)
Profit on sale of mineral right to Impala Platinum Limited	–	1 620.9
Other	(8.7)	(8.4)
	<u>(43.6)</u>	1 575.7

12 Other gains

Other gains consist of the following principal categories:

Interest income	26.2	6.1
Dividends received – investments	2.8	21.7
Dividends received – subsidiaries	1 455.2	2 201.5
	<u>1 484.2</u>	2 229.3

13 Profit before tax

The following items have been charged in arriving at profit before tax:

Auditors' remuneration		
Fees for audit services	0.3	0.1
Professional fees	<u>26.0</u>	5.5

(All amounts in Rand millions unless otherwise stated) 2004 2003

14 Income tax expense

Current tax		
Charge for the year	7.5	7.8
	7.5	7.8
Capital gains tax	–	0.4
	7.5	8.2

The tax of the company's profit differs as follows from the theoretical charge that would arise using the basic tax rate:

	%	%
Normal tax rate for companies	30.0	30.0
Adjusted for:		
Disallowable expenditure	0.8	0.4
Exempt income	(30.3)	(30.2)
Effective tax rate	0.5	0.2

15 Dividends per share

At the board meeting on 27 August 2004, a final dividend in respect of 2004 of 1 600 cents per share amounting to a total dividend of R1 065.9 million was approved. STC on the dividend will amount to R123.1 million.

These financial statements do not reflect this dividend and related STC payable. The dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 30 June 2005.

Dividends paid

Final dividend No. 71 for 2003 of 1 750 (2002: 2 600) cents per share	1 165.4	1 730.4
Interim dividend No. 72 for 2004 of 500 (2003: 900) cents per share	332.6	599.3
	1 498.0	2 329.7

16 Cash generated from operations

Reconciliation of net profit to cash generated from operations:

Profit	1 433.1	3 796.8
Adjustments for:		
Income tax expense (Note 14)	7.5	8.2
Interest income (Note 12)	(26.2)	(6.1)
Dividend income	(2.8)	(21.7)
Profit on sale of mineral rights to Impala Platinum Limited	–	(1 620.9)
Changes in working capital:		
Trade and other receivables	34.2	(2.7)
Trade and other payables	7.1	0.9
Cash generated from operations	1 452.9	2 154.5