ROYAL BAFOKENG PLATINUM
MORE THAN MINING

Annual Financial Statements 2015

>MORE THAN MINING

Contents

Statement of responsibility by the Board of Directors

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of the Royal Bafokeng Platinum Group. The financial statements presented on pages 14 to 71 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 directors consider that 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 directors are 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 directors have 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 PricewaterhouseCoopers Inc who expressed an unqualified opinion thereon.

Board approval of financial statements

The annual financial statements for the year ended 31 December 2015 are set out on pages 14 to 71. The preparation thereof was supervised by the Financial Director, Martin Prinsloo who is a qualified chartered accountant CA(SA) and approved by the Board of Directors on 22 February 2016 and are signed on its behalf by:

KD Moroka SC
Chairman

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

22 February 2016

Audit and Risk Committee report

RBPlat's independent Audit and Risk Committee (the Committee) is pleased to present its report for the financial year ended 31 December 2015.

The Committee has discharged its responsibilities mandated by the Board, which also allows it to execute its statutory duties in compliance with the Companies Act 71 of 2008, as well as the King III principles applicable to audit committees. The Committee's terms of reference, which can be found on the Company's website, www.bafokengplatinum.co.za, are aligned with the above legislation, regulations and principles.

Composition, meetings and assessment

The Committee comprised four independent non-executive directors during the year under review, namely:
Prof Linda de Beer (Chairman)
Mr Robin Mills
Mr Mark Moffett
Ms Louisa Stephens

A brief profile of each of the members can be viewed on page 36 of the 2015 integrated report and the Company's website. The Committee met on five occasions during the year under review and all members were present at each of these scheduled meetings. Key members of management attend meetings of the Committee by invitation. During the year, closed sessions were also held for Committee members only, as well as with internal audit, external audit, risk, finance and management.

The Committee and its Chairman are assessed on an annual basis. In this regard an independent evaluation was undertaken by the Institute of Directors. The outcome of the 2015 evaluation was satisfactory with no significant adverse matters identified.

Role and responsibilities

The key areas of responsibility are outlined below:
> Perform its statutory duties as prescribed by the Companies Act
> Consider the performance of the Company on a quarterly basis
> Consider the solvency and liquidity of the Company, on a quarterly basis, for recommendation to the Board
> Oversee, assess and approve the internal and external audit appointments, scope of work planned for the year, effectiveness and independence
> Oversee the governance in respect of reporting, assurance, IT, risk and compliance. This includes a specific duty to ensure integrated/combined assurance over the integrated report and integrated reporting process
> Oversee and assess corporate governance, including the effectiveness of the internal control environment
> Consider the skills and resources of the finance function in general and the Chief Financial Officer specifically
> Recommend to the Board for approval, the interim and annual financial statements as well as the integrated report.

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

In carrying out these responsibilities, the Committee is satisfied that it has fulfilled its duty to the Board and has assisted the Board in carrying out the related areas of duties to all stakeholders.

The specific execution of the above responsibilities of the Committee is not further elaborated upon, other than highlighting the following more significant points:
> During the year the Committee embarked on a tendering process for the outsourced internal audit function. To this end the Committee has appointed Ernst & Young as its new service provider for a three-year term
> The Committee oversaw the enhancement of risk management, which included a quantification of risk appetite and risk tolerance levels, now reported in dashboard format at every Committee meeting
> Specific focus is currently being placed on increasing the maturity of IT within the business.

Audit and Risk Committee report continued

Annual confirmations

> ***Annual financial statements and integrated report***

The Committee recommended the annual financial statements as well as the 2015 integrated report to the Board for approval.

> ***Independence and reappointment of the external auditor is reaffirmed***

The Committee is satisfied that the external audit firm and engagement partner is independent. To this end the Committee considered fees for non-audit services paid to the external auditor, in terms of its non-audit services policy.

After a rigorous tender process, the Committee recommended the reappointment of PricewaterhouseCoopers as external auditors.

> ***Evaluation of the expertise and experience of the Chief Financial Officer and the finance function***

The Committee is satisfied with the experience, expertise and adequacy of resources within the finance function and of the Chief Financial Officer.

> ***Solvency and liquidity***

Based on the quarterly solvency and liquidity tests performed, the Committee was comfortable in its declaration to the Board that the Company and the Group is a going concern.

> ***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 basis, the Committee recommended to the Board that it issues a statement as to the adequacy of the Company's internal control environment.

Comments on key audit matters, addressed by PWC in its external auditor's report

In order to provide stakeholders with further insights into its activities and considerations around the Key Audit Matters as reported by the external auditors, the Committee wishes to elaborate on these important aspects as follows:

> ***Impairment of non-financial assets***

The Committee focused on the issue of impairment throughout the 2015 financial year and debated the impairment of non-financial assets further elaborated upon on page 58 of the integrated report. The Committee assessed the assumptions and judgements applied by management in the calculation of the impairment, as well as the allocation of the write off among segments and the classes of assets. Furthermore the Committee discussed the matter with the external auditors to understand their related audit processes and views.

> ***Cut-off between development and production phase of mining***

As Styldrift started its on-reef development in the second half of the 2015 financial year, management deemed it prudent to set an accounting policy in this regard as the level of on-reef development revenue from Styldrift I is expected to increase significantly from 2016 until production ramp-up is completed and operations reach a steady state in the years to come. KPMG was commissioned to assist management in the development of an accounting policy on the recognition of capital versus operational expenditure as well as on-reef development revenue before steady state operations, not only to ensure compliance with IFRS, but also to support alignment with business practices. The draft policy was debated by the Committee, assessed by the external auditors and is disclosed on pages 26 and 27 of these annual financial statements.

Prof L de Beer
Chairman of the Audit and Risk Committee

22 February 2016

Directors' report for Group and Company

Principal activities and profile
RBPlat was incorporated in July 2008 by Royal Bafokeng Holdings (RBH), the investment arm of the Royal Bafokeng Nation (RBN). 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, operates BRPM and is developing the Styldrift I project. RBPlat's significant reserves and resources can sustain operations for at least the next 60 years.

Results and dividend
The Group's and Company's financial results are set out on pages 14 to 71. These annual financial statements have been prepared using appropriate accounting policies, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and IFRIC interpretations (collectively IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, financial pronouncements as issued by the Financial Reporting Standards Council (FRSC) and the Companies Act 71 of 2008, the JSE Listings Requirements and include amounts based on judgements and estimates made by management.

We do not intend declaring a dividend until Styldrift I is operating at a steady state. Thereafter, a market-related dividend cover ratio is anticipated.

Review of the business, future developments and post-statement of financial position events
The operating context on page 38 of our integrated report provides details of the Group's operating environment. The Group's operational performance for 2015 is discussed on pages 68 to 81 and information on our future outlook can be found throughout the report. The Financial capital section on pages 56 to 67 of the integrated report, together with these annual financial statements, provide a full description of our financial performance for the year. During 2015 we began work on Phase II of the home ownership scheme for enrolled employees. For post year-end events please see Note 34 of the annual financial statements on page 55.

Going concern
The directors believe that the Group and the Company have sufficient resources to continue as a going concern in the foreseeable future.

Financial assistance
The current two-year special resolution governing financial assistance to companies within the RBPlat Group expires on 13 April 2016. Shareholders will therefore be requested to approve a new two-year special resolution effective 13 April 2016, subject to the provisions of section 45 of the Companies Act. A solvency and liquidity test is performed by the Board quarterly.

Corporate governance
A report on our corporate governance and our application of the principles of King III is included in our integrated reporting.

Health, safety, environment and community
Information on our health, safety and environmental performance and community participation is provided under the Natural, Human and Social capitals in our integrated report.

Employee policies and involvement
The Group's policies and performance regarding employee involvement, disabled employees, labour relations and employee share schemes are provided under Remuneration on pages 32 to 35 of our integrated report.

Repurchase of shares
The Company has not exercised the general authority granted to it by shareholders to buy back issued ordinary shares. Shareholders will be requested to renew this authority at the next annual general meeting. 281 957 "A3" ordinary shares were repurchased in 2015 at par value of 0.01 cents in terms of the Memorandum of Incorporation and the scheme rules regulating the RBPlat Mahube Share Trust.

Material borrowings
For material borrowings please refer to Notes 15 and 20 of the annual financial statements on pages 36 and 39.

Directors' report for Group and Company continued

Directorate

The directors for the year under review were:

Director	Position	First appointed	Standing for re-election and election	Elected or re-elected at the last AGM
David Wilson	Non-executive director	29 May 2014		Yes
Kgomotso Moroka	Chairman and independent non-executive director	1 June 2010	Yes	
Linda de Beer	Independent non-executive director	1 June 2010	Yes	
Lucas Ndala	Non-executive director (resigned 24 November 2015)	28 May 2013		
Louisa Stephens	Independent non-executive director	22 September 2014		Yes
Mark Moffett	Independent non-executive director	22 September 2014		Yes
Martin Prinsloo	Executive director	2 March 2009		Yes
Mike Rogers	Independent non-executive director	7 December 2009	Yes	
Robin Mills	Independent non-executive director	20 September 2010		Yes
Steve Phiri	Executive director	1 April 2010		Yes
Thoko Mokgosi-Mwantembe	Independent non-executive director	5 November 2014		Yes
Velile Nhlapo*	Non-executive director	24 November 2015	Yes	

**The newly appointed director will stand for election at the Annual General Meeting of the Company*

Directors' and officers' disclosure of interests in contracts

During the period under review and at the time of signing off the integrated report, no contracts were entered into in which directors and 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 executive directors and other prescribed officers.

Special resolutions

Details of the ordinary and special resolutions to be approved by shareholders at the next Annual General Meeting (AGM) are outlined in the Notice of Annual General Meeting (pages 129 to 140 of the integrated annual report) and are available online. Furthermore, shareholders authorised that the directors, by way of an ordinary resolution, would control all unissued ordinary shares and could allot and issue up to 5% of such shares subject to the limitations specified in the Memorandum of Incorporation (MOI) and the JSE Listings Requirements. This authority has not been used in 2015 but will be tabled for renewal of the next AGM. RBPlat subsidiary companies passed special resolutions in 2015 authorising financial assistance to related or inter-related parties in alignment with the authority granted by shareholders in compliance with the Companies Act.

Power of the Board

Subject to RBPlat's MOI, South African legislation and to any directions given by 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. The Board has been authorised to allot and issue ordinary shares up to a maximum of 5% of the issued share capital of the Company and a further 10% of the issued share capital in return for cash. These powers are exercised in terms of its MOI and resolution passed at the AGM held on 14 April 2015 and will be renewed at the AGM, to be held on 13 April 2016. No shares have been issued under this authority in 2015.

RBPlat subsidiary companies

The following 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 (100% held indirectly via RBR)
> Royal Bafokeng Resources Property (RBRP) Proprietary Limited, previously Friedshelf (RF) 1408 Proprietary Limited (100% held indirectly via RBR).

Directors' remuneration

Details of directors' remuneration and related payments can be found in Note 32 of the notes to the annual financial statements on page 50.

Share capital

Full details of the authorised and issued share capital of the Company are set out in Note 16 to the annual financial statements. As at 31 December 2015, there were 193 726 374 ordinary shares in issue at a par value of R0.01. Treasury shares held by the Company are outlined in the notes to the annual financial statements on page 37.

Major shareholders

The following shareholders were the registered beneficial holders of 5% or more of the issued ordinary shares in the Company at 31 December 2015:

Beneficial shareholders holding of 5% or more	Number of shares	%
Royal Bafokeng Platinum Holdings Proprietary Limited	101 333 105	52.31
Rustenburg Platinum Mines Limited	22 404 550	11.57

Directors' interests in Royal Bafokeng Platinum Limited

	Number of shares			
	2015 beneficial		2014 beneficial	
	Direct	Indirect	Direct	Indirect
Steve Phiri*	173 013	232 897	160 513	170 730
Martin Prinsloo*	141 270	145 847	63 163	119 562
Total	314 283	378 744	223 676	290 292

** Executive directors*

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

Share dealings

During the year under review directors and company secretary dealings in RBPlat shares on the market were as follows:

	Shares bought	Share price	Date	Shares sold	Share price	Date
Steve Phiri	12 500	R23.66	17 Nov 2015	46 695	R51.87	1 April 2015
Martin Prinsloo	50 000	R23.17	18 Nov 2015	10 000	R26.33	30 and 31 December 2015
Share dealings by directors of a major subsidiary						
Neil Carr (Executive Head: Operations)	24 080	R24.65	7 Dec 2015	10 463	R51.87	1 April 2015
Vicky Tlhabanelo (Executive: Human Resources)	5 165	R23.35	14 Dec 2015	12 282	R51.87	1 April 2015
Lester Jooste (Company Secretary)	–			5 797	R51.87	1 April 2015

Significant agreements

Amended BRPM Joint Venture Agreement

The BRPM Joint Venture Agreement was entered into on 12 August 2009 by the RBN, RBR and Rustenburg Platinum Mines (RPM). It replaced the previous Joint Venture Agreement concluded in August 2002. It sets out the terms and conditions on which the BRPM JV will operate and deals with matters such as establishment, duration and dissolution of the Joint Venture, the participating interests of the Joint Venture parties and their contributions to the Joint Venture, including mining infrastructure and mineral rights, management and control of the Joint Venture, minority protection for RPM, operational concerns such as the appointment of the operator, tailings, insurance, mine health and safety, environmental issues, how RPM's share of concentrate is dealt with, funding of the Joint Venture, the distribution policy, accounting and financial concerns, warranties, restrictions on disposals of participation interests and mining rights, dispute resolution and general or miscellaneous concerns. The BRPM JV includes the BRPM operations, Styldrift I and Styldrift II. RBR has a 67% participation interest in the BRPM JV and RPM has the remaining 33% participation interest in the BRPM JV. The BRPM JV is an unincorporated joint venture and is consolidated into the Group results.

Directors' report for Group and Company continued

Services agreement

As part of the BRPM JV restructuring a services agreement was entered into between RBP MS, RBR and RPM on 9 September 2009 in terms of which RBP MS was appointed as operator of BRPM JV in place of Anglo Platinum Management Services Proprietary Limited (AMS) with effect from 4 January 2010. In terms of this agreement RBP MS was appointed to provide mining services as an independent contractor and as an agent of the Joint Venture parties.

Disposal of Concentrate Agreement

The Disposal of Concentrate Agreement regulates the terms on which RBR disposes of its share of the concentrate produced by the BRPM JV to RPM. The agreement provides for RBR's share of the concentrate produced by the BRPM JV to be sold to, and processed by RPM. RBR is responsible for delivery of the concentrate to RPM's smelting and refining facility situated at Rustenburg, the costs of which are borne by the BRPM JV. Risk and ownership passes to RPM once the concentrate leaves the gates of the concentrator plant.

RBR is obliged to sell and RPM is obliged to purchase 50% of the concentrate of the BRPM JV up until 11 August 2022, the optional termination date in terms of the Disposal of Concentrate Agreement. Thereafter, while RBR retains the right to sell 50% of the BRPM JV concentrate to RPM for the life of BRPM JV it is also entitled to terminate the relationship on 11 August 2022 by giving written notice by no later than 11 August 2020. Subsequent to this date it is also entitled to terminate the relationship by providing written notice two years prior to each fifth anniversary of 11 August 2022. In respect of 17% of RBR's 67% share of the concentrate, RPM is entitled to terminate the relationship after 11 August 2012 on the occurrence of certain events. None of these events have occurred or are expected to occur in the near term.

Impala Platinum royalty agreements

These agreements regulate the terms on which RBR and RPM dispose of their respective shares of the UG2 ore mined by Impala Platinum from its 6 and 8 shafts and the UG2 and Merensky ore mined from its 20 shaft. A royalty equivalent to 17.5% of gross PGM, gold, nickel and copper revenue will be paid for the UG2 and Merensky ore mined from the 20 shaft area. The 6 and 8 shaft royalty agreement was renegotiated in 2013 and is linked to market conditions and therefore the profitability of the Impala Rustenburg operations. In terms of the amended royalty agreement for 6 and 8 shafts, Impala will pay the BRPM JV a royalty that is based upon a factor that is linked to the Impala Rustenburg operations' gross margin with a minimum of 5% and a maximum of 25% of gross PGM, gold, nickel and copper revenue.

We anticipate earning royalties from the 6 and 8 shafts agreement for approximately three years and from the 20 shaft agreement for approximately 30 years.

Impairment of non-financial assets

Given the decrease in PGM prices and the reduction in the market value of the Company, the components of the BRPM JV (BRPM operations, Styldrift I and Styldrift II), and the goodwill allocated to each of these components, were assessed for impairment by comparing the respective recoverable amounts to the carrying amounts for each component. The recoverable amounts of the non-financial assets were assessed using the higher of fair value less cost to sell or value in use methodology based on a discounted cash flow model for the inside life of mine ounces and an in-situ value for outside life of mine 4E ounces.

Following a detailed impairment review, an impairment charge for 2015 of R4 466.2 million (attributable after tax R2 886.2 million) was recognised. At the time of RBPlat's listing in 2010, the property, plant and equipment and mineral rights were fair valued and goodwill was recognised for RBR's 67% interest in the BRPM JV allocated to the BRPM operations, Styldrift I and Styldrift II individually. No goodwill was attributed to non-controlling shareholders' interests.

A detailed analysis of the impairment charge is set out in Note 28 on page 47 of the annual financial statements.

Independent auditor's report to the shareholders of Royal Bafokeng Platinum Limited

for the year ended 31 December 2015

Report on the audit of the consolidated and separate financial statements

Our opinion

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 (the Company) and its subsidiaries (together the Group) as at 31 December 2015, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa.

What we have audited

Royal Bafokeng Platinum Limited's consolidated and separate financial statements, set out on pages 14 to 71, comprise:

> the consolidated and separate statements of financial position as at 31 December 2015
> the consolidated and separate statements of comprehensive income for the year then ended
> the consolidated and separate statements of changes in equity for the year then ended
> the consolidated and separate statements of cash flows for the year then ended
> the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

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

Independence

We are independent of the Group 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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

Our audit approach

Overview

> Overall group materiality: R23 530 000, which represents 5% of a three year average profit or loss before tax adjustment for impairment.

Key audit matters

> Impairment of non-financial assets
> Cut-off between development and production phase of mining.

Group audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Group materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our Group audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Independent auditor's report to the shareholders of Royal Bafokeng Platinum Limited continued
for the year ended 31 December 2015

Overall Group materiality	R23 530 000
How we determined it	5% of a three year average profit or loss before tax adjusted for impairment
Rationale for the materiality benchmark applied	A benchmark of profit before tax is considered the most appropriate benchmark as it is considered to be the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. In 2015, the Group has a loss for the year, where in previous years the Group consistently achieved stable profits. Due to the fluctuation caused by the loss, it was considered more appropriate to use a three year average profit or loss before tax as a benchmark. We chose 5%, which is within the range of acceptable quantitative materiality thresholds in auditing standards.

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.

Key audit matter	How our audit addressed the key audit matter
Impairment of non-financial assets An impairment review of non-financial assets is performed when there is an indication that these may be impaired. Goodwill is tested annually for impairment or whenever there is an impairment indicator. Goodwill arose when the Group assumed control over Bafokeng Rasimone Platinum Mine Joint Venture (BRPM JV) upon listing in 2010. Royal Bafokeng Resources Proprietary Limited (RBR), a wholly owned subsidiary of the Company, has an undivided 67% participation interest in the BRPM JV. The BRPM JV is made up of BRPM, Styldrift I and Styldrift II. Goodwill was calculated as the difference between the purchase consideration for the 67% interest in the BRPM JV and the Group's share of net assets acquired, and was valued at R2.28 billion. Goodwill is allocated across all the Group's Cash Generating Units (CGUs) within the BRPM JV, being BRPM, Styldrift I and Styldrift II. Management identified each of its operations as the lowest level for which there are separately identifiable cash flows. The Company determines the recoverable amount of non-financial assets at the higher of fair value less costs of disposal and value in use. The recoverable amount is determined using the discounted cash flow model and the in-situ value for 4E (four platinum group elements, namely platinum, palladium, rhodium and gold) resource ounces outside the life of mine plan. Refer to Note 3 (Critical accounting estimates and assumptions), Note 4 (Property, plant and equipment), Note 5 (Mineral rights) and Note 6 (Goodwill) to the consolidated financial statements where the impairment of non-financial assets has been discussed. We focused on this area due to the identification of impairment indicators such as weak platinum group metal (PGM) prices, reduced profitability and increasing cost pressures in the South African mining industry as well as the decline in the Company's market value. Given the materiality of non-financial assets, an impairment could have a significant impact on the financial statements. We also focused on this area due to the significant judgement involved in performing the impairment test. In the current year, a gross impairment loss of R4.5 billion was recognised. R1.4 billion of this was recognised against goodwill allocated to CGUs impaired, being BRPM and Styldrift I. The remaining impairment was written off against the fair value of mineral rights and property, plant and equipment (PPE) which was recognised at the time of listing in 2010. Refer to Note 28 (Impairment of non-financial assets) where the impairment loss has been discussed in detail.	We satisfied ourselves as to management's assumptions used in the impairment model, and identified the most significant assumptions as: — commodity prices — discount rate. As indicated in Note 3, the impairment model is the most sensitive to these assumptions. Management assumed a long-term real platinum price of $1,270/ounce and palladium price of $700/ounce, at an exchange rate R14.60/US$1. We tested the reasonableness of management's assumptions using our valuations expertise by benchmarking these against analysts' forecasts. Based on the work performed, we accept the reasonableness of management's assumptions. Management assumed a real discount rate of 8.5%. As a reasonability test, we used our valuations expertise to independently calculate the discount rate, taking into account independently obtained data. The discount rate used by management was within an acceptable range. We verified the mathematical accuracy of the cash flow model and inspected the inputs into the model. These inputs were agreed to supporting documentation such as the approved business plan. We also held discussions with management to understand the basis for the assumptions used. We agreed the cash flow forecasts to the 2016 business plan which has been approved by the Executive Committee. In respect of the budgeting process we compared the current year actual results with the 2015 business plan. The main difference between the current year actual results and the 2015 business plan relates to lower revenue due to the sustained depression in the PGM market. This, in turn, led the Company to the decision to scale down development activities at Styldrift I until such time as market conditions improve on a sustainable basis. This resulted in reduced capital expenditure, delayed upgrade of the BRPM concentrator to process Styldrift I production and to delay the ramp-up of the Styldrift I production. The 2016 business plan has been updated to reflect these changes.

Key audit matter	How our audit addressed the key audit matter
Cut-off between development and production phase of mining Management has concluded that Styldrift I is currently in the development phase. When in the ramp-up phase, judgement will be applied in order to determine whether the mine is ready to operate as intended by management. The commercial production indicators which will be taken into account are detailed in Note 4 (Property, plant and equipment) to the consolidated financial statements. Ramp-up is expected to occur in the first quarter of 2017. It is the Company's accounting policy that during development and ramp-up phase, all costs directly attributable to developing the mine will be capitalised, including development taking place on-reef. Revenue generated during these phases will be credited against the capitalised cost of the asset. When the commercial production indicators are met the mine will move to the production phase. Revenue and operating costs relating to the production from the mine will be recognised in the statement of comprehensive income. Styldrift I is expected to commence production in the first quarter of 2020. We focused on this area as the cut-off between development and production phase of mining is becoming a more significant area as the company gets closer to reaching commercial levels of production. Thus, more judgement is involved in assessing whether the criteria for capitalisation have been met, as per the requirements of IAS 16 *(Property, plant and equipment)*. This is becoming a focus area as the cut-off could have a significant impact on the financial statements, due to the materiality of costs capitalised.	We evaluated management's assertion that Styldrift I is not yet in a condition necessary for it to be capable of operating in the manner intended by management by visiting the underground mine towards the end of the year and inspecting the current development, noting the infrastructure and development which is still required to enable the mine to reach commercial levels of production. We tested the costs capitalised to PPE in order to determine whether these are directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management. This was done by agreeing such costs to supporting documentation such as invoices. We also inspected payroll records to ensure that payroll costs capitalised related to employees who are involved in the Styldrift I project. We agreed the incidental revenue tonnes to external confirmation and recalculated the incidental revenue credited against capitalised costs. We also tested the reasonability of the commodity prices and foreign exchange rates used in the incidental revenue calculation by comparing these to independently obtained information such as market quoted prices. Testing results indicate that, as at 31 December 2015, the project meets the criteria for capitalisation as set out in IAS 16.

Independent auditor's report to the shareholders of Royal Bafokeng Platinum Limited continued
for the year ended 31 December 2015

Other information

The directors are responsible for the other information. The other information comprises the directors' report, the Audit Committee's report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the integrated annual report, which is expected to be made available to us after that date. 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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 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's and the 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 or to cease operations, or has 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's and Company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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/or the 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 PricewaterhouseCoopers Inc. has been the auditor of Royal Bafokeng Platinum Limited for seven years. Hendrik Odendaal has been the individual registered auditor responsible and accountable for the audit of Royal Bafokeng Platinum Limited for two years.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: HP Odendaal
Registered Auditor
2 Eglin Road
Sunninghill
2157
24 February 2016

Consolidated statement of financial position
as at 31 December 2015

		Group	
	Notes	2015 R (million)	2014 R (million)
Assets			
Non-current assets		**17 148.8**	19 969.9
Property, plant and equipment	4	**10 129.7**	10 889.5
Mineral rights	5	**5 766.0**	6 518.4
Goodwill	6	**863.3**	2 275.1
Environmental trust deposits	7	**114.9**	113.6
Employee housing loan receivable	8	**157.7**	108.8
Employee housing benefit	9	**51.4**	36.9
Insurance investment	10	**31.0**	—
Deferred tax asset	19	**34.8**	27.6
Current assets		**2 610.5**	3 534.0
Employee housing benefit	9	**4.3**	3.0
Employee housing assets	11	**264.2**	54.8
Inventories	12	**55.1**	51.7
Trade and other receivables	13	**1 365.7**	1 558.0
Current tax receivable	14	**3.6**	2.3
Cash and cash equivalents	15	**917.6**	1 864.2
Total assets		**19 759.3**	23 503.9
Equity and liabilities			
Total equity		**14 484.3**	18 196.3
Share capital	16	**1.9**	1.9
Share premium	16	**9 366.1**	9 329.2
Retained earnings		**1 285.9**	4 330.7
Share-based payment reserve	17	**194.7**	176.6
Non-distributable reserve	18	**71.8**	71.8
Non-controlling interest		**3 563.9**	4 286.1
Non-current liabilities		**4 125.7**	4 574.9
Deferred tax liability	19	**3 663.7**	4 486.7
PIC housing facility	20	**366.9**	—
Restoration and rehabilitation provision	21	**95.1**	88.2
Current liabilities		**1 149.3**	732.7
Trade and other payables	23	**1 149.3**	726.1
Employee housing facility		**—**	6.6
Total equity and liabilities		**19 759.3**	23 503.9

The notes on pages 18 to 64 form an integral part of these consolidated annual financial statements.

Consolidated statement of comprehensive income
for the year ended 31 December 2015

		Group	
	Notes	2015 R (million)	2014 R (million)
Revenue	24	**3 044.7**	3 767.5
Cost of sales	27	**(3 084.5)**	(2 902.2)
Gross (loss)/profit		**(39.8)**	865.3
Other income	25	**68.7**	25.2
Administration expenses	27	**(164.1)**	(137.3)
Corporate office	27	**(126.3)**	(122.2)
Housing project	27	**(37.8)**	(15.1)
Impairment of non-financial assets	28	**(4 466.2)**	—
Finance income	26.1	**106.2**	96.4
Finance cost	26.2	**(25.1)**	(5.1)
(Loss)/profit before tax		**(4 520.3)**	844.5
Income tax credit/(expense)	29	**753.3**	(245.7)
Income tax	29	**(76.9)**	(23.7)
Deferred tax	29	**830.2**	(222.0)
Net (loss)/profit for the year		**(3 767.0)**	598.8
Other comprehensive income		**—**	—
Total comprehensive (loss)/income		**(3 767.0)**	598.8
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(3 044.8)**	440.9
Non-controlling interest		**(722.2)**	157.9
Basic (loss)/earnings per share (cents/share)	37	**(1 589.2)**	238.6
Diluted (loss)/earnings per share (cents/share)	37	**(1 589.0)**	238.0

The notes on pages 18 to 64 form an integral part of these consolidated annual financial statements.

Consolidated statement of changes in equity
for the year ended 31 December 2015

	Number of shares issued*	Ordinary shares R (million)	Share premium R (million)	Share-based payment reserve R (million)	Non-distributable reserves R (million)	Retained earnings R (million)	Attributable to owners of the Company R (million)	Non-controlling interest R (million)	Total R (million)
2015									
Balance at 31 December 2014	**191 130 657**	**1.9**	**9 329.2**	**176.6**	**71.8**	**4 330.7**	**13 910.2**	**4 286.1**	**18 196.3**
Share-based payment expense	**—**	**—**	**—**	**55.0**	**—**	**—**	**55.0**	**—**	**55.0**
Mahube ordinary shares vested 31 March 2015	**187 972**	**—**	**12.2**	**(12.2)**	**—**	**—**	**—**	**—**	**—**
2012 BSP shares vested in April 2015	**424 985**	**—**	**24.7**	**(24.7)**	**—**	**—**	**—**	**—**	**—**
Total comprehensive loss	**—**	**—**	**—**	**—**	**—**	**(3 044.8)**	**(3 044.8)**	**(722.2)**	**(3 767.0)**
Balance at 31 December 2015	**191 743 614**	**1.9**	**9 366.1**	**194.7**	**71.8**	**1 285.9**	**10 920.4**	**3 563.9**	**14 484.3**
2014									
Balance at 31 December 2013	164 459 662	1.7	7 808.9	157.7	—	3 889.8	11 858.1	4 128.2	15 986.3
Share-based payment expense	—	—	—	48.2	—	—	48.2	—	48.2
Mahube ordinary shares vested 31 March 2014	187 971	—	12.2	(12.2)	—	—	—	—	—
2011 BSP shares vested in March/April 2014	263 029	—	17.1	(17.1)	—	—	—	—	—
Issue of shares — bookbuild	11 290 323	0.1	699.9	—	—	—	700.0	—	700.0
Issue of shares — rights offer	14 545 455	0.1	799.9	—	—	—	800.0	—	800.0
Costs relating to issue of shares capitalised	—	—	(21.5)	—	—	—	(21.5)	—	(21.5)
Rights followed on treasury shares	—	—	(6.4)	—	—	—	(6.4)	—	(6.4)
Share options exercised	384 217	—	19.1	—	—	—	19.1	—	19.1
RPM contribution to housing fund	—	—	—	—	71.8	—	71.8	—	71.8
Total comprehensive income	—	—	—	—	—	440.9	440.9	157.9	598.8
Balance at 31 December 2014	**191 130 657**	**1.9**	**9 329.2**	**176.6**	**71.8**	**4 330.7**	**13 910.2**	**4 286.1**	**18 196.3**

* *The number of shares is net of 1 982 760 (2014: 1 762 632) treasury shares relating to the Company's management share incentive scheme and the Mahube Employee Share Trust as shares held by these special purpose vehicles are eliminated on consolidation*

The notes on pages 18 to 64 form an integral part of these consolidated annual financial statements.

Consolidated statement of cash flows
for the year ended 31 December 2015

		Group	
	Notes	**2015 R (million)**	2014 R (million)
Cash flows from operating activities			
Cash generated by operations	30	**601.9**	1 358.5
Interest paid		**(0.6)**	(1.1)
Interest received		**86.4**	80.3
Dividend received		**9.7**	14.2
Tax refund	14	**0.4**	—
Tax paid	14	**(78.6)**	(25.4)
Net cash flow generated by operating activities		**619.2**	1 426.5
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**0.4**	—
Acquisition of property, plant and equipment	4	**(2 018.4)**	(1 675.6)
Acquisition of employee housing assets	11	**(262.5)**	(138.2)
Acquisition of insurance investment	10	**(30.0)**	—
Increase in environmental trust deposits	7	**(2.8)**	(0.1)
Call option premiums paid		**(9.2)**	—
Net cash flow utilised by investing activities		**(2 322.5)**	(1 813.9)
Cash flows from financing activities			
Issue of ordinary shares net of cost		**–**	1 478.5
Costs relating to rights followed on treasury shares		**–**	(6.4)
Increase in amounts owing to RPM	23	**436.4**	—
Drawdown of PIC housing facility	20	**326.9**	—
(Decrease)/increase in employee housing facility		**(6.6)**	6.6
Net cash flow generated by financing activities		**756.7**	1 478.7
Net (decrease)/increase in cash and cash equivalents		**(946.6)**	1 091.3
Cash and cash equivalents at beginning of year	15	**1 864.2**	772.9
Cash and cash equivalents at end of year		**917.6**	1 864.2

The notes on pages 18 to 64 form an integral part of these consolidated annual financial statements.

Summary of the general accounting policies and critical estimates and assumptions

for the year ended 31 December 2015

1. General information

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

"Group" in the annual financial statements refers to the economic entity which includes the Company, its subsidiaries and controlled special purpose entities.

Summary of significant accounting policies

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

Basis of presentation

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

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

The preparation of the Group annual financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period based on management and the Board's best knowledge of current events and actions. Actual results may ultimately differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated annual financial statements are detailed in Note 3 to the annual financial statements.

Functional and presentation currency

These consolidated annual financial statements are presented in South African Rand, which is the Group and Company's functional currency. All financial information is presented in Rand million, unless otherwise stated.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards, amendments to standards and interpretations for existing standards may possibly have an impact on the Group:

> Amendments to IFRS 10: *Consolidated Financial Statements* and IAS 28: *Investments in Associates and Joint Ventures* on applying the consolidation exemption effective 1 January 2016. The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

The impact of the standard has not yet been assessed by management.

> Amendments to IAS 1: *Presentation of Financial Statements* disclosure initiative effective 1 January 2016. In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

The impact of the standard has not yet been assessed by management.

> IFRS 15: *Revenue from Contracts with Customers* effective 1 January 2018. The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer.

The impact of the standard has not yet been assessed by management.

> IFRS 9: *Financial Instruments* (2009 and 2010) effective 1 January 2018
— Financial liabilities
— Derecognition of financial instruments
— Financial assets
— General hedge accounting

This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value.

The IASB has updated IFRS 9: *Financial Instruments* to include guidance on financial liabilities and derecognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39: *Financial Instruments: Recognition and Measurement*, without change, except for financial liabilities that are designated at fair value through profit or loss.

The impact of the standard has not yet been assessed by management.

1. General information continued

> IFRS 16: *Leases* effective 1 January 2019. After 10 years of joint drafting by the IASB and FASB they decided that lessees should be required to recognise assets and liabilities arising from all leases (with limited exceptions) on the balance sheet. Lessor accounting has not substantially changed in the new standard. The model reflects that, at the start of a lease, the lessee obtains the right to use an asset for a period of time and has an obligation to pay for that right. In response to concerns expressed about the cost and complexity to apply the requirements to large volumes of small assets, the IASB decided not to require a lessee to recognise assets and liabilities for short-term leases (less than 12 months), and leases for which the underlying asset is of low value (such as laptops and office furniture). A lessee measures lease liabilities at the present value of future lease payments. A lessee measures lease assets, initially at the same amount as lease liabilities, and also includes costs directly related to entering into the lease. Lease assets are amortised in a similar way to other assets such as property, plant and equipment. This approach will result in a more faithful representation of a lessee's assets and liabilities and, together with enhanced disclosures, will provide greater transparency of a lessee's financial leverage and capital employed. One of the implications of the new standard is that there will be a change to key financial ratios derived from a lessee's assets and liabilities (for example, leverage and performance ratios). IFRS 16 supersedes IAS 17: *Leases*, IFRIC 4: *Determining whether an Arrangement contains a Lease*, SIC 15: *Operating Leases — Incentives* and SIC 27: *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The impact of the standard has not yet been assessed by management.

Summary of the general accounting policies and critical estimates and assumptions continued
for the year ended 31 December 2015

2. Group accounting policies

2.1 Group and Company annual financial statements

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

Subsidiaries

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

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

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

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

Goodwill is tested annually for impairment or whenever there is an impairment indicator. Goodwill is carried at cost less accumulated impairment losses. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

Royal Bafokeng Resources Proprietary Limited (RBR), a wholly owned subsidiary of the Company, has an undivided 67% participation interest in the Bafokeng Rasimone Platinum Mine Joint Venture (BRPM JV). Rustenburg Platinum Mines Limited (RPM) owns the remaining 33% participation interest in the BRPM JV.

The Group consolidates the unincorporated BRPM JV.

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. The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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

Disposal of subsidiaries

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

2. Group accounting policies continued

2.2 General

2.2.1 Financial instruments

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

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial liabilities comprise borrowings, shareholder loan and trade and other payables. The Group classifies its financial liabilities as liabilities at amortised cost.

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 nominal value less estimated credit adjustments of trade receivables and payables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

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 liability simultaneously.

3. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Goodwill, property, plant and equipment and mineral rights (Non-financial assets) (Notes 4, 5 and 6)

Goodwill was calculated as the difference between the purchase consideration for the 67% interest in the BRPM Joint Venture and the Group's share of net assets acquired when the Group assumed control over the BRPM JV upon listing on 8 November 2010. The BRPM JV consists of the BRPM operations, Styldrift I and Styldrift II and goodwill was allocated across these three cash generating units (CGU) as the difference between the purchase considerations allocated to each CGU and the net assets per CGU. No goodwill was attributed to non-controlling interest.

For the BRPM operations and Styldrift I, the recoverability of the non-financial assets were assessed using the higher of fair value less cost to sell or value in use methodology based on the net present value of the current life of mine plan and an in-situ value for 4E resource ounces outside the life of mine plan. For Styldrift II, the recoverability of goodwill was assessed using the higher of fair value less cost to sell or value in use methodology based on an in-situ value for 4E resource ounces outside the life of mine plan.

Mineral rights inside life of mine plan

The following key assumptions were used in the net present value calculation of the BRPM operations and Styldrift I:

> Platinum US$1 270 per ounce (2014: US$1 777 per ounce)
> Palladium US$700 per ounce (2014: US$945 per ounce)
> A long-term real Rand:US$ exchange rate of R14.60:US$ (2014: R11.00:US$)
> A real discount rate of 8.5% (2014: 7.5%)
> Life of mine of 30 years (2014: 30 years)
> Production volumes are based on a detailed life of mine plan.

Mineral rights outside the life of mine plan

For in situ 4E resource ounces a value of US$10 per 4E ounce (2014: US$10 per 4E ounce) was used to calculate the recoverable amount of outside life of mine 4E ounces for the BRPM operations, Styldrift I and Styldrift II. This was based on independent experts' view of the value of these resources.

Sensitivity analysis:

> BRPM operations
  If all assumptions remain unchanged, a 5% decrease in the average Rand basket over the life of mine will result in a further impairment of R1 159 million or, if all assumptions remain unchanged, a 1% increase in the real discount rate to 9.5% would result in a further impairment of R288 million.
> Styldrift I
  If all assumptions remain unchanged, a 5% decrease in the average Rand basket over the life of mine will result in a further impairment of R1 234 million or, if all assumptions remain unchanged, a 1% increase in the real discount rate to 9.5% would result in a further impairment of R469 million.
> For Styldrift II, a US$8.34/oz in-situ 4E resource ounce value will result in a break-even position.

Summary of the general accounting policies and critical estimates and assumptions continued

for the year ended 31 December 2015

3. Critical accounting estimates and assumptions continued

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

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

- The grade of mineral reserves may vary significantly from time to time (i.e. differences between actual grades mined and resource model grades)
- Differences between actual commodity prices and commodity price assumptions
- Unforeseen operational matters/difficulties at mine sites
- Changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Asset lives

The Group's assets, excluding mining assets and mineral rights, are depreciated over their expected useful lives which are reviewed annually to ensure its appropriateness. In assessing useful lives, technological innovation, product life cycles, 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 basis. The calculation of the unit-of-production is based on forecasted production which is calculated using numerous assumptions. Any changes in these assumptions may have an impact on the calculation.

Environmental rehabilitation obligations (Note 21)

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, life of mine 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.

Key assumptions used were:

	2015	2014
Current cost estimate R (million)	**216.6**	206.1
Real pre-tax risk-free discount rate (%)	**4**	4

Share-based payments

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

Bonus share plan

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

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

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

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

Forfeitable share plan

The Company has established a forfeitable share plan (FSP) for its executive directors and senior managers. The FSP is linked to future performance of the Company as compared to its peers, utilising the total shareholder return (TSR) as a measure of performance. The Remuneration Committee is responsible for operating the FSP.

Employees participating in the FSP are awarded a number of forfeitable shares, based on their level and responsibility. The Remuneration Committee decides the award policy, which in 2015 was a multiple of total group package (TGP). The shares are held in escrow until they vest. The shares vest in equal tranches on the third, fourth and fifth anniversary of award. The proportion of shares that vest is based on the Company performance on the third anniversary. The employee has to stay in the employment of the Company for the period and the performance criteria have to be met for the shares to vest. On the vesting date, the employee receives shares. The forfeitable shares will be forfeited should an employee leave before the three year period.

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

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

3. Critical accounting estimates and assumptions continued

Share-based payments continued

2010 share option plan

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

Mahube Employee Share Scheme

The Royal Bafokeng Platinum Mahube Trust (Mahube Trust) has been implemented to replace the value forfeited by qualifying Bafokeng Rasimone Management Services Proprietary Limited (BRMS) employees as a result of no longer qualifying as beneficiaries of the Anglo Platinum Group Employee Share Participation Scheme (Kotula). BRMS is a wholly owned subsidiary of RBR. Please refer to Note 16 where Mahube shares are disclosed.

Permanent employees of the BRPM JV are employed by BRMS. Prior to the listing of RBPlat, BRMS was a wholly owned subsidiary of RPM and qualifying BRMS employees were beneficiaries of Kotula. In terms of the rules of Kotula and as a result of the listing of RBPlat, qualifying BRMS employees forfeited all their benefits under Kotula once ownership of BRMS was transferred from RPM to RBR since BRMS was no longer a member of the Anglo American Platinum group of companies. The RBPlat Group created the Mahube Trust, an employee share ownership scheme for the benefit of qualifying BRMS employees to replicate the terms and structure, to the extent possible, of Kotula. Permanent employees who do not benefit from any other share schemes qualify for the Mahube Trust Share Scheme. The beneficiary has to be in the employment of the Company on each distribution date. On distribution date, a third of Mahube's interest in RBPlat vests and is distributed to the beneficiaries. The first distribution took place on 31 March 2013 and the final capital distribution took place on 31 March 2015.

Initial public offering bonus shares

The Company invited each of the executive directors and certain other employees of the Company to participate in the share offer on listing, on the basis that for each share that they subscribe for, the Company will issue them with an additional share free of charge (with the Company paying for the par value of such shares). The additional shares issued by the Company vested 18 months after the listing. The maximum number of shares for which each director and employee could subscribe to benefit from this scheme was limited based on the specific job grade.

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

Bonus share plan

	2015	2014	2013	2012	2011	2010
Weighted average share price on grant date (R)	**56.70**	64.90	58.50	57.99	64.12	65.2
Vesting years	**2018**	2017	2016	2015	2014	2013

Forfeitable share plan

	2015	2014	2013	2012	2011	2010
Weighted average share price on grant date (R)	**56.70**	71.90	–	–	–	–
Vesting years	**2018 to 2020**	2017 to 2019	–	–	–	–

Rights offer

	2015	2014	2013	2012	2011	2010
Weighted average share price on grant date (R)	**–**	55.00	55.00	55.00	–	–
Vesting years	**–**	2017	2016	2015	–	–

2010 share option plan

	2015	2014	2013	2012	2011	2010
Weighted average option value on grant date (R)	**20.91**	37.10	37.41	29.07	–	32.27
Weighted average share price on grant date (R)	**44.23**	66.83	57.61	57.47	–	60.25
Weighted average exercise price (R)	**44.23**	66.83	57.61	57.47	–	60.25
Volatility (%)	**26.54 to 28.55**	26.22 to 26.73	47.2 to 57.61	49.5 to 47.8	–	40.3 to 48.2
Dividend yield	**–**	–	–	–	–	–
Risk-free interest rate (%)	**6.58 to 7.81**	7.11 to 8.31	6.08 to 8.51	7.18 to 8.01	–	7.59 to 8.46
Vesting years	**2018 to 2020**	2017 to 2019	2016 to 2018	2015 to 2017	2014 to 2016	2013 to 2015

Summary of the general accounting policies and critical estimates and assumptions continued
for the year ended 31 December 2015

3. Critical accounting estimates and assumptions continued

Share-based payments continued

	Mahube Trust share scheme	Initial public offering bonus shares
Weighted average option value on grant date (R)	44.67	64.90
Weighted average share price on grant date (R)	65.12	64.90
Volatility (%)	39.8 to 47.8	47.90
Dividend yield	–	–
Risk-free interest rate (%)	7.75 to 7.83	7.52
Vesting years	2013 to 2015	8 May 2012

Refer Note 32 for outstanding shares.

Activity on awards outstanding

	Forfeitable share plan		2010 share option plan		Bonus share plan		Mahube Trust share scheme	
	Forfeitable number of options	Weighted average option price R	Number of options	Weighted average option price R	Number of shares	Weighted average award price R	Number of shares	Weighted average award price R
For the year ended 31 December 2015								
At 1 January 2015	200 670	71.91	4 473 589	59.29	1 157 585	60.17	469 929	46.08
Granted	287 343	56.70	770 503	30.03	545 742	56.70	–	–
Forfeited	–	–	(212 829)	53.97	(20 138)	55.32	–	–
Exercised/vested	–	–	–	–	(349 792)	57.99	–	–
Expired	–	–	–	–	–	–	(469 929)	70.57
At 31 December 2015	488 013	62.95	5 031 262	56.35	1 333 397	59.72	–	–
For the year ended 31 December 2014								
At 1 January 2014	–	–	3 816 185	55.69	1 186 735	59.74	939 857	46.08
Granted	235 195	71.91	1 375 500	65.83	355 656	64.90	–	–
Forfeited	(34 525)	71.91	(314 542)	59.01	(129 858)	59.40	–	–
Exercised/vested	–	–	(403 554)	47.73	(254 948)	65.14	–	–
Expired	–	–	–	–	–	–	(469 928)	65.25
At 31 December 2014	200 670	71.91	4 473 589	59.29	1 157 585	60.17	469 929	46.08

Income taxes and mining royalties

Significant judgement is required in determining the provision for income taxes and mining royalties. 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.

3. Critical accounting estimates and assumptions continued

Employee home ownership scheme

The employee home ownership scheme arrangement was concluded in May 2014 and involves the construction of approximately 3 500 houses for eligible employees over a five-year period. At 31 December 2015, 422 houses were built, of which 417 were sold to employees (2014: 295 sold to employees).

RBRP, a wholly owned subsidiary of RBR, is a property company which was created in 2013 for the purpose of the housing scheme. All unsold houses are classified as inventory in the books of RBRP and on sale of the houses, revenue is recognised. On Group level, however, unsold houses are classified as non-current assets. On sale of the houses, an employee receivable is recognised (refer Note 8). This reclassification occurs because RBR is a mining company and is not in the business of buying and selling houses.

Employee housing loan receivable

The fair value of the employee housing receivable is determined using a discounted cash flow model.

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

> Instalment
  – Initial starting instalment of R2 721 from 1 July 2015 to 30 June 2016 (2014: R2 543 from 1 July 2014 to 30 June 2015)
  – Instalment increases on 1 July of each year and is fixed for a period of 12 months

> Interest accruals
  – Interest is charged at 7% (2014: 7.6%) based on the May CPI rate of the current period plus 1% with a floor rate of 7% (CPI as at May of the current period is 4.6% (2014: 6.7%))
  – Interest rates are adjusted annually effective from 1 July of each calendar year 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 interest rate plus 2%
  – The prime lending rate (defined as the "benchmark rate at which private banks lend out to the public") will be used as the base discount rate with an adjustment for counterparty credit risk (relative to the prime lending rate). This adjustment will be varied by risk grades (i.e. average credit profile per band)

> Payment period
  – The initial repayment period for the loans is 209 months.

The repayment period, however, is adjusted based on interest rate movements.

Notes to the consolidated annual financial statements and related accounting policies continued
for the year ended 31 December 2015

4. Property, plant and equipment

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

Pre-production expenditure, incurred to establish or expand productive capacity, to support and maintain that productive capacity incurred on mines, is capitalised to property, plant and equipment. The recognition of costs in the carrying amount of the asset ceases when the item is in the location and condition necessary to operate as intended by management. Any net income earned while the item is not yet capable of operating as intended, reduces the capital amount. Interest on borrowings, specifically to finance the establishment of mining assets, is 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 historical cost less accumulated depreciation. Depreciation is charged on the straight-line basis over the useful lives of these assets.

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

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

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 — 30 years (straight-line)
Computer equipment and software	3 — 5 years (straight-line)
Furniture and fittings	4 — 10 years (straight-line)
Mining assets (shaft and development)	Units of production
Mineral rights	Units of production
Plant and machinery	5 — 30 years (straight-line)
Vehicles and equipment	6 years (straight-line)

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

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

Impairment

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

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 present value of the estimated future cash flows arising from the use of the asset.

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

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

Capital work in progress

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

Accounting treatment of Styldrift I project expenditure

Styldrift I is currently in the development phase, the decision as to when to stop capitalising development costs and start expensing costs at the Styldrift I project requires judgement. 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 a manner intended by management.

4. Property, plant and equipment continued

Phase 1: Development phase continued

All costs directly attributable to developing the mine will be capitalised, including development taking place on-reef. Incidental revenue generated during the development phase should be credited against the capitalised cost of the asset. The incidental revenue from low grade ore was treated as revenue in the statement of comprehensive income. Management reconsidered this treatment with the commencement of high grade on-reef development at Styldrift I during the latter part of 2015. It was thereafter decided to credit all incidental revenue against the capital cost of the asset. This is a change in accounting policy. Incidental revenue recognised in the statement of comprehensive income in the current and prior years was not significant.

Phase 2: Ramp-up phase

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

In order to determine whether the Styldrift I mine is ready to operate as intended by management, judgement will be 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 has reached a nominated percentage, the internal project management team has transferred the mine to the operational team, the majority of the assets necessary for the mining project are substantially complete and ready for use and the project's ability to sustain commercial levels of production. These indicators will provide guidance to recognise when the mine development phase will cease and the production phase will commence.

During Phase 2 all costs that are directly attributable to developing the mine will be capitalised and the incidental revenue generated will be credited against the capital cost up to the date when the commercial production indicators are met.

Phase 3: Production phase

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

	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)
Property, plant and equipment							
2015							
At 1 January 2015	**81.1**	**75.5**	**5 120.8**	**4 581.1**	**1 022.1**	**8.9**	**10 889.5**
Additions	**6.2**	**0.1**	**—**	**1 964.1**	**—**	**—**	**1 970.4**
Impairment (refer Note 28)	**—**	**—**	**(2 340.8)**	**(21.5)**	**—**	**—**	**(2 362.3)**
Depreciation	**(4.2)**	**(36.8)**	**(184.6)**	**—**	**(138.9)**	**(3.4)**	**(367.9)**
Transfers	**14.6**	**13.8**	**453.9**	**(600.4)**	**116.7**	**1.4**	**—**
At 31 December 2015	**97.7**	**52.6**	**3 049.3**	**5 923.3**	**999.9**	**6.9**	**10 129.7**
Cost or valuation	**121.0**	**174.7**	**6 478.4**	**5 944.8**	**1 688.6**	**32.8**	**14 440.3**
Accumulated depreciation and impairment	**(23.3)**	**(122.1)**	**(3 429.1)**	**(21.5)**	**(688.7)**	**(25.9)**	**(4 310.6)**
At 31 December 2015	**97.7**	**52.6**	**3 049.3**	**5 923.3**	**999.9**	**6.9**	**10 129.7**
2014							
Cost or valuation	86.0	145.1	5 776.3	3 255.6	1 484.5	29.9	10 777.4
Accumulated depreciation and impairment	(15.3)	(51.0)	(715.5)	—	(405.7)	(22.0)	(1 209.5)
At 1 January 2014	70.7	94.1	5 060.8	3 255.6	1 078.8	7.9	9 567.9
Additions	0.4	0.4	—	1 681.7	—	—	1 682.5
Change in estimate on the decommissioning asset	—	—	10.0	—	—	—	10.0
Depreciation	(3.8)	(34.3)	(188.2)	—	(144.1)	(0.5)	(370.9)
Transfers	13.8	15.3	238.2	(356.2)	87.4	1.5	—
At 31 December 2014	81.1	75.5	5 120.8	4 581.1	1 022.1	8.9	10 889.5
Cost or valuation	100.2	160.8	6 024.5	4 581.1	1 571.9	31.4	12 469.9
Accumulated depreciation	(19.1)	(85.3)	(903.7)	—	(549.8)	(22.5)	(1 580.4)
At 31 December 2014	81.1	75.5	5 120.8	4 581.1	1 022.1	8.9	10 889.5

Notes to the consolidated annual financial statements and related accounting policies continued
for the year ended 31 December 2015

4. Property, plant and equipment continued

RBR has the life of mine right to use, but not ownership of assets with a carrying amount of R1 009 698 583 (2014: R1 076 944 883) which is included in the balances above.

Exploration and evaluation costs relating to Styldrift II incurred in the current year and included in capital work in progress additions were R12.4 million (2014: R32.4 million). Included in the 2015 additions is a non-cash amount of R6.5 million (2014: R6.9 million) which relates to Styldrift I project share-based payment charges capitalised (refer Note 17).

Styldrift on-reef development revenue of R54.5 million was credited against the capital work in progress additions for 2015.

5. 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 and evaluation phase.

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

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 greenfields sites, being those where the Group does not have any mineral deposits which are already being mined or developed, is expensed as incurred until a 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 directors to conclude that it is more likely than not that the Group will obtain future benefits from the expenditures

> Exploration and evaluation expenditure relating to extensions of mineral deposits which are already being mined or developed, including expenditure on the definition of mineralisation of such mineral deposits, is capitalised as a mine development cost following the completion of an economic evaluation equivalent to a 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 that it is more likely than not that the Group will obtain future economic benefits from the expenditures

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

An impairment previously recognised will be reversed when changes in circumstances that have an impact on estimates occur after the impairment was recognised. The reversal of an impairment will be limited to the lower of the newly calculated recoverable amount or the carrying amount that would have existed if the impairment had not been recognised. The reversal of an impairment is recognised in the statement of comprehensive income.

5. Mineral rights continued

Exploration and evaluation assets continued

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

	Group	
	2015 R (million)	2014 R (million)
Mineral rights		
Opening balance at 1 January	**6 518.4**	6 583.7
Less: Amortisation (included in cost of sales refer Note 27)	**(62.3)**	(65.3)
Less: Impairment (refer Note 28)	**(690.1)**	–
Closing balance at 31 December	**5 766.0**	6 518.4
Cost	**6 767.0**	6 767.0
Accumulated amortisation and impairment	**(1 001.0)**	(248.6)
Closing balance at 31 December	**5 766.0**	6 518.4

In terms of the joint venture agreement between RPM and RBR, RPM contributed its Boschkoppie mining right and the Frischgewaagd prospecting right while RBR contributed its Styldrift mining right to the BRPM JV for the full BRPM life of mine. RBR therefore has an undivided 67% participation interest in these rights while RPM has an undivided 33% participation interest in these rights.

6. Goodwill

Goodwill is tested annually for impairment. Goodwill is allocated to the BRPM operations, Styldrift I and Styldrift II cash-generating units for the purpose of impairment testing. The recoverable amount of the cash-generating unit to which goodwill has been allocated is based on the higher of fair value less cost to sell or value in use derived from reserve and resource ounce valuations. An impairment is recognised immediately in the statement of comprehensive income. Impairment write downs on goodwill may not be reversed.

	Group	
	2015 R (million)	2014 R (million)
Goodwill		
Goodwill at cost	**2 275.1**	2 275.1
Goodwill allocated to BRPM operations	**134.6**	134.6
Goodwill allocated to Styldrift I	**1 517.3**	1 517.3
Goodwill allocated to Styldrift II	**623.2**	623.2
Less: Impairment	**(1 411.8)**	–
Impairment of goodwill allocated to BRPM operations (refer Note 28)	**(134.6)**	–
Impairment of goodwill allocated to Styldrift I (refer Note 28)	**(1 277.2)**	–
Impairment of goodwill allocated to Styldrift II	**–**	–
Closing balance at 31 December	**863.3**	2 275.1

7. Environmental trust deposits

Contributions are made to the Bafokeng Rasimone Platinum JV Environmental Rehabilitation Trust, created in accordance with statutory requirements to provide for the estimated cost of rehabilitation during and at the end of the life of BRPM JV.

Environmental trust deposits held in the Nedbank equity-linked deposits are carried in the statement of financial position at fair value and deposits held in the Standard Bank account are carried at amortised cost. Contributions are based on the estimated environmental obligations over the life of mine. Interest earned on monies 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 included in other income.

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

Notes to the consolidated annual financial statements and related accounting policies continued
for the year ended 31 December 2015

7. Environmental trust deposits continued

Financial assets at fair value through profit or loss

Initial recognition

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets, except for the environmental deposit which is classified as a non-current asset. Financial assets at fair value through profit or loss are initially recognised at fair value. Nedbank equity-linked deposits are treated at fair value through profit or loss.

Bafokeng Rasimone Platinum JV Environmental Rehabilitation Trust

The Bafokeng Rasimone Platinum JV Environmental Rehabilitation Trust was created to fund the estimated cost of pollution control, rehabilitation and mine closure at the end of the lives of the Group's mines. The Group funds its environmental obligations through a combination of funding the Bafokeng Rasimone Platinum JV Environmental Rehabilitation Trust and providing guarantees to the Department: Mineral Resources. Contributions made are determined on the basis of the estimated environmental obligation over the life of a mine and are reflected in non-current assets under environmental trust deposits. Refer to Note 21 for details of the environmental rehabilitation provision.

Gains or losses

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the statement of comprehensive income within other income, in the period in which they arise.

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.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The environmental trust deposit held in the Standard Bank account forms part of loans and receivables and is treated at amortised cost. Loans and receivables are initially recognised at cost.

	Group	
	2015 R (million)	2014 R (million)
Environmental trust deposits		
Held in Standard Bank account		
Opening balance at 1 January	**4.7**	4.6
Plus: Interest earned on environmental trust deposit (refer Note 26.1)	**0.1**	0.1
Plus: Increase in cash deposit during the year	**2.7**	–
Closing balance at 31 December	**7.5**	4.7
Held in Nedbank equity-linked deposit accounts		
Opening balance at 1 January	**108.9**	102.2
Plus: Fair value adjustment of the Nedbank equity-linked deposits (refer Note 25)	**(1.5)**	6.7
Fair value at 31 December	**107.4**	108.9
Total	**114.9**	113.6

According to the terms of the Nedbank equity-linked deposit, the deposit amount is guaranteed and will earn a guaranteed 3% per annum (naca) interest. In addition, there is a variable return component linked to the Bettabeta CIS BGreen portfolio exchange traded fund performance and the FTSE/JSE Shareholder Weighted Top 40 Index performance. The variable return is capped based on a participation interest percentage of the growth in the relevant index to maturity. The Nedbank equity-linked deposits have been invested for a one/two/three/four/five-year period to ensure flexibility for when the cash will be required for rehabilitation.

R57.2 million (2014: R59.9 million) of the R107.4 million (2014: R108.9 million) is invested in the Bettabeta CIS BGreen portfolio exchange traded fund and R50.2 million (2014: R49.0 million) is invested in the FTSE/JSE Shareholder Weighted Top 40 Index equity linked deposits.

The Nedbank equity-linked deposits are fair valued every month and the fair value adjustment is taken through the statement of comprehensive income as an adjustment to other income.

8. Employee housing loan receivable

Initial recognition

When a house is sold to an employee, the Group recognises a financial asset receivable from the employee at fair value. The best evidence of the receivable's fair value on initial recognition is the transaction 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 financial asset based on an average credit profile per band of employees to determine the effective interest rate for this receivable. The Group recognises the difference between fair value at initial recognition and the transaction price as an employee benefit.

Subsequent measurement

The financial asset receivable from the employee is accounted for at amortised cost (recognised at fair value on initial recognition and transaction costs) less provision for impairment, using the appropriate effective interest rate as determined above.

For the financial asset receivable from the employee, the portion to be realised within 12 months from the reporting period 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 made for impairment of the employee housing loan receivable is established when there is objective evidence (for example when instalments are overdue for a significant period of time) that the Group will not be able to collect all amounts due according to the original terms of the sale agreement. The amount of the provision is the difference between the asset's carrying amount and the recoverable amount, being the present value of expected cash flow, discounted at the original effective interest rates. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income as an administrative expense.

	Group	
	2015 R (million)	2014 R (million)
Employee housing loan receivable		
Opening balance at 1 January	**108.8**	—
Plus: Houses sold to employees during the year (inclusive of VAT)	**61.1**	148.0
Plus: Interest capitalised	**1.9**	0.5
Plus: Fair value adjustment — interest received	**8.2**	1.3
Less: Settlement of employee housing loan receivable	**(0.5)**	—
Less: Impairment (refer Note 28)	**(0.1)**	—
Less: Employee housing benefit reallocation*	**(21.7)**	(41.0)
Closing balance at 31 December	**157.7**	108.8

** Fair value adjustment (refer Note 9)*

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9. Employee housing benefit

The Group recognises the difference between the fair value of the employee housing 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 or the loan period. If the employee's service period differs from the initial expectation on occupation date, the change in expectation is recognised as a profit or loss in the statement of comprehensive income. The portion of the short-term employee benefit to be realised within 12 months from the reporting date is presented as part of current assets, the balance of the amount is presented as a non-current asset in the statement of financial position.

	Group	
	2015 R (million)	2014 R (million)
Employee housing benefit		
Opening balance at 1 January	**39.9**	—
Plus: Additions for the year (reallocations from employee housing loan receivable — Note 8)	**21.7**	41.0
Less: Amortisation charge for the year	**(4.0)**	(1.1)
Less: Impairment* (refer Note 28)	**(1.9)**	—
Closing balance at 31 December	**55.7**	39.9
Split between:	**55.7**	39.9
Non-current portion of employee housing benefit	**51.4**	36.9
Current portion of employee housing benefit	**4.3**	3.0

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

10. Insurance investment

The insurance investment is classified as at fair value through profit or loss (FVTPL). These assets are recognised at fair value and any subsequent gains or losses are recognised in the statement of comprehensive income and shown under other income.

	Group	
	2015 R (million)	2014 R (million)
Insurance investment relating to the RBPlat housing project		
Opening balance at 1 January	**—**	—
Plus: Additions for the year	**30.0**	—
Plus: Fair value adjustments (refer Note 25)	**1.0**	—
Closing balance at 31 December	**31.0**	—

11. Employee housing assets

Employee housing assets are recognised at cost which consists of the cost of the land and the cost to construct the houses. 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 profit or loss as a gain or loss on disposal of employee housing.

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

	Group	
	2015 R (million)	2014 R (million)
Employee housing assets		
Opening balance	**54.8**	46.5
Additions of houses for the year	**2.1**	138.2
Additions to land purchased for Phase 2 of the housing project	**260.4**	—
Houses sold to employees during the year (exclusive of VAT)	**(53.1)**	(129.9)
Closing balance	**264.2**	54.8

12. 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.

Product inventory consists of stockpiles of ore mined for processing at a later stage. Stockpiles are stated at the lower of cost or net realisable value. Cost is determined using the weighted average cost method. The cost of stockpiles comprises directly attributable mining costs including depreciation. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of processing to concentrate as final product and selling expenses.

	Group	
	2015 R (million)	2014 R (million)
Inventories		
Consumables	**41.5**	23.0
Stockpiles	**13.6**	28.7
Closing balance at 31 December	**55.1**	51.7

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

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13. Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision made for impairment of trade receivables is established when there is objective evidence, (e.g. when amounts are overdue for a significant period of time), that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the original effective interest rates. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income as an administrative expense.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the statement of financial position date. Loans and receivables comprise trade and other receivables in the statement of financial position excluding prepaid tax, prepaid expenses and VAT receivable. Loans and receivables are initially recognised at cost.

Financial assets are classified as at fair value through profit or loss (FVTPL) when the asset is either held for trading or is a derivative that does not satisfy the criteria for hedge accounting or is designated at FVTPL.

Financial assets at FVTPL are recognised at fair value and any subsequent gains or losses are recognised in the statement of comprehensive income and shown under other income. The forward exchange contracts and call options entered into to pay Euros for equipment imported from Europe for the Styldrift I project are designated as financial assets held for trading (at FVTPL) as they are not designated as hedges.

	Group	
	2015 R (million)	2014 R (million)
Trade and other receivables		
Trade receivables (RPM concentrate debtors — refer Note 24)	**1 181.5**	1 344.6
Impala royalty receivable (refer Note 25)	**12.7**	10.8
VAT receivable	**20.4**	31.1
RPM capital contribution to housing costs (refer Note 18)	**71.8**	71.8
Forward exchange contracts and call options	**11.9**	—
Other receivables	**67.4**	99.7
Closing balance at 31 December	**1 365.7**	1 558.0

RBR entered into a disposal of concentrate agreement with RPM during 2002 in terms of which RBR's share of the concentrate of the PGMs produced by the BRPM JV will be treated by RPM.

In terms of the agreement, the commodity prices used in the calculation of the concentrate payments are based on the average daily rates for the third month following the month of delivery. Payment is due on the last day of the fourth month following delivery (refer Note 35.1.1 for sensitivity analysis).

Concentrate debtors are fair valued every month following delivery until the price is fixed at the end of the third month. The fair value adjustment recognised in the statement of comprehensive income as an adjustment to revenue.

14. Current tax receivable/(payable)

	Group 2015 R (million)	2014 R (million)
Current tax receivable/(payable)		
Opening balance at 1 January	**2.3**	(0.2)
Income tax charge (refer Note 29)	**(76.9)**	(23.7)
Refund to SARS for incorrect receipt	**—**	0.8
Refund received	**(0.4)**	—
Payments made	**78.6**	25.4
Closing balance at 31 December	**3.6**	2.3

15. Cash and cash equivalents

Cash and cash equivalents are recognised in the statement of financial position at cost. For the purposes of the cash flow statement, 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 2015 R (million)	2014 R (million)
Cash and cash equivalents		
Cash at bank and on hand	**312.5**	431.0
Short-term deposits	**605.1**	1 433.2
Closing balance at 31 December	**917.6**	1 864.2
The cash and cash equivalents above are split as follows:		
Cash and cash equivalents — 100% BRPM JV	**326.1**	411.4
Cash and cash equivalents — RBPlat corporate office	**531.0**	1 449.9
Cash and cash equivalents — RBRP (housing project ring-fenced cash)	**60.5**	2.9
Closing balance at 31 December	**917.6**	1 864.2

Notes to the consolidated annual financial statements and related accounting policies continued

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15. Cash and cash equivalents continued

Facilities

During January 2016, RBR finalised a new R500 million revolving credit facility (RCF) with Nedbank repayable by 31 December 2016. Interest on this RCF is based on JIBAR plus a margin of 2.85% nacq in arrears. There is a commitment fee of 0.8% per annum on the available amount.

During 2014, RBR cancelled its R1 billion RCF with Nedbank Capital. The RCF incurred commitment fees of 0.625% of the unutilised portion of the facility up to 29 June 2014 and 0.725% from 30 June 2014 until cancellation occurred.

The R458 million working capital facilities which were repayable by 31 December 2015 were replaced with another R458 million working capital facility, split between a R258 million overdraft facility bearing interest at the prime rate and a R200 million general banking facility by means of letters of guarantee. There are commitment fees of 0.8% per annum on the unutilised portion of these working capital facilities.

At year-end RBR utilised R158.5 million (2014: R156.9 million) of its R450 million working capital facility for guarantees. The RBR employee housing facility was settled in 2015 (2014: R6.6 million) and replaced with the PIC housing facility (refer Note 20). RBP MS utilised R0.4 million (2014: R0.4 million) of its working capital facility of R5 million for guarantees. RBPlat has a R3 million working capital facility which is unutilised at year-end. Refer Note 22.1 for further details.

The Group's utilised and available facilities are shown in the table below:

	Facility amount	Utilised amount	Available funds	Repayment date
Committed facilities R (million)				
2015				
Working capital facilities**	**458.0**	**(158.9)**	**299.1**	**31 December 2015**
PIC housing facility	**2 200.0**	**(349.2)**	**1 850.8**	**Refer Note 20**
Total	**2 658.0**	**(508.1)**	**2 149.9**	
2014				
Revolving credit facility*	—	—	—	31 December 2015
Working capital facilities	458.0	(157.3)	300.7	31 December 2015
Total	458.0	(157.3)	300.7	

* *Facility cancelled in July 2014*

** *The R458 million working capital facilities and a new R500 million RCF were finalised in January 2016 and are repayable 31 December 2016. Refer Note 34*

The revolving credit and working capital facilities commitment fees as well as administration fees on guarantees are recognised in corporate office administration expenses.

16. Share capital and share premium

Ordinary shares are classified as equity.

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

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

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

16. Share capital and share premium continued

	Group 2015 R	Group 2014 R
Share capital and share premium		
Authorised share capital		
250 000 000 (2014: 250 000 000) ordinary shares with a par value of R0.01 each	**2 500 000**	2 500 000
1 500 000 (2014: 1 500 000) "A1" ordinary shares with a par value of R0.01 each	**15 000**	15 000
1 500 000 (2014: 1 500 000) "A2" ordinary shares with a par value of R0.01 each	**15 000**	15 000
1 500 000 (2014: 1 500 000) "A3" ordinary shares with a par value of R0.01 each	**15 000**	15 000
Total authorised share capital	**2 545 000**	2 545 000
Issued ordinary share capital		
The movement in the issued share capital of the Company is as follows:		
Opening balance 191 130 657 (2014: 164 459 662) ordinary shares with a par value of R0.01	**1 911 306**	1 644 596
11 290 323 ordinary shares issued in terms of the bookbuild	**–**	112 903
14 545 455 ordinary shares issued in terms of the rights offer	**–**	145 455
833 085 (2014: 590 851) ordinary shares issued as part of management share incentive scheme	**8 331**	5 909
187 971 (2014: 187 971) Mahube shares vested in March	**1 880**	1 880
424 985 BSP shares vested in April 2015	**4 250**	—
263 029 BSP shares vested in February and April 2014	**–**	2 630
384 217 ordinary shares issued as a result of share options exercised	**–**	3 842
***Less:* Treasury shares**		
833 085 (2014: 590 851) ordinary shares issued as part of management share incentive scheme	**(8 331)**	(5 909)
Total 191 743 614 (2014: 191 130 657) ordinary shares	**1 917 436**	1 911 306
Issued "A1", "A2" and "A3" ordinary share capital		
Opening balance 281 957 (2014: 563 941) "A" ordinary shares issued to Mahube Trust	**2 821**	5 640
281 957 "A2" ordinary shares repurchased and cancelled in 2014	**–**	(2 819)
281 957 "A3" ordinary shares repurchased and cancelled in 2015	**(2 821)**	—
Closing balance nil (2014: 281 957) "A" ordinary shares issued to Mahube Trust	**–**	2 821
***Less:* Treasury shares**		
Nil (2014: 281 957) "A" ordinary shares issued to Mahube Trust	**–**	(2 821)
Total nil (2014: 281 957) "A" ordinary shares	**–**	—
At 31 December 2015, the treasury shares outstanding amounted to 1 982 760 (2014: 1 762 632) ordinary shares.		
Share premium	**R (million)**	R (million)
Opening balance	**9 329.2**	7 808.9
11 290 323 ordinary shares issued in terms of the bookbuild	**–**	699.9
14 545 455 ordinary shares issued in terms of the rights offer	**–**	799.9
Costs relating to the issues of shares capitalised	**–**	(21.5)
Costs relating to rights followed on treasury shares	**–**	(6.4)
833 085 (2014: 590 851) ordinary shares issued as part of management share incentive scheme	**47.2**	42.5
Mahube shares vested in March	**12.2**	12.2
424 985 BSP shares vested in April 2015	**24.7**	—
263 029 BSP shares vested in February and April 2014	**–**	17.1
384 217 ordinary shares issued as a result of share options exercised	**–**	19.1
***Less:* Treasury shares**		
833 085 (2014: 590 851) ordinary shares issued as part of management share incentive scheme	**(47.2)**	(42.5)
Total share premium	**9 366.1**	9 329.2

The "A" ordinary shares were issued to the Mahube Trust as part of the Company's employee share ownership plan and these "A" ordinary shares are not listed.

The "A" ordinary shares are treated as treasury shares as the Mahube Trust is consolidated as a special purpose vehicle.

During the year 833 085 (2014: 590 851) ordinary shares were issued as part of the Company's staff incentive scheme.

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17. Share-based payment reserve

	Group 2015 R (million)	Group 2014 R (million)
Share-based payment reserve		
Opening balance at 1 January	**176.6**	157.7
Share-based payment expense to statement of comprehensive income	**48.5**	41.3
Share-based payment expense capitalised to Styldrift I project (refer Note 4)	**6.5**	6.9
Mahube ordinary shares vested in March	**(12.2)**	(12.2)
BSP shares vested	**(24.7)**	(17.1)
Closing balance at 31 December	**194.7**	176.6

18. Non-distributable reserve

	Group 2015 R (million)	Group 2014 R (million)
Non-distributable reserve		
Capital contribution from RPM relating to the housing project	**71.8**	71.8
Closing balance at 31 December	**71.8**	71.8

19. Deferred tax

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

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

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

	Group 2015 R (million)	Group 2014 R (million)
Deferred tax comprises:		
Deferred tax asset	**(34.8)**	(27.6)
Deferred tax liability	**3 663.7**	4 486.7
Closing balance at 31 December	**3 628.9**	4 459.1

	Mineral rights	Property, plant and equipment	Provisions	Other	Total
Deferred tax					
2015					
At 1 January 2015	**1 825.1**	**2 593.5**	**(29.0)**	**69.5**	**4 459.1**
Charged to statement of comprehensive income	**(210.6)**	**(691.3)**	**(27.1)**	**98.8***	**(830.2)**
At 31 December 2015	**1 614.5**	**1 902.2**	**(56.1)**	**168.3**	**3 628.9**
2014					
At 1 January 2014	1 843.4	2 407.9	(22.5)	8.3	4 237.1
Charged to statement of comprehensive income	(18.3)	185.6	(6.5)	61.2	222.0
At 31 December 2014	1 825.1	2 593.5	(29.0)	69.5	4 459.1

** Includes R60 million prior year adjustment relating to RBR's 2008, 2009 and 2010 tax settlement*

Tax losses included in RBP MS and RBRP, which are not recognised as deferred tax assets, amount to R141 million (2014: R116.6 million) and R17 million (2014: R12.2 million) respectively. RBR has an unredeemed capital allowance of R1 931 million (2014: R1 001.6 million) which will be carried forward to 2016. No deferred tax asset is recognised on this balance. Of the deferred tax liability, approximately R3 281 million (2014: R4 020 million) will realise after 12 months.

20. PIC housing facility

During the period under review the PIC housing facility was utilised to fund the acquisition of land for Phase 2 of the housing project as well as the insurance investment referred to in Notes 10 and 11. The PIC housing facility is a R2.2 billion facility accruing interest at CPI plus a margin of 1%. Security for the PIC housing facility is ring-fenced to the housing project assets with no recourse to the BRPM JV.

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 stated 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 and points paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. 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 those 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 may differ from the transaction price. The Group therefore determined a market-related rate for the financial liability of JIBAR plus 2.85% based on the rate of the new revolving credit facility put in place. The Group recognises the difference between fair value at initial recognition and the transaction price as a fair value adjustment to loan. The initial difference is amortised over the term of the PIC housing facility.

Subsequent measurement

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

The PIC housing facility is not repayable within 12 months from the reporting period and is presented as part of non-current liabilities in the statement of financial position.

	Group	
	2015 R (million)	2014 R (million)
PIC housing facility		
Opening balance at 1 January	–	–
Plus: Drawdowns	**326.9**	–
Plus: Transaction costs capitalised to loan	**22.3**	–
Plus: Contractual interest charges capitalised to loan	**15.1**	–
Plus: Fair value interest charges capitalised to loan	**3.7**	–
Less: Amortisation of fair value adjustment to loan	**(1.1)**	–
Closing balance at 31 December	**366.9**	–

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21. Restoration and rehabilitation provision

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 before production commences. The net present value of future decommissioning cost estimates as at year-end is recognised and provided for in full in the financial statements. The estimates are reviewed annually to take into account the effects of changes in the estimates. Estimated cash flows have been adjusted to reflect risks and timing specific to the rehabilitation liability. Pre-tax risk-free discount rates that reflect current market assessments of the time value of money are utilised in calculating the present value.

Changes in the measurement of the liability, apart from unwinding the discount, which is recognised in profit or loss as a finance cost, are capitalised to the environmental rehabilitation asset. Decommissioning assets are amortised on a straight-line basis over the lesser of 30 years or the expected benefit period.

Restoration costs

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

Changes in the open pit accrual are recognised in the statement of comprehensive income as part of cost of sales.

Ongoing rehabilitation cost

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

	Group	
	2015 R (million)	2014 R (million)
Restoration and rehabilitation provision		
Opening balance at 1 January	**88.2**	68.7
Unwinding of discount	**5.7**	4.0
Change in estimate of provision taken to statement of comprehensive income	**1.2**	5.5
Change in estimate of provision taken to decommissioning asset	**–**	10.0
Closing balance at 31 December	**95.1**	88.2

Refer Note 7 for the environmental trust deposits made to fund this estimate and Note 22.1 for guarantees issued to fund the remainder.

22. Contingencies and commitments

	Group 2015 R (million)	Group 2014 R (million)
Guarantees and commitments		
22.1 Guarantees issued		
Royal Bafokeng Resources Proprietary Limited, a wholly owned subsidiary of RBPlat, granted the following guarantees:		
Eskom to secure power supply for Styldrift I project (guarantee 30823102)	**17.1**	17.1
Eskom early termination guarantee for the Styldrift I project (guarantee 31160603)	**17.5**	17.5
Eskom connection charges guarantee for the Styldrift I project (guarantee 31173918)	**40.0**	40.0
Anglo American Platinum for the rehabilitation of land disturbed by mining activities and BRPM (guarantee 31247601)	**82.6**	77.5
Department: Mineral Resources for the rehabilitation of land disturbed by prospecting/mining (guarantee 32388608)	**1.3**	1.3
Employee housing project guarantee (guarantee 32237804)	**–**	3.5
Royal Bafokeng Platinum Management Services Proprietary Limited, a wholly owned subsidiary of RBPlat, granted the following guarantees:		
Tsogo Sun guarantee arising from lease agreement (guarantee 33465401)	**0.3**	0.3
Tsogo Sun guarantee arising from lease agreement (guarantee 31100309)	**0.1**	0.1
Total guarantees issued at 31 December	**158.9**	157.3
22.2 Guarantees received from Anglo American Platinum		
For Anglo American Platinum's 33% share of the Eskom guarantee to secure power supply for Styldrift I project (guarantee M523084)	**(5.6)**	(5.6)
For Anglo American Platinum's 33% share of the Eskom early termination guarantee for the Styldrift I project (guarantee M529349)	**(5.8)**	(5.8)
For Anglo American Platinum's 33% share of the Eskom connection charges guarantee for the Styldrift I project (guarantee M529350)	**(13.2)**	(13.2)
Total guarantees received at 31 December	**(24.6)**	(24.6)

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22. Contingencies and commitments continued

		Group	
		2015 R (million)	2014 R (million)
22.3	**Capital commitments in respect of property, plant and equipment**		
	Capital commitments relate to the Styldrift I and BRPM Phase III projects		
	Contracted commitments	**608.7**	887.4
	Approved expenditure not yet contracted for	**4 523.0**	5 008.7
	Total	**5 131.7**	5 896.1

The capital commitments reflect 100% of the BRPM JV project commitments. In terms of the BRPM JV agreement, RBR must fund 67% thereof and RPM the remaining 33%.

Should either party elect not to fund their share, their interest will be diluted according to the terms of the BRPM JV agreement.

22.4 Operating commitments

Leases

Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement, and requires an assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys the right to control the asset.

Leases of assets under which substantially all the benefits and risks of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are expensed to profit or loss on the straight-line basis over the life of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made by the lessor by way of a penalty is recognised as an expense in the period in which the termination takes place.

The Group leases offices for its corporate office in Johannesburg. The corporate office lease term is five years and is renewable at the end of the lease period at market rates. The lease expires at the end of September 2016 and a renewal is in the process of being negotiated.

Minimum lease payments on the corporate office operating lease are charged against administration expenses for corporate office on a straight-line basis over the lease term.

The Group leases drill and support rigs for a three-year period under an operating lease. Minimum lease payments on the drill and support rigs lease are charged against material and other mining costs for BRPM JV.

	Group	
	2015 R (million)	2014 R (million)
The future aggregate lease payments under our operating leases are as follows:		
No later than one year	**4.7**	1.6
Later than one year and no later than five years	**1.1**	1.3
Total	**5.8**	2.9

22.5 Contingent liability

BRPM JV may have a potential exposure to remediate groundwater and soil pollution that may exist where the JV operates. The operations continue to monitor and mitigate impacts if and when they arise. Numerous scientific, technical and legal studies still need to be embarked on to scientifically quantify the impact and the most appropriate remediation options.

The ultimate outcome of the matter cannot presently be determined and no liability has been raised in the annual financial statements. BRPM constructed a water treatment plant in 2015 which will improve the effective use of water.

23. Trade and other payables

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

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 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.

	Group	
	2015 R (million)	2014 R (million)
Trade and other payables		
Trade payables	**80.2**	132.7
Payroll accruals	**17.9**	41.4
BRPM and Styldrift I accruals and provisions	**210.9**	148.7
Amounts owing to RPM for its contribution to BRPM JV (refer Note 31)	**839.7**	403.3
VAT payable	**0.6**	—
Total	**1 149.3**	726.1

24. Revenue

Revenue is recognised on an accrual basis both when it is probable that the economic benefits associated with the transaction will flow to the Group and when the amount of the revenue can be measured reliably.

Revenue from sale of products and services is brought to account when the risks and rewards of ownership transfer and it is both probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably, net of value added tax (VAT) and discounts. In terms of the Group's concentrate offtake agreement revenue is therefore recognised on the delivery of concentrate to RPM.

In terms of the agreement, the commodity prices used in the calculation of the concentrate payment are based on the average daily 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 adjustment to the trade debtors to reflect the actual amount to be received for concentrate sold is recognised through revenue.

	Group	
	2015 R (million)	2014 R (million)
Revenue		
Revenue from concentrate sales — production from BRPM concentrator	**2 619.5**	3 251.4
Revenue from UG2 toll concentrate	**438.0**	417.4
Revaluation of revenue (prior year October, November and December deliveries prices finalised)	**(12.8)**	98.7
Total	**3 044.7**	3 767.5

Revenue and concentrate trade debtors are fair valued every month following the month of delivery of concentrate to RPM until the price is fixed in the third month following delivery. The fair value adjustment is recognised in revenue.

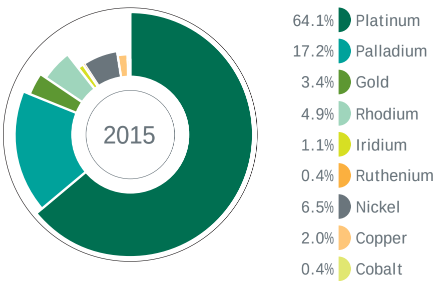
This means that revenue reflected for the financial years above includes the revaluation of the October, November and December deliveries of the previous year and the current year's October, November and December concentrate deliveries are remeasured at year-end at the average prices for December. The realised prices for a specific financial year will only be finalised in January, February and March of the following financial year as the prices for deliveries for the last three months of the financial year are then fixed.

Notes to the consolidated annual financial statements and related accounting policies continued
for the year ended 31 December 2015

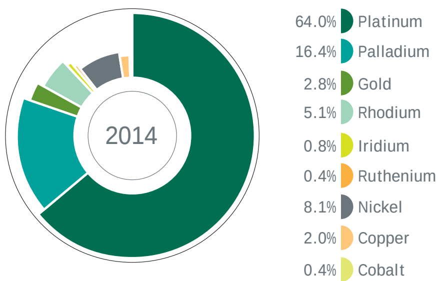
24. Revenue continued

	Group 2015 R (million)	2014 R (million)
Revenue per metal		
Platinum	**1 952.1**	2 412.1
Palladium	**524.3**	617.7
Rhodium	**147.8**	193.5
Gold	**104.0**	105.6
Nickel	**197.3**	304.8
Other	**119.2**	133.8
Total revenue	**3 044.7**	3 767.5

Revenue contribution 2015



Revenue contribution 2014



25. Other income

Income is recognised on an accrual basis when it is both probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

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.

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.

The forward exchange contracts and call options entered into to pay Euros for equipment imported from Europe for our Styldrift I project are initially recognised at fair value and subsequent gains or losses are recognised in other income.

	Group 2015 R (million)	2014 R (million)
Other income		
Impala royalty (Group resources mined by Impala Platinum Limited)	**46.7**	18.2
Fair value adjustment of the Nedbank equity-linked deposit (refer Note 7)	**(1.5)**	6.7
Levy and other income from housing assets	**1.8**	0.3
Realised and unrealised gains and losses on fair value of forward exchange contracts and call options	**21.4**	—
Fair value adjustments of insurance investment (refer Note 10)	**1.0**	—
Other (expense)/income	**(0.7)**	—
Total	**68.7**	25.2

The Impala royalty consists of royalties received from Impala for mining from its 6 and 8 shafts and 20 shaft area. The 6 and 8 shafts royalty is calculated by applying a factor that is linked to the Impala Rustenburg operations' gross profit margin with a minimum of 5% and a maximum of 25% of revenue. Impala pays a 17.5% of revenue royalty to BRPM JV for the 20 shaft area.

During the year R40.0 million (2014: R16.6 million) royalties were received for the 6 and 8 shaft areas and R6.7 million (2014: R1.6 million) for the 20 shaft area.

26. Net finance income

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

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

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

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

		Group	
		2015 R (million)	2014 R (million)
26.1	**Net finance income**		
	Finance income consists of the following:		
	Interest received on environmental trust deposits (refer Note 7)	**0.1**	0.1
	Interest received on investments	**74.6**	82.0
	Interest received on employee housing receivable	**21.8**	4.0
	Dividend income on investments	**9.7**	10.3
	Total finance income	**106.2**	96.4
26.2	**Finance cost consists of the following:**		
	Interest expense	**(0.6)**	(1.1)
	Interest expense — PIC housing facility (refer Note 20.1)	**(18.8)**	—
	Unwinding of discount on decommissioning and restoration provision	**(5.7)**	(4.0)
	Total finance cost	**(25.1)**	(5.1)
	Net finance income	**81.1**	91.3

27. (Loss)/profit before tax

Short-term employee benefits

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

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

> When the Group can no longer withdraw the offer of those benefits; and
> 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 Fund Act of 1956.

Bonus provision

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

Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

> including any market performance conditions (for example, an entity's share price)
> excluding the impact of any service and non-market performance vesting conditions (for example, profitability, production targets and remaining an employee of the entity over a specified time period)
> including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Notes to the consolidated annual financial statements and related accounting policies continued
for the year ended 31 December 2015

27. (Loss)/profit before tax continued
Share-based payments continued

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

	Group	
	2015 R (million)	2014 R (million)
Included in the (loss)/profit before tax are the following items:		
On-mine costs:		
> Labour*	**946.3**	883.8
> Utilities	**233.5**	208.5
> Contractor costs	**633.4**	541.9
> Movement in inventories	**15.1**	(10.4)
> Materials and other mining costs	**694.5**	692.5
— Materials and other mining costs for BRPM JV	**734.7**	729.7
— Elimination of intergroup management fee	**(40.2)**	(37.2)
State royalties	**10.4**	12.6
Depreciation — Property, plant and equipment	**366.9**	369.8
Amortisation — Mineral rights	**62.3**	65.3
Share-based payment expense	**29.5**	21.8
Social and labour plan expenditure	**63.8**	110.3
Styldrift incidental expenses	**5.5**	3.8
Retrenchment costs	**20.5**	—
Other	**2.8**	2.3
Total cost of sales	**3 084.5**	2 902.2
Included in corporate office administrative expenses:		
Advisory fees	**9.3**	7.7
Legal fees	**2.4**	3.7
Employee costs** (including directors' emoluments)	**76.7**	70.4
Retrenchment costs	**1.8**	—
Mahube Trust expenditure	**1.0**	1.5
Depreciation of RBP MS non-current assets	**1.0**	1.1
Revolving credit facility and working capital facility commitment fees	**1.8**	2.7
Fees for guarantees	**2.0**	2.5
Share-based payment expense	**19.0**	19.5
Industry membership contributions	**4.8**	2.0
Rent for corporate office	**2.3**	2.2
Other	**4.2**	8.9
Total corporate office administrative expenses	**126.3**	122.2
Included in housing project administrative expenses:		
Advisory fees	**0.4**	1.9
Legal fees	**3.0**	1.6
PIC housing facility participation fee	**22.3**	—
Property rates and taxes, and water and electricity	**3.8**	1.8
Security	**1.4**	0.5
Maintenance	**3.0**	6.9
Amortisation of employee housing benefit and fair value adjustment to loan	**2.9**	1.1
Other	**1.0**	1.3
Total housing project administrative expenses	**37.8**	15.1
External and internal audit fees for the Group		
External and internal audit fees included in profit before tax:		
External audit fees		
> Fees for audit	**1.4**	1.6
> Other fees	**0.6**	0.8
Total external audit fees	**2.0**	2.4
Internal audit fees	**1.7**	1.6

** Included in labour costs are pension and provident fund contributions of R75.6 million (2014: R61.3 million)*
*** Included in corporate office employee costs are provident fund contributions of R7.1 million (2014: R4.2 million)*

28. Impairment of non-financial assets

The impairment charge is made up as follows:

	Group				
	BRPM operations R (million)	Styldrift I R (million)	Housing assets R (million)	2015 Total R (million)	2014 Total R (million)
Impairment of non-financial assets					
Impairment of property, plant and equipment (fair value) — refer Note 4	2 340.8	—	—	2 340.8	—
Impairment of property, plant and equipment (book value) — refer Note 4	21.5	—	—	21.5	—
Impairment of mineral rights (fair value) — refer Note 5	690.1	—	—	690.1	—
Impairment of goodwill — refer Note 6	134.6	1 277.2	—	1 411.8	—
Impairment of employee housing loan receivable and benefit — refer Notes 8 and 9	—	—	2.0	2.0	—
Total gross impairment	3 187.0	1 277.2	2.0	4 466.2	—
Less: Tax effect	(854.7)	—	—	(854.7)	—
Less: Non-controlling interest	(725.3)	—	—	(725.3)	—
Net impairment	1 607.0	1 277.2	2.0	2 886.2	—

With the listing of the Company in 2010 the property, plant and equipment and mineral rights were fair valued and goodwill was recognised for RBR's 67% interest in the BRPM JV for each cash-generating unit under the BRPM JV being the BRPM operations Styldrift I and Styldrift II. No goodwill was attributed to non-controlling interest.

Given the decrease in PGM prices and the reduction in the market value of the Company, the cash-generating units within the BRPM JV and the goodwill allocated to each of these cash-generating units were assessed for impairment by comparing the respective recoverable amounts to the carrying amounts for each cash-generating unit. The fair value adjustment to property, plant and equipment and a portion of the fair value adjustment to mineral rights as well as the goodwill allocated to BRPM operations were impaired. The recoverable amount for the BRPM operations is R4.6 billion. A portion of goodwill allocated to Styldrift I was impaired. The recoverable amount for Styldrift I is R6.0 billion. There was no impairment of goodwill allocated to Styldrift II. The recoverable amounts have been determined on a fair value less costs to sell basis using the assumptions per Note 3 in discounted cash flow models and attributable resource values. This is a fair value measurement classified as level 3.

The impairment relating to the employee housing loan receivable and employee housing benefit is as a result of agreements being terminated due to dismissals, resignations or cancellations.

The R21.5 million impairment of property, plant and equipment related mainly to the expenditure incurred on the South shaft chairlift project which was cancelled as part of our cash preservation strategy.

29. Income tax credit/(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.

	Group	
	2015 R (million)	2014 R (million)
Income tax credit/(expense)		
Income tax expense	(76.9)	(23.7)
Current year	(21.2)	(23.7)
Prior year	(55.7)	—
Deferred tax credit/(expense)	830.2	(222.0)
Current year	882.9	(222.0)
Prior year	(52.7)	—
Total income tax credit/(expense)	753.3	(245.7)
Tax rate reconciliation:		
(Loss)/profit before tax	(4 520.3)	844.5
Tax credit/(expense)calculated at a tax rate of 28% (2014: 28%)	1 265.7	(236.5)
Non-taxable income	2.7	4.7
Non-deductible expenses	(399.9)	—
Impairment of goodwill	(395.3)	—
Other	(4.6)	—
Tax losses not recognised	(6.8)	(13.9)
Prior year adjustments*	(108.4)	—
	753.3	(245.7)
Effective tax rate (%)	16.7	29.1

** R110 million of the prior year tax adjustments relate to the 2008, 2009, 2010 RBR tax settlement*

Notes to the consolidated annual financial statements and related accounting policies continued
for the year ended 31 December 2015

29. Income tax credit/(expense) continued

Tax settlement

A settlement has been reached in respect of the dispute referred to in Note 21.5 to the 2014 consolidated annual financial statements of RBPlat, between its wholly owned subsidiary, RBR, and the South African Revenue Services (SARS) relating to the tax assessments for the 2008, 2009 and 2010 tax years. The settlement comprised a R50 million upfront cash payment (included in the income tax expense as a prior year adjustment) followed by a further R60 million tax payment (included in deferred tax expense as a prior year adjustment) to SARS in future, when and to the extent that RBR moves into a net mining tax paying position, which is not anticipated to occur before 2019.

An unredeemed capital allowance of R1 931 million (2014: R1 001.6 million) is carried forward to 2016. The unredeemed capex balance at 31 December 2015 of R1 931 million includes the adjustments required to the unredeemed capex balance in respect of the RBR tax settlement agreement entered into during July 2015 relating to the 2008, 2009 and 2010 years of assessment.

	Group	
	2015 R (million)	2014 R (million)
30. Cash generated by operations		
Cash generated by operations is calculated as follows:		
(Loss)/profit before tax	**(4 520.3)**	844.5
Adjustment for:		
Depreciation of property, plant and equipment	**367.9**	370.9
Amortisation of mineral rights	**62.3**	65.3
Amortisation of employee housing benefit and fair value adjustment to loan	**2.9**	1.1
Impairment of non-financial assets	**4 466.2**	—
Share-based payment expense	**48.5**	41.3
Change in estimate of restoration provision taken to the statement of comprehensive income	**1.2**	5.5
Unrealised gains on fair value of FECs and call options	**(2.7)**	—
Fair value adjustment — insurance investment	**(1.0)**	—
PIC housing facility participation fee	**22.3**	—
Write off of post-retirement medical aid provision	**—**	(0.9)
Equity-linked return on BRPM environmental trust deposits	**1.5**	(6.7)
Profit on sale of property, plant and equipment and other assets	**(1.0)**	—
Finance cost	**25.1**	5.1
Finance income	**(106.2)**	(96.4)
	366.7	1 229.7
Changes in working capital	**235.2**	128.8
Increase in inventories	**(3.4)**	(16.2)
Decrease in trade and other receivables*	**251.8**	(81.7)
(Decrease)/increase in trade and other payables**	**(13.2)**	226.7
Cash generated by operations	**601.9**	1 358.5

* *Excludes Styldrift I on-reef development revenue receivable of R54.5 million and includes VAT on employee housing loan receivable*
** *Excludes amount owing to RPM for its contribution to the BRPM JV treated as a financing activity in 2015*

31. Related party transactions

The Group is controlled by Royal Bafokeng Platinum Holdings Proprietary Limited (incorporated in South Africa), which owns 52.31% of RBPlat's shares. RPM owns 11.57% of RBPlat's shares and the remaining 36.12% is widely held.

RBR, a wholly owned subsidiary of RBPlat, owns a 67% participation interest in the BRPM JV and RPM holds the remaining 33% participation interest. The Group's ultimate parent is Royal Bafokeng Holdings Proprietary Limited (RBH). RBH is an investment holding company with a large number of subsidiaries and is incorporated in South Africa.

Investments in subsidiaries and the BRPM JV and the degree of control exercised by the Company are:

	Issued capital amount		Interest in capital	
	2015 R	2014 R	**2015 %**	2014 %
Related parties				
Direct investment				
Royal Bafokeng Platinum Management Services Proprietary Limited (RBP MS)	**1 000**	1 000	**100**	100
Royal Bafokeng Resources Proprietary Limited (RBR)	**320**	320	**100**	100
Indirect investment via RBR				
Bafokeng Rasimone Management Services Proprietary Limited (BRMS)	**1 000**	1 000	**100**	100
BRPM Unincorporated Joint Venture — participation interest	**—**	—	**67**	67
Royal Bafokeng Resources Properties (RF) Proprietary Limited (RBRP) previously Friedshelf 1408 (RF) Proprietary Limited	**100**	100	**100**	100

Transactions between the Company, its subsidiaries and joint venture are eliminated on consolidation. Refer Notes 22.1 and 22.2 for related party guarantees.

RBR sells its 67% share of concentrate produced by the BRPM JV to RPM. RBR and RPM will contribute 67% and 33% respectively of cash calls issued by the BRPM JV. The BRPM JV receives royalty income from Impala Platinum Limited (as detailed in Note 25) and acquires mining supplies and services from various RBH subsidiaries and associates. The BRPM JV and corporate office make use of the Royal Marang Hotel for accommodation and conferences.

The following transactions were carried out with related parties:

	Group	
	2015 R (million)	2014 R (million)
Related party transactions		
BRPM JV balances at 31 December:		
Amount owing by RPM for concentrate sales (refer Note 13)	**1 181.5**	1 344.6
Amount owing to RPM for contribution to BRPM (refer Note 23)	**839.7**	403.3
Amount owing by RPM for housing project	**71.8**	71.8
BRPM JV transactions:		
Concentrate sales to RPM (refer Note 24 and Note 4)	**3 099.3**	3 767.5
Associate of holding company (RBH) balances at 31 December:		
Amount owing by Impala Platinum Limited for the fourth quarter royalty (refer Note 13)	**12.7**	10.8
Fellow subsidiary and associates of holding company (RBH) transactions:		
Fraser Alexander for rental of mining equipment, maintenance of tailings dam and operation of sewage plant (a subsidiary of RBH)	**10.3**	7.2
Impala Platinum Limited for royalties received (an associate of RBH) (refer Note 25 and Directors' report)	**46.7**	18.2
Geoserve Exploration Drilling Company for exploration drilling on Boschkoppie and Styldrift (a subsidiary of RBH)	**7.9**	17.0
Trident South Africa Proprietary Limited for steel supplies (a subsidiary of RBH)	**3.6**	1.6
Tarsus Technologies for electronic equipment purchases (a subsidiary of RBH)	**—**	1.6
Royal Bafokeng Administration for bulk water supply (a subsidiary of RBH)	**—**	5.1
Mtech Industrial for supply and installation of heat pumps (a subsidiary of RBH)	**1.3**	3.1
Royal Marang Hotel for accommodation and conferences (a subsidiary of RBH)	**0.4**	0.9
Fees paid to RBH in respect of the rights offer	**—**	4.2
Fees paid to non-executive directors (RBH/MOGS)	**0.7**	0.6

Directors' and senior management remuneration

Details relating to key management remuneration (prescribed officers), share options and shareholdings in the Company are disclosed in Note 32.

Notes to the consolidated annual financial statements and related accounting policies continued
for the year ended 31 December 2015

32. Remuneration

32.1 Directors' and senior management remuneration

Directors' remuneration and related payments for 2015

	Date appointed	Resignation date	Directors' fee R	Basic salary R	Retirement benefits R	Other benefits R	Discretionary performance bonuses R	Total R
2015								
Executive directors								
Steve Phiri	1 Apr '10		–	3 962 244	899 640	136 116	3 748 360	8 746 360
Martin Prinsloo	1 Mar '09		–	3 072 416	280 000	147 584	2 752 000	6 252 000
Non-executive directors*								
Linda de Beer	1 Jun '10		568 551	–	–	–	–	568 551
Robin Mills	20 Sep '10		497 495	–	–	–	–	497 495
Mark Moffett	22 Sep '14		395 435	–	–	–	–	395 435
Thoko Mokgosi-Mwantembe	5 Nov '14		504 799	–	–	–	–	504 799
Kgomotso Moroka	1 Jun '10		1 333 217	–	–	–	–	1 333 217
Lucas Ndala**	28 May '13		338 368	–	–	–	–	338 368
Velile Nhlapo**	24 Nov '15		22 358	–	–	–	–	22 358
Mike Rogers	7 Dec '09		521 209	–	–	–	–	521 209
Louisa Stephens**	22 Sep '14		483 719	–	–	–	–	483 719
David Wilson**	29 Apr '14		370 357	–	–	–	–	370 357
Total			5 035 508	7 034 660	1 179 640	283 700	6 500 360	20 033 868

* *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 14 April 2015*

** *Fees paid to MOGS Proprietary Limited (Lucas Ndala), Prime Select Holdings Proprietary Limited (Louisa Stephens), Royal Bafokeng Holdings Proprietary Limited (David Wilson) and Fraser Alexander Proprietary Limited (Velile Nhlapo). Refer to Note 31.*

Senior management remuneration and related payments for 2015

	Date appointed	Basic salary R	Retirement benefits R	Other benefits R	Discretionary performance bonuses* R	Underground market premium R	Total R
2015							
Senior management							
Neil Carr	1 Dec '10	2 699 472	578 000	122 528	2 583 000	–	5 983 000
Reginald Haman	1 Oct '12	2 325 570	197 082	105 109	2 053 092	–	4 680 853
Glenn Harris	4 Jan '10	2 871 840	370 992	69 600	2 466 200	171 227	5 949 859
Mpueleng Pooe	1 Oct '13	2 071 284	186 201	70 023	1 650 679	–	3 978 187
Vicky Tlhabanelo	1 Apr '10	2 035 867	454 958	36 718	2 045 657	–	4 573 200
Total		12 004 033	1 787 233	403 978	10 798 628	171 227	25 165 099

* *Discretionary performance bonuses were considered when the 2014 financial results were finalised in February 2015*

32. Remuneration continued

32.1 Directors' and senior management remuneration continued

Directors' remuneration and related payments for 2014

	Date appointed	Resignation date	Directors' fee R	Basic salary R	Retirement benefits R	Other benefits R	Discre-tionary perfor-mance bonuses R	Total R
2014								
Executive directors								
Steve Phiri	1 Apr '10		—	3 368 974	766 710	123 816	3 388 604	7 648 104
Martin Prinsloo	1 Mar '09		—	2 671 356	243 624	130 322	2 471 425	5 516 727
Nico Muller	2 Mar '09	1 Sep '14	—	1 914 842	272 698	637 527	2 424 787	5 249 854
Non-executive directors*								
Linda de Beer	1 Jun '10		460 957	—	—	—	—	460 957
Robin Mills	20 Sep '10		507 107	—	—	—	—	507 107
Mark Moffett	22 Sep '14		94 859	—	—	—	—	94 859
Thoko Mokgosi-Mwantembe	5 Nov '14		67 074	—	—	—	—	67 074
Kgomotso Moroka	1 Jun '10		1 317 345	—	—	—	—	1 317 345
Lucas Ndala**	28 May '13		289 117	—	—	—	—	289 117
David Noko**	1 Jun '10	15 Sep '14	451 884	—	—	—	—	451 884
Francis Petersen	1 Jun '10	15 Sep '14	477 107	—	—	—	—	477 107
Mike Rogers	7 Dec '09		528 001	—	—	—	—	528 001
Louisa Stephens**	22 Sep '14		94 859	—	—	—	—	94 859
David Wilson**	29 Apr '14		263 909	—	—	—	—	263 909
Total			4 552 219	7 955 172	1 283 032	891 665	8 284 816	22 966 904

* *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 16 April 2013*

** *Fees paid to Cela Corp Proprietary Limited (David Noko), MOGS Proprietary Limited (Lucas Ndala), Prime Select Holdings Proprietary Limited (Louisa Stephens) and Royal Bafokeng Holdings Proprietary Limited (David Wilson). Refer to Note 31.*

Senior management remuneration and related payments for 2014

	Date appointed	Resignation date	Basic salary R	Retirement benefits R	Other benefits R	Discre-tionary perfor-mance bonuses* R	Under-ground market premium R	Total R
2014								
Senior management								
Neil Carr	1 Dec '10		2 093 469	450 882	107 893	1 924 808	—	4 577 052
Reginald Haman	1 Oct '12		2 112 800	239 036	104 016	1 907 322	—	4 363 174
Glenn Harris	4 Jan '10		2 301 610	302 613	39 150	1 983 348	136 239	4 762 960
Velile Nhlapo	1 Feb '12	30 Apr '14	1 222 600	92 024	559 351	2 041 947	67 956	3 983 878
Mpueleng Pooe	1 Oct '13		1 845 986	168 008	86 106	—	—	2 100 100
Vicky Tlhabanelo	1 Apr '10		1 904 574	425 194	32 422	1 778 784	—	4 140 974
Total			11 481 039	1 677 757	928 938	9 636 209	204 195	23 928 138

* *Discretionary performance bonuses were considered when the 2013 financial results were finalised in February 2014*

Notes to the consolidated annual financial statements and related accounting policies continued
for the year ended 31 December 2015

32. Remuneration continued
32.1 Directors' and senior management remuneration continued
32.1.1 Share options awarded to directors and senior management

	Share options awarded*	Award date	Strike price R	Award value R	Vesting dates	Vested to date %
As at 31 December 2015						
Executive and non-executive directors						
Steve Phiri	297 521	1 Apr '10	60.50	18 000 021	1 Apr '13, '14, '15	100
Martin Prinsloo	241 047	1 Mar '09	36.30	8 750 006	1 Mar '12, '13, '14	100
Senior management						
Vicky Tlhabanelo	121 288	1 Apr '10	60.50	7 337 924	1 Apr '13, '14, '15	100
Glenn Harris	87 789	4 Jan '10	60.50	5 311 235	4 Jan '13, '14, '15	100
Neil Carr	116 030	1 Dec '10	65.50	7 599 965	1 Dec '13, '14, '15	100
Reginald Haman	163 599	1 Oct '12	48.90	7 999 991	1 Oct '15, '16, '17	33
Mpueleng Pooe	136 770	1 Oct '13	61.42	8 400 413	1 Oct '16, '17, '18	–
Lester Jooste (Company Secretary)	40 756	1 Jul '10	55.21	2 250 139	1 Jul '13, '14, '15	100

** Share options are issued to eligible employees at the date of joining the Company at the applicable market valuation or market share price*

32.1.2 Forfeitable bonus shares and rights offer shares awarded to directors and senior management

	Forfeitable share plan	Bonus share plan	Rights offer shares	Award date	Issue price R	Award value R	Vesting dates	Vesting amount %
As at 31 December 2015								
Executive and non-executive directors								
Steve Phiri	–	–	3 144	14 Apr '14	55.00	172 920	1 Apr '16	100
	–	38 342	–	1 Apr '13	58.50	2 243 007	1 Apr '16	100
	–	26 106	–	1 Apr '14	71.91	1 877 282	1 Apr '17	100
	–	33 054	–	1 Apr '15	56.70	1 874 162	1 Apr '18	100
	56 443	–	–	1 Apr '14	71.91	4 058 816	1 Apr '17, 18, 19	33.3*
	75 808	–	–	1 Apr '15	56.70	4 298 314	1 Apr '18, 19, 20	33.3*
Martin Prinsloo	–	–	2 478	14 Apr '14	55.00	136 290	1 Apr '16	100
	–	30 212	–	1 Apr '13	58.50	1 767 402	1 Apr '16	100
	–	19 040	–	1 Apr '14	71.91	1 369 166	1 Apr '17	100
	–	24 268	–	1 Apr '15	56.70	1 375 996	1 Apr '18	100
	29 725	–	–	1 Apr '14	71.91	2 137 525	1 Apr '17, 18, 19	33.3*
	40 124	–	–	1 Apr '15	56.70	2 275 031	1 Apr '18, 19, 20	33.3*

32. Remuneration continued

32.1 Directors' and senior management remuneration continued

32.1.2 Forfeitable bonus shares and rights offer shares awarded to directors and senior management continued

	Forfeitable share plan	Bonus share plan	Rights offer shares	Award date	Issue price R	Award value R	Vesting dates	Vesting amount %
As at 31 December 2015								
Senior management								
Vicky Tlhabanelo	–	–	1 938	14 Apr '14	55.00	106 590	1 Apr '16	100
	–	23 630	–	1 Apr '13	58.50	1 382 355	1 Apr '16	100
	–	13 704	–	1 Apr '14	71.91	985 455	1 Apr '17	100
	–	18 039	–	1 Apr '15	56.70	1 022 811	1 Apr '18	100
	19 655	–	–	1 Apr '14	71.91	1 413 391	1 Apr '17, 18, 19	33.3*
	24 072	–	–	1 Apr '15	56.70	1 364 882	1 Apr '18, 19, 20	33.3*
Neil Carr	–	–	1 812	14 Apr '14	55.00	99 660	1 Apr '16	100
	–	22 097	–	1 Apr '13	58.50	1 292 675	1 Apr '16	100
	–	14 829	–	1 Apr '14	71.91	1 066 353	1 Apr '17	100
	–	22 778	–	1 Apr '15	56.70	1 291 513	1 Apr '18	100
	20 621	–	–	1 Apr '14	71.91	1 482 856	1 Apr '17, 18, 19	33.3*
	38 978	–	–	1 Apr '15	56.70	2 210 053	1 Apr '18, 19, 20	33.3*
Glenn Harris	–	–	1 967	14 Apr '14	55.00	108 185	1 Apr '16	100
	–	23 991	–	1 April '13	58.50	1 403 474	1 Apr '16	100
	–	15 280	–	1 Apr '14	71.91	1 098 785	1 Apr '17	100
	–	21 748	–	1 Apr '15	56.70	1 233 112	1 Apr '18	100
	20 621	–	–	1 Apr '14	71.91	1 482 856	1 Apr '17, 18, 19	33.3*
	37 974	–	–	1 Apr '15	56.70	2 153 126	1 Apr '18, 19, 20	33.3*
Reginald Haman	–	14 694	–	1 Apr '14	71.91	1 056 646	1 Apr '17	100
	–	18 105	–	1 Apr '15	56.70	1 026 554	1 Apr '18	100
	20 434	–	–	1 Apr '14	71.91	1 469 409	1 Apr '17, 18, 19	33.3*
	25 027	–	–	1 Apr '15	56.70	1 419 031	1 Apr '18, 19, 20	33.3*
Mpueleng Pooe	–	14 556	–	1 Apr '15	56.70	825 325	1 Apr '18	100
	17 474	–	–	1 Apr '14	71.91	1 256 555	1 Apr '17, 18, 19	33.3*
	22 167	–	–	1 Apr '15	56.70	1 256 869	1 Apr '18, 19, 20	33.3*
Lester Jooste (Company Secretary)	–	–	913	14 Apr '14	55.00	50 215	1 Apr '16	100
	–	11 132	–	1 Apr '13	58.50	651 222	1 Apr '16	100
	–	10 164	–	1 Apr '14	71.91	730 893	1 Apr '17	100
	–	12 890	–	1 Apr '15	56.70	730 863	1 Apr '18	100

** 33% over a period of three years*

Notes to the consolidated annual financial statements and related accounting policies continued
for the year ended 31 December 2015

32. Remuneration continued

32.1 Directors' and senior management remuneration continued

32.1.3 IPO scheme shares awarded to directors and senior management

	IPO scheme shares matched by the at par value Company	Award date	Deemed issue price R	Rights offer shares R	Issue price R	Award values R	Shares sold 2013 R	Shares sold 2014 R	Shares sold 2015 R	Balance of shares R	Value of balance of shares R
As of 31 December 2015											
Executive directors											
Steve Phiri	**99 174**	**8 Nov '10**	**60.5**	**12 165**	**55.00**	**6 669 102**	**25 000**	**–**	**–**	**86 339**	**5 156 602**
Martin Prinsloo	**76 272**	**8 Nov '10**	**60.5**	**10 615**	**55.00**	**5 198 281**	**10 000**	**13 724**	**10 000**	**53 163**	**3 157 979**
Senior management											
Vicky Tlhabanelo	**27 273**	**8 Nov '10**	**60.5**	**3 546**	**55.00**	**1 845 047**	**11 300**	**–**	**–**	**19 519**	**1 161 397**
Glenn Harris	**31 405**	**8 Nov '10**	**60.5**	**–**	**–**	**1 900 002**	**31 405**	**–**	**–**	**–**	**–**
Lester Jooste (Company Secretary)	**11 901**	**8 Nov '10**	**60.5**	**1 841**	**55.00**	**821 266**	**1 350**	**–**	**–**	**12 392**	**739 591**

32.2 Group incentive share scheme

Total Group share incentive scheme shares issued to date

	Opening balance	Cumulative closing balance	Deemed strike price R	Issue dates	Vested/ exercised and forfeited (cumulative)	Vesting dates	Vesting %
IPO scheme shares	417 416	417 416	60.50	8 Nov '10	417 416	8 May '12	100
Share options issued to date	4 473 589	5 031 262	*	*	557 673**	*	33.3 over three years
Bonus scheme shares							
2009 allocation	–	55 589	57.48	3 Dec '09	55 589	3 Dec '12	100
2010 allocations – BSP	55 589	133 432	65.00	1 Dec '10	77 843	1 Dec '13	100
2011 allocations – BSP	133 432	463 953	66.92	18 Feb '11 and 1 Apr '11	330 521	18 Feb '14 and 1 Apr '14	100
2012 allocations – BSP	463 953	888 938	57.99	1 Apr '12	424 985	1 Apr '15	100
2013 allocations – BSP	888 958	1 423 314	58.50	1 Apr '13	118 652	1 Apr '16	100
2014 allocations – BSP	1 423 314	1 778 970	71.91	1 Apr '14	25 633	1 Apr '17	100
2014 allocations – FSP	1 778 970	2 014 165	71.91	1 Apr '14	34 525	1 Apr '17, 18, 19	33.3 over three years
2014 share issues***	2 014 165	2 398 382	–	–	384 217		
2015 allocations – BSP	2 398 382	2 944 124	56.70	1 Apr '15	7 310	1 Apr '18	100
2015 allocations – FSP	2 944 124	3 231 467	56.70	1 Apr '15	–	1 Apr '18, 19, 20	33.3 over three years
Mahube share incentive scheme shares	563 914	563 914	65.12	27 Jan '10	563 914	31 Mar '13 31 Mar '14 31 Mar '15	33.3 over three years

* *Share options are issued to eligible employees at the date of joining the Company at the applicable market related share price and therefore range from R23.98 to R74.39 from January 2009 to December 2015. The options vest at a rate of one third after the third, fourth and fifth anniversary dates*

** *This net movement includes 770 503 share options issued in 2015*

*** *Share options exercised*

At the AGM on 17 April 2013, shareholders approved ordinary resolution 16, which authorises the Company to utilise up to 9 932 884 ordinary shares in respect of all employee share incentive schemes. With a total of 7 143 481 securities already being utilised, 2 789 403 shares remain available to the RBPlat employee share schemes. At the AGM to be held on 13 April 2016 a new resolution (Ordinary Resolution number 14) will be tabled seeking to increase the 9 932 884 ordinary scheme shares to 11 623 582 scheme shares.

33. Dividends

No dividends have been declared or proposed in the current year (2014: Nil).

34. Subsequent events

During January 2016 RBPlat secured a R500 million revolving credit facility and R458 million general banking facilities for 2016.

35. Financial risk management

35.1 Financial risk factors

The Group's activities expose it to a variety of strategic and financial risks, including market risk (which covers currency risk, fair value interest rate risk, cash flow interest rate risk and 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 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, and credit risk, use of derivative financial instruments and non-derivative instruments, and investment of excess liquidity.

Categories of financial instruments and fair values

The following table represents the Group's assets and liabilities that are measured at fair value (all financial instruments are carried at amortised cost except for the Nedbank equity-linked deposits in the environmental trust deposits and the insurance investment which are carried at fair value):

		Carrying amount		Fair values	
	Notes	**2015 R (million)**	2014 R (million)	**2015 R (million)**	2014 R (million)
Financial assets					
Financial assets at fair value through profit or loss					
Environmental trust deposits	7	**107.4**	108.9	**107.4**	108.9
Insurance investment	10	**31.0**	—	**31.0**	—
Forward exchange contracts and call options	13	**11.9**	—	**11.9**	—
Loans and receivables					
Environmental trust deposits	7	**7.5**	4.7	**7.5**	4.7
Employee housing receivable	8	**210.9**	148.5	**157.7**	108.8
Trade and other receivables (excluding VAT)	13	**1 333.4**	1 526.9	**1 333.4**	1 526.9
Cash and cash equivalents	15	**917.6**	1 864.2	**917.6**	1 864.2
Total financial assets		**2 619.7**	3 653.2	**2 566.5**	3 613.5
Financial liabilities					
Financial liabilities at amortised cost					
PIC housing facility	20	**364.3**	–	**366.9**	–
Trade and other payables (excluding VAT and payroll accruals)	23	**1 130.8**	684.7	**1 130.8**	684.7
Total financial liabilities		**1 495.1**	684.7	**1 461.7**	684.7

35.1.1 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 the concentrate revenue is impacted by the ZAR:US$ exchange rate. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

RBR entered into a disposal of concentrate agreement with RPM during 2002 in terms of which RBR's 67% share of the concentrate of the PGMs produced by BRPM JV will be treated by RPM.

In terms of the disposal of concentrate agreement, 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. Payment is due on the last day of the fourth month following the month of delivery.

Revenue and concentrate debtors are remeasured every month following the month of delivery until the price is fixed in the third month. The remeasurement is recognised in revenue.

Notes to the consolidated annual financial statements and related accounting policies continued
for the year ended 31 December 2015

35. Financial risk management continued

35.1 Financial risk factors continued

35.1.1 Market risk continued

Foreign exchange risk continued

Sensitivity analysis

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, statement of comprehensive income and therefore equity.

		Statement of financial position		Statement of comprehensive income	
	Notes	**2015 R (million)**	2014 R (million)	**2015 R (million)**	2014 R (million)
Financial assets					
Trade and other receivables still subject to price fluctuations		**809.2**	959.8	**±80.9**	±95.9
Trade and other receivables not subject to price fluctuations		**372.3**	384.8	**–**	–
Total	13	**1 181.5**	1 344.6	**±80.9**	±95.9

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 (RPM).

In terms of the concentrate agreement between RBR and RPM, the commodity prices used in the calculation of the concentrate payment are based on the average prices for the third month following the month of delivery, leaving the Group exposed to the commodity price and exchange rate fluctuations until the price is fixed in the third month following the delivery month. Payment is due on the last day of the fourth month following the delivery month. Revenue and concentrate debtors are remeasured every month following the delivery month until the prices are fixed in the third month. The remeasurement is recognised in 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, statement of comprehensive income and therefore equity.

		Statement of financial position		Statement of comprehensive income	
	Notes	**2015 R (million)**	2014 R (million)	**2015 R (million)**	2014 R (million)
Financial assets					
Trade and other receivables still subject to price fluctuations		**809.2**	959.8	**±80.9**	±95.9
Trade and other receivables not subject to price fluctuations		**372.3**	384.8	**–**	–
Total	13	**1 181.5**	1 344.6	**±80.9**	±95.9

35. Financial risk management continued

35.1 Financial risk factors continued

35.1.1 Market risk continued

Equity price risk

The Group is exposed to equity price risk in respect of the environmental trust deposits invested in the Nedbank equity-linked deposits. Refer Note 7.

Sensitivity analysis

Equity price risk sensitivity analysis presents the effect of a 5% change in the Bettabeta CIS BGreen portfolio exchange traded fund and FTSE/JSE shareholder weighted Top 40 Index performance for the year.

		Statement of financial position		Statement of comprehensive income	
	Notes	**2015 R (million)**	2014 R (million)	**2015 R (million)**	2014 R (million)
Financial assets					
Environmental trust deposits	7	**107.4**	108.9	**±1.7**	±5.5

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 expose 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 and down in the interest rate in the financial instruments in the statement of comprehensive income.

		Statement of financial position		Statement of comprehensive income	
	Notes	**2015 R (million)**	2014 R (million)	**2015 R (million)**	2014 R (million)
Financial assets					
Environmental trust deposits	7	**7.5**	4.7	**—**	—
Employee housing receivable	8	**157.7**	108.8	**±2.0**	±0.8
Cash and cash equivalents	15	**917.6**	1 864.2	**±12.2**	±13.4
Total financial assets		**1 082.8**	1 977.7	**±14.2**	±14.2
Financial liabilities					
PIC housing facility	20	**366.9**	—	**±2.0**	—
Total financial liabilities		**366.9**	—	**±2.0**	—

Notes to the consolidated annual financial statements and related accounting policies continued

for the year ended 31 December 2015

35. Financial risk management continued

35.1 Financial risk factors continued

35.1.2 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 receivable and other financial assets and financial guarantees. Refer Note 22.1 for financial guarantees.

The Group's trade debtor credit risk is limited to one customer as all metals in concentrate are sold to RPM. RPM has never defaulted on meeting its obligation. The value of the receivable at year-end was R1 181.5 million (2014: R1 344.6 million) (Note 13). The credit risk relates to overall risk of the Anglo American Platinum group, the world's largest platinum producer.

Management conducted a net assessment for each of the local banking service providers. These included the big five banks in South Africa being Absa, Standard Bank, FNB, Nedbank and Investec. Based on the outcome, we ranked the institutions, categorising them and limiting the investments to be made in each instances based on risk.

In addition to bank investments, RBPlat may invest in collective investment schemes, for example, money market investments. The following limits apply:

> RBPlat's investment may not exceed 20% of the total fund size
> The fund must have a minimum Fitch rating of 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.

With regard to the employee housing receivable, the Group is exposed to the credit risk of employees as houses are sold to employees on credit. The value of the receivable at year-end is R157.7 million (2014: R108.8 million).

Default for reporting purposes is measured as payments outstanding for more than four months. Interest is charged at prime rate on late payments. Default for the employee housing receivable is measured as payments outstanding for more than one month. Where employees have missed one or more instalments, interest is charged at prime rate plus 2%. At year-end, none of the employees have defaulted on meeting their obligation.

No financial assets were past due for the current or the comparative periods under review. No terms relating to financial assets have been renegotiated resulting in assets not being past due.

35. Financial risk management continued

35.1 Financial risk factors continued

35.1.3 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 and uncommitted credit lines available. Management monitors rolling forecasts of the Group's liquidity reserve (comprising undrawn borrowing facilities and cash and cash investments) (Note 15) on the basis of expected cash flows.

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

	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)
2015					
Trade and other payables	**23**	**1 130.8**	**—**	**—**	**—**
Financial guarantees	**22.1**	**0.4**	**—**	**—**	**158.5**
PIC housing facility	**20**	**—**	**—**	**—**	**366.9**
2014					
Trade and other payables	23	684.7	—	—	—
Financial guarantees	22.1	3.5	0.4	—	153.4
Employee housing facility	15	6.6	—	—	—

35.1.4 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.

35.1.5 Fair value determination

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

> Quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1)

> 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 2)

> Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Notes to the consolidated annual financial statements and related accounting policies continued
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35. Financial risk management continued

35.1 Financial risk factors continued

35.1.5 Fair value determination continued

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

	Notes	Level 1 R (million)	Level 2 R (million)	Level 3 R (million)
2015				
Financial assets at fair value through profit or loss				
Environmental trust deposits[1]	7	–	**107.4**	–
Insurance investment[2]	10	–	**31.0**	–
Forward exchange contracts and call options[3]	13	–	**11.9**	–
Loans and receivables				
Employee housing receivable[4]	8	–	–	**157.7**
Financial liabilities at amortised cost				
PIC housing facility[5]	20	–	–	**366.9**
2014				
Financial assets at fair value through profit or loss				
Environmental trust deposits[1]	7	–	108.9	–
Insurance investment[2]	10	–	–	–
Forward exchange contracts and call options[3]	13	–	–	–
Loans and receivables				
Employee housing receivable[4]	8	–	–	108.8
Financial liabilities at amortised cost				
PIC housing facility[5]	20	–	–	–

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 and the Bettabeta CIS BGreen portfolio exchange traded fund
2. The fair value was determined using market prices for listed investments and discounted cash flow models for unlisted investments
3. The fair values of the forward exchange contracts and call options are based on mark-to-market values
4. The fair value was determined using a discounted cash flow model. Refer Note 3 for inputs used to determine the fair value measurement
5. The fair value was determined using a discounted cash flow model. Refer Note 20 for inputs used to determine the fair value measurements

36. 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 that makes strategic decisions.

The Group is currently operating one mine with two decline shafts and the Styldrift I project. 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 I 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. The Styldrift II pre-feasibility study has been completed. Once the feasibility study is completed it will move into development phase and will then be reported on as a separate segment.

The Executive Committee of the Company is regarded as the chief operating decision-maker.

36. Segmental reporting continued

36.1 Segmental statement of comprehensive income

	For the year ended 31 December 2015						For the year ended 31 December 2014					
	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining 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)	BRPM JV mining segment R (million)	RBPlat housing segment R (million)	Corporate office and consolidation adjustment R (million)	Total R (million)
Concentrate sales	**3 034.0**	**10.7**	**3 044.7**	**–**	**–**	**3 044.7**	3 761.9	5.6	3 767.5	–	–	3 767.5
Cost of sales	**(2 933.8)**	**(6.1)**	**(2 939.9)**	**–**	**(144.6)**	**(3 084.5)**	(2 952.5)	(13.3)	(2 965.8)	–	63.6	(2 902.2)
Cash cost of sales excluding depreciation and amortisation	**(2 664.5)**	**(5.5)**	**(2 670.0)**	**–**	**29.8**	**(2 640.2)**	(2 704.1)	(13.3)	(2 717.4)	–	239.9	(2 477.5)
Depreciation	**(254.2)**	**(0.6)**	**(254.8)**	**–**	**–**	**(254.8)**	(258.8)	–	(258.8)	–	–	(258.8)
Additional depreciation and amortisation on purchase price allocation of mining assets	**–**	**–**	**–**	**–**	**(174.4)**	**(174.4)**	–	–	–	–	(176.3)	(176.3)
Movement in inventories	**(15.1)**	**–**	**(15.1)**	**–**	**–**	**(15.1)**	10.4	–	10.4	–	–	10.4
Gross profit/(loss) per segment and total	**100.2**	**4.6**	**104.8**	**–**	**(144.6)**	**(39.8)**	809.4	(7.7)	801.7	–	63.6	865.3
Other income	**67.1**	**(1.0)**	**66.1**	**2.8**	**(0.2)**	**68.7**	20.2	4.6	24.8	0.4	–	25.2
Total administration expenditure	**–**	**–**	**–**	**(37.8)**	**(126.3)**	**(164.1)**	–	–	–	(15.1)	(122.2)	(137.3)
Administration expenditure	**–**	**–**	**–**	**(34.9)**	**(125.3)**	**(160.2)**	–	–	–	(14.0)	(121.1)	(135.1)
Depreciation	**–**	**–**	**–**	**–**	**(1.0)**	**(1.0)**	–	–	–	–	(1.1)	(1.1)
Amortisation of employee housing benefit and fair value adjustment to loan	**–**	**–**	**–**	**(2.9)**	**–**	**(2.9)**	–	–	–	(1.1)	–	(1.1)
Impairment of non-financial assets	**(3 052.4)**	**–**	**(3 052.4)**	**(2.0)**	**(1 411.8)**	**(4 466.2)**	–	–	–	–	–	–
Net finance income	**8.4**	**0.3**	**8.7**	**6.6**	**65.8**	**81.1**	7.2	0.7	7.9	(7.1)	90.5	91.3
Finance income	**13.2**	**1.4**	**14.6**	**26.2**	**65.4**	**106.2**	10.5	1.4	11.9	4.0	80.5	96.4
Finance cost	**(4.8)**	**(1.1)**	**(5.9)**	**(19.6)**	**0.4**	**(25.1)**	(3.3)	(0.7)	(4.0)	(11.1)	10.0	(5.1)
(Loss)/profit before tax per segment and total	**154.2**	**3.9**	**158.1**	**(30.4)**	**(4 648.0)**	**(4 520.3)**	836.8	(2.4)	834.4	(21.8)	31.9	844.5
Taxation						**753.3**						(245.7)
(Loss)/profit after tax						**(3 767.0)**						598.8
Attributable to owners of the Company						**(3 044.8)**						440.9
Attributable to non-controlling interest						**(722.2)**						157.9

Notes to the consolidated annual financial statements and related accounting policies continued

for the year ended 31 December 2015

36. Segmental reporting continued

36.2 Segmental statement of financial position

	As at 31 December 2015						As at 31 December 2014					
	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining 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)	BRPM JV mining segment R (million)	RBPlat housing segment R (million)	Corporate office and consolidation adjustment R (million)	Total R (million)
Non-current assets	4 794.0	5 585.2	10 379.2	240.6**	6 529.0	17 148.8	4 286.6	4 357.7	8 644.3	145.7**	11 179.9	19 969.9
Allocation of mineral rights and segments	992.0	4 774.0*	5 766.0	–	(5 766.0)	–	1 744.4	4 774.0	6 518.4	–	(6 518.4)	–
Non-current assets after allocation of mineral rights	5 786.0	10 359.2	16 145.2	240.6	763.0	17 148.8	6 031.0	9 131.7	15 162.7	145.7	4 661.5	19 969.9
Current assets	1 553.9	101.1	1 655.0	342.0	613.5	2 610.5	1 629.6	34.6	1 664.2	102.9	1 766.9	3 534.0
Employee housing current assets	–	–	–	268.5	–	268.5	–	–	–	57.8	–	57.8
Inventories	37.3	17.8	55.1	–	–	55.1	51.7	–	51.7	–	–	51.7
Trade and other receivables	1 190.5	83.3	1 273.8	13.0	78.9	1 365.7	1 166.5	34.6	1 201.1	42.2	314.7	1 558.0
Current tax receivable	–	–	–	–	3.6	3.6	–	–	–	–	2.3	2.3
Cash and cash equivalents	326.1	–	326.1	60.5	531.0	917.6	411.4	–	411.4	2.9	1 449.9	1 864.2
Total assets per statement of financial position	7 339.9	10 460.3	17 800.2	582.6	1 376.5	19 759.3	7 660.6	9 166.3	16 826.9	248.6	6 428.4	23 503.9
Non-current liabilities	82.0	13.1	95.1	366.9	3 663.7	4 125.7	77.8	10.4	88.2	–	4 486.7	4 574.9
Deferred tax liability	–	–	–	–	3 663.7	3 663.7	–	–	–	–	4 486.7	4 486.7
Fair value of PIC housing facility	–	–	–	366.9	–	366.9	–	–	–	–	–	–
Restoration and rehabilitation provision	82.0	13.1	95.1	–	–	95.1	77.8	10.4	88.2	–	–	88.2
Current liabilities	3 148.4	108.1	3 256.5	259.5	(2 366.7)	1 149.3	1 693.9	2.3	1 696.2	270.6	(1 234.0)	732.8
Trade and other payables	3 148.4	108.1	3 256.5	259.5	(2 366.7)	1 149.3	1 693.9	2.3	1 696.2	270.6	(1 240.8)	726.0
Employee housing facility	–	–	–	–	–	–	–	–	–	–	6.6	6.6
Current tax payable	–	–	–	–	–	–	–	–	–	–	0.2	0.2
Total liabilities per statement of financial position	3 230.4	121.2	3 351.6	626.4	1 297.0	5 275.0	1 771.7	12.7	1 784.4	270.6	3 252.7	5 307.7

* *Includes Styldrift II mineral rights*

** *Employee housing loan receivable is classified as non-current as repayment of the capital portion of these receivables is expected to commence after 12 months from date of the* *statement of financial position*

36. Segmental reporting continued

36.3 Segmental statement of cash flows

	For the year ended 31 December 2015						For the year ended 31 December 2014					
	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining segment (A + B) R (million)	RBPlat housing segment R (million)	Corporate office and consoli-dation adjust-ment R (million)	Total R (million)	BRPM mining segment (A) R (million)	Styldrift mining segment (B) R (million)	BRPM JV mining segment R (million)	RBPlat housing segment R (million)	Corporate office and consoli-dation adjust-ment R (million)	Total R (million)
Net cash flow generated/(utilised) by operating activities	**622.5**	**44.9**	**667.4**	**(11.5)**	**(36.7)**	**619.2**	1 368.1	1.7	1 369.8	(73.8)	130.5	1 426.5
Cash flows from investing activities												
Proceeds from disposal of property, plant and equipment	**0.4**	**–**	**0.4**	**–**	**–**	**0.4**	–	–	–	–	–	–
Acquisition of property, plant and equipment	**(317.0)**	**(1 746.5)**	**(2 063.5)**	**–**	**45.1**	**(2 018.4)**	(389.3)	(1 327.3)	(1 716.6)	(0.4)	41.4	(1 675.6)
Acquisition of employee housing assets	**–**	**–**	**–**	**(262.5)**	**–**	**(262.5)**	–	–	–	(138.2)	–	(138.2)
Acquisition of insurance investment	**–**	**–**	**–**	**(30.0)**	**–**	**(30.0)**	–	–	–	–	–	–
Increase in environmental trust deposits	**(2.8)**	**–**	**(2.8)**	**–**	**–**	**(2.8)**	(0.1)	–	(0.1)	–	–	(0.1)
Call option premium paid	**–**	**(9.2)**	**(9.2)**	**–**	**–**	**(9.2)**	–	–	–	–	–	–
Net cash flow (utilised)/generated by investing activities	**(319.4)**	**(1 755.7)**	**(2 075.1)**	**(292.5)**	**45.1**	**(2 322.5)**	(389.4)	(1 327.3)	(1 716.7)	(138.6)	41.4	(1 813.9)
Cash flows from financing activities									–			–
Cash investments by/(distributions to) BRPM JV shareholders	**(388.4)**	**1 710.8**	**1 322.4**	**–**	**(886.0)**	**436.4**	(762.3)	1 325.6	563.3	–	(563.3)	–
Issue of ordinary shares net of cost	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	1 478.5	1 478.5
Costs relating to rights followed on treasury shares	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	(6.4)	(6.4)
Drawdowns of PIC housing facility	**–**	**–**	**–**	**326.9**	**–**	**326.9**	–	–	–	–	–	–
Increase in intercompany loans	**–**	**–**	**–**	**34.7**	**(34.7)**	**–**	–	–	–	215.3	(215.3)	–
(Decrease)/increase in employee housing facility	**–**	**–**	**–**	**–**	**(6.6)**	**(6.6)**	–	–	–	–	6.6	6.6
Net cash flow (utilised)/generated by financing activities	**(388.4)**	**1 710.8**	**1 322.4**	**361.6**	**(927.3)**	**756.7**	(762.3)	1 325.6	563.3	215.3	700.1	1 478.7
Net (decrease)/increase in cash and cash equivalents	**(85.3)**	**–**	**(85.3)**	**57.6**	**(918.9)**	**(946.6)**	216.4	–	216.4	2.9	872.0	1 091.3
Cash and cash equivalents at beginning of year	**411.4**	**–**	**411.4**	**2.9**	**1 449.9**	**1 864.2**	195.0	–	195.0	–	577.9	772.9
Cash and cash equivalents at end of year	**326.1**	**–**	**326.1**	**60.5**	**531.0**	**917.6**	411.4	–	411.4	2.9	1 449.9	1 864.2

Notes to the consolidated annual financial statements and related accounting policies continued
for the year ended 31 December 2015

37. 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 2015 R (million)	Group 2014 R (million)
Number of shares issued	**193 726 374**	167 737 114
Mahube Trust	**–**	(281 957)
Management incentive scheme	**(2 595 717)**	(2 995 495)
Number of shares issued outside the Group	**191 130 657**	164 459 662
Adjusted for weighted shares issued during the year	**461 403**	20 337 340
Weighted average number of ordinary shares in issue for earnings per share	**191 592 060**	184 797 002
Management incentive scheme	**25 136**	476 576
Weighted average number of ordinary shares in issue for diluted earnings per share	**191 617 196**	185 273 578
(Loss)/profit attributable to owners of the Company R (million)	**(3 044.8)**	440.9
Basic (loss)/earnings per share (cents/share)	**(1 589.2)**	238.6
Basic (loss)/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		
Diluted (loss)/earnings per share (cents/share)	**(1 589.0)**	238.0
Diluted (loss)/earnings per share is calculated by adjusting the weighted number of ordinary shares outstanding to assume conversion of all diluted potential ordinary shares		

	Group 2015 R (million)		Group 2014 R (million)	
	Gross	Net	Gross	Net
Headline (loss)/earnings				
(Loss)/profit attributable to owners of the Company is adjusted as follows:				
(Loss)/profit attributable to owners of the Company R(million)		**(3 044.8)**		440.9
Adjustments:				
Profit on disposal of property, plant and equipment and other assets R (million)	**(1.0)**	**(1.0)**	–	–
Impairment of non-financial assets R (million)	**4 466.2**	**2 886.2**	–	–
Headline (loss)/earnings R (million)		**(159.6)**		440.9
Basic headline (loss)/earnings per share (cents/share)		**(83.2)**		238.6
Diluted headline (loss)/earnings per share (cents/share)		**(83.2)**		238.0

Company statement of financial position
as at 31 December 2015

	Notes	Company 2015 R (million)	2014 R (million)
Assets			
Non-current assets		**9 080.0**	8 101.5
Investment in subsidiaries	2	**6 819.2**	6 819.2
Intercompany loans	3	**2 260.8**	1 282.3
Current assets		**515.2**	1 442.9
Other receivables		**–**	7.1
Current tax receivable	4	**0.8**	0.3
Cash and cash equivalents		**514.4**	1 435.5
Total assets		**9 595.2**	9 544.4
Equity and liabilities			
Total equity		**9 593.3**	9 544.3
Share capital	5	**1.9**	1.9
Share premium	5	**9 389.4**	9 364.7
Share-based payment reserve	6	**42.9**	48.6
Retained earnings		**159.1**	129.1
Current liabilities		**1.9**	0.1
Accruals and provisions		**1.9**	0.1
Total equity and liabilities		**9 595.2**	9 544.4

The notes on pages 69 to 71 form an integral part of these annual financial statements.

Company statement of comprehensive income
for the year ended 31 December 2015

		Company	
	Note	2015 R (million)	2014 R (million)
Dividend income		**9.6**	10.3
Finance income		**54.0**	66.8
Administrative expenses		**(22.6)**	(10.9)
Profit before tax		**41.0**	66.2
Income tax expense	7	**(11.0)**	(15.7)
Net profit for the year		**30.0**	50.5
Other comprehensive income		**—**	—
Total comprehensive income		**30.0**	50.5

The notes on pages 69 to 71 form an integral part of these annual financial statements.

Company statement of changes in equity
for the year ended 31 December 2015

	Number of shares issued*	Ordinary shares R (million)	Share premium R (million)	Share-based payment reserve R (million)	Retained earnings R (million)	Total R (million)
2015						
Balance at 31 December 2014	**191 600 586**	**1.9**	**9 364.7**	**48.6**	**129.1**	**9 544.3**
Share-based payment expense	**—**	**—**	**—**	**19.0**	**—**	**19.0**
"A2" ordinary shares repurchased and cancelled	**(281 957)**	**—**	**—**	**—**	**—**	**—**
2012 BSP shares vested in April 2015	**424 985**	**—**	**24.7**	**(24.7)**	**—**	**—**
Total comprehensive income	**—**	**—**	**—**	**—**	**30.0**	**30.0**
Balance at 31 December 2015	**191 743 614**	**1.9**	**9 389.4**	**42.9**	**159.1**	**9 593.3**
2014						
Balance at 31 December 2013	165 399 519	1.7	7 856.6	46.2	78.6	7 983.1
Share-based payment expense	—	—	—	19.5	—	19.5
2011 BSP shares vested in March/April 2014	263 029	—	17.1	(17.1)	—	—
Issue of shares — bookbuild	11 290 323	0.1	699.9	—	—	700.0
Issue of shares — rights offer	14 545 455	0.1	799.9	—	—	800.0
Costs relating to issue of shares capitalised	—	—	(21.5)	—	—	(21.5)
Rights followed on treasury shares	—	—	(6.4)	—	—	(6.4)
Share options exercised	384 217	—	19.1	—	—	19.1
"A2" ordinary shares repurchased and cancelled	(281 957)	—	—	—	—	—
Total comprehensive income	—	—	—	—	50.5	50.5
Balance at 31 December 2014	**191 600 586**	**1.9**	**9 364.7**	**48.6**	**129.1**	**9 544.3**

The notes on pages 69 to 71 form an integral part of these annual financial statements.

Company statement of cash flows
for the year ended 31 December 2015

		Company	
	Note	**2015 R (million)**	2014 R (million)
Cash flows from operating activities			
Cash utilised by operations	8	**(13.7)**	(12.4)
Finance income		**54.0**	66.8
Dividend received		**9.6**	14.2
Tax paid		**(11.5)**	(16.1)
Net cash flow generated by operating activities		**38.4**	52.5
Cash flows from financing activities			
Related party loans granted*		**(1 565.2)**	(1 083.5)
Proceeds on related party loans*		**605.7**	412.7
Issue of ordinary shares net of cost		**–**	1 478.5
Costs relating to rights followed on treasury shares		**–**	(6.4)
Proceeds from share option vested and exercised		**–**	15.2
Net cash flow generated by financing activities		**(959.5)**	816.5
Net (decrease)/increase in cash and cash equivalents		**(921.1)**	869.0
Cash and cash equivalents at beginning of year		**1 435.5**	566.5
Cash and cash equivalents at end of year		**514.4**	1 435.5

** Adjusted for non-cash items*

The notes on pages 69 to 71 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 2015

1. General information and basis of preparation and accounting policies

The general information and basis of preparation are disclosed on pages 18 to 21. Accounting policies specific to the items in the notes to the financial statements have been included in the individual notes.

	Company 2015 R (million)	Company 2014 R (million)
2. Investment in subsidiaries		
Investments in subsidiaries are accounted for at cost less impairment.		
Investment in subsidiaries is accounted for at cost less any impairment provision in the Company's financial statements.		
Investments in unlisted companies at cost:		
Direct investment in subsidiaries consist of:		
> 1 000 ordinary shares with a par value of R1 each in Royal Bafokeng Platinum Management Services Proprietary Limited (100% interest)	—	—
> 320 ordinary shares with a par value of R1 each in Royal Bafokeng Resources Proprietary Limited (100% interest)	**6 819.2**	6 819.2
Closing balance at 31 December	**6 819.2**	6 819.2

Indirect investment in subsidiaries consist of:

> Bafokeng Rasimone Management Services Proprietary Limited (100% interest)

> Royal Bafokeng Resources Properties (RF) Proprietary Limited previously Friedshelf 1408 (RF) Proprietary Limited (100% interest).

All subsidiaries are incorporated in South Africa.

The 67% participation interest in the BRPM Joint Venture is held by Royal Bafokeng Resources Proprietary Limited.

There was no impairment of the investment in subsidiaries in the current financial year (2014: nil).

	Company 2015 R (million)	Company 2014 R (million)
3. Intercompany loans		
Intercompany loans are carried at cost and included in non-current assets as its maturities are greater than 12 months after the statement of financial position date.		
> Royal Bafokeng Platinum Management Services Proprietary Limited	**176.0**	152.0
> Royal Bafokeng Resources Proprietary Limited	**2 084.8**	1 130.3
Closing balance at 31 December	**2 260.8**	1 282.3

The intercompany loans bear no interest and have no fixed terms of repayment.

	Company 2015 R (million)	Company 2014 R (million)
4. Current tax (receivable)/payable		
The movement in the balance can be explained as follows:		
Opening balance	**(0.3)**	0.1
Income tax charge	**11.0**	15.7
Payment made	**(11.5)**	(16.1)
Closing balance at 31 December	**(0.8)**	(0.3)

Notes to the Company annual financial statements and related accounting policies continued
for the year ended 31 December 2015

5. Share capital and share premium

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

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

	Company	
	2015 R (million)	**2014 R (million)**
Share capital and share premium		
The authorised and issued share capital of the Company is as follows:		
Authorised share capital		
250 000 000 (2014: 250 000 000) ordinary shares with a par value of R0.01 each	**2 500 000**	2 500 000
1 500 000 (2014: 1 500 000) "A1" ordinary shares with a par value of R0.01 each	**15 000**	15 000
1 500 000 (2014: 1 500 000) "A2" ordinary shares with a par value of R0.01 each	**15 000**	15 000
1 500 000 (2014: 1 500 000) "A3" ordinary shares with a par value of R0.01 each	**15 000**	15 000
Total authorised share capital	**2 545 000**	2 545 000
Issued ordinary share capital	**R**	**R**
Opening balance 191 318 629 (2014: 164 835 605) ordinary shares with a par value of R0.01	**1 913 185**	1 648 355
11 290 323 ordinary shares issued in terms of the bookbuild	**–**	112 903
14 545 455 ordinary shares issued in terms of the rights offer	**–**	145 455
833 085 (2014: 590 851) ordinary shares issued as part of management share incentive scheme	**8 331**	5 909
424 985 BSP shares vested in April 2015	**4 250**	–
263 029 BSP shares vested in February and April 2014	**–**	2 630
384 217 ordinary shares issued as a result of share options exercised	**–**	3 842
***Less*: Treasury shares**		
833 085 (2014: 590 851) ordinary shares issued as part of management share incentive scheme	**(8 331)**	(5 909)
Total 191 743 614 (2014: 191 318 629) ordinary shares	**1 917 435**	1 913 185
Issued "A1", "A2" and "A3" ordinary share capital		
Opening balance 281 957 (2014: 563 941) "A" ordinary shares issued to Mahube Trust	**2 821**	5 640
281 957 "A2" ordinary shares repurchased and cancelled in 2014	**–**	(2 819)
281 957 "A3" ordinary shares repurchased and cancelled in 2015	**(2 821)**	–
Closing balance nil (2014: 281 957) "A" ordinary shares	**–**	2 821
Share premium	**R (million)**	**R (million)**
Opening balance	**9 364.7**	7 856.6
11 290 323 ordinary shares issued in terms of the bookbuild	**–**	699.9
14 545 455 ordinary shares issued in terms of the rights offer	**–**	799.9
Costs relating to the issues of shares capitalised	**–**	(21.5)
Costs relating to rights followed on treasury shares	**–**	(6.4)
833 085 (2014: 590 851) ordinary shares issued as part of management share incentive scheme	**47.2**	42.5
424 985 BSP shares vested in April 2015	**24.7**	–
263 029 BSP shares vested in February and April 2014	**–**	17.1
384 217 ordinary shares issued as a result of share options exercised	**–**	19.1
***Less:* Treasury shares**		
833 085 (2014: 590 851) ordinary shares issued as part of management share incentive scheme	**(47.2)**	(42.5)
Total share premium	**9 389.4**	9 364.7

The "A" ordinary shares were issued to the Mahube Trust as part of the Company's employee share ownership plan and these "A" ordinary shares are not listed. The "A1", "A2" and "A3" ordinary shares were repurchased and cancelled in 2013, 2014 and 2015 respectively.

During the year 833 085 (2014: 590 851) ordinary shares were issued as part of the Company's management incentive scheme.

	Company 2015 R (million)	Company 2014 R (million)
6. Share-based payment reserve		
Opening balance at 1 January	**48.6**	46.2
Share-based payment expense to statement of comprehensive income	**19.0**	19.5
BSP shares vested	**(24.7)**	(17.1)
Closing balance at 31 December	**42.9**	48.6

	Company 2015 R (million)	Company 2014 R (million)
7. Income tax expense		
Current tax expense 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.		
Income tax	**11.0**	15.7
Tax rate reconciliation		
Profit before tax	**41.0**	66.2
Tax calculated at a tax rate of 28%	**(11.5)**	(18.5)
Non-taxable income	**2.7**	2.8
Non deductible expenditure	**(2.2)**	—
	(11.0)	(15.7)
Effective tax rate (%)	**26.8**	23.7

	Company 2015 R (million)	Company 2014 R (million)
8. Cash utilised by operations		
Profit before tax	**41.0**	66.2
Finance income	**(63.6)**	(77.1)
Changes in working capital	**8.9**	(1.5)
Increase/(decrease) in accruals	**1.8**	(0.1)
Decrease/(increase) in other receivables	**7.1**	(1.4)
Cash utilised by operations	**(13.7)**	(12.4)

Non-IFRS measures
for the year ended 31 December 2015

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 flow 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.

Normalised headline earnings and normalised HEPS

Normalised headline earnings and normalised HEPS are non-IFRS measures used by the Group in evaluating the Group's performance against its competitors. This supplements the IFRS measures as normalised headline earnings and normalised HEPS are calculated by adjusting the basic earnings and EPS for the year with:

> profit or loss on disposal of property, plant and equipment
> the fair value depreciation of property, plant and equipment that arose as a consequence of the purchase price allocations completed in terms of IFRS 3: *Business Combinations*
> the fair value amortisation of mineral rights that arose as a consequence of the purchase price allocations completed in terms of IFRS 3: *Business Combinations*
> impairment of non-financial assets
> tax implications of above adjustments
> once-off tax adjustments (RBR 2008, 2009, 2010 tax settlement).

The reconciliation of basic earnings to normalised headline earnings is shown below:

	2015 R (million)	2014 R (million)
Basic (loss)/earnings attributable to owners of the company	**(3 044.8)**	440.9
Fair value depreciation and amortisation	**91.5**	91.7
Tax impact of above adjustments	**(25.6)**	(25.7)
Once-off tax adjustment (RBR 2008, 2009, 2010 tax settlement)	**110.1**	—
Normalised basic earnings	**(2 868.8)**	506.9
Impairment of non-financial assets	**2 886.2**	—
Profit on disposal of assets	**(1.0)**	—
Normalised headline earnings	**16.4**	506.9

The reconciliation of normalised EPS to the relevant IFRS EPS is shown below:

	2015	2014
(LPS)/EPS (cents per share)	**(1 589.2)**	238.6
Impairment of non-financial assets (cents per share)	**1 506.5**	—
Profit on disposal of assets (cents per share)	**(0.5)**	—
(HLPS)/HEPS (cents per share)	**(83.2)**	238.6
Fair value depreciation and amortisation (cents per share)	**47.8**	49.6
Tax impact of above adjustments (cents per share)	**(13.4)**	(13.9)
Once-off tax adjustment (RBR 2008, 2009, 2010 tax settlement) (cents per share)	**57.5**	—
Normalised HEPS (cents per share)	**8.7**	274.3

EBITDA

Earnings before interest, tax, depreciation and amortisation (EBITDA). The 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:

	2015 R (million)	2014 R (million)
(Loss)/profit before tax	**(4 520.3)**	844.5
Less: Finance income	**(106.2)**	(96.4)
Plus: Finance cost	**25.1**	5.1
Plus: Impairment of non-financial assets	**4 466.2**	—
Plus: Depreciation of assets	**367.9**	370.9
Plus: Amortisation (mineral rights, employee housing receivables and benefits)	**65.2**	65.3
EBITDA	**297.9**	1 189.4

Administration

Shareholders' diary
Financial year end:
31 December of each year

Interim period end:
30 June of each year

Integrated report and annual financial statements
(mailed to shareholders)
4 March 2016

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Company registered office
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Share code: RBP
ISIN: ZAE000149936

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