



# CREATING A BETTER FUTURE

**2021 ANNUAL FINANCIAL STATEMENTS**



# WELCOME TO OUR 2021 ANNUAL FINANCIAL STATEMENTS

This report contains the consolidated financial statements and the separate annual financial statements of Zimplats Holdings Limited ('Zimplats' or 'the Company') for the year ended 30 June 2021. The consolidated financial statements comprise the Company and its subsidiaries (together 'the Group'). The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee applicable to companies reporting under IFRS.

Zimplats is a limited liability company which is registered in Guernsey and is listed on the Australian Stock Exchange ('ASX'). The Group's principal business is producing platinum group metals ('PGMs') (which primarily include platinum, palladium, rhodium, iridium and ruthenium) and associated metals (nickel, gold, copper, cobalt and silver). The Company is a subsidiary (87% shareholding) of one of the world's leading globally integrated metals producer, the South African based and listed Impala Platinum Holdings Limited (Implats).

The Company's majority owned operating subsidiary is Zimbabwe Platinum Mines (Private) Limited, which is a significant producer of PGMs and associated metals. The operating subsidiary mines and processes high-quality metal products safely, efficiently, and responsibly from the ore bodies located on the Great Dyke in Zimbabwe - one of the most significant PGM bearing ore bodies in the world.

The operating subsidiary operates five underground mines which supply ore to three concentrator modules (two at Ngezi and the third one at Selous).

Production from the mining operations is processed by the three concentrators and then further refined at Selous Metallurgical Complex where the smelter is located.



## Our purpose

Creating a better future



## Our vision

To be the most valued and responsible metals producer, creating a better future for our stakeholders



## Our values

The values, beliefs, attitudes and behaviours that we share set us apart and make Zimplats unique and special

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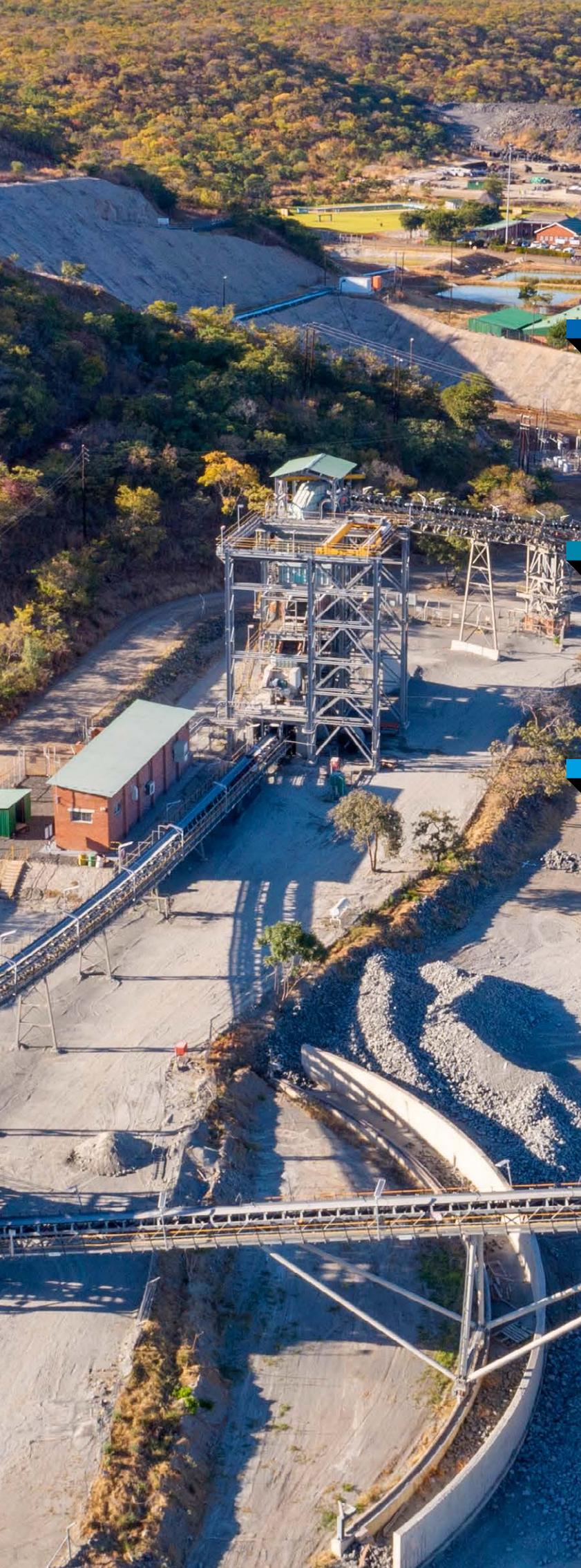
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## Audit and Risk Committee Report

### INTRODUCTION

The Group audit and risk committee (the 'committee') is pleased to present its report for the financial year ended 30 June 2021.

The duties of the committee are delegated to it by the board, and, the role of the committee is governed by formal board approved terms of reference which are reviewed annually to ensure that the role and focus of the committee remains relevant to the needs of the Group and its stakeholders. Details of the membership, objectives and corporate governance practices of the committee are included in the integrated annual report which will be released on 30 September 2021 and can be accessed at [www.zimplats.com](http://www.zimplats.com).

The issues reported herein are informed by the committee's overall role, which is to assist the board of directors of the Company in discharging their responsibilities relating to; the safeguarding of assets, the operation of adequate and effective systems and control processes, the preparation of fairly presented financial statements in compliance with all applicable legal and regulatory requirements and accounting standards, and the oversight of the external and internal audit appointments and functions. The committee is an advisory committee and not an executive committee, and thus does not perform any management functions nor does it assume any management responsibilities. In discharging of its duties, the committee does so objectively and independently, guided inter alia by its terms of reference and other applicable Company policies and frameworks.

### MANDATE OF THE COMMITTEE - DISCHARGE OF DUTIES

Over the course of the year the committee has discharged its obligations from a rolling agenda, which is informed by a workplan which is reviewed and approved on a quarterly basis, and contains standard matters for consideration, inter alia; external audit – financials; internal audit, risk management, compliance, financial information, taxation, sustainable development information, ICT governance, integrated annual report, and special focus areas which were necessitated by global events such as the impact of Covid-19.

The committee also performed the following activities during the year to discharge its responsibilities:-

#### External reporting

- Reviewing accounting policies and key accounting judgements and estimates.
- Reviewing tax provisions and contingencies including uncertain tax matters.
- Reviewing reports of the external auditors and their concerns arising out of their audits and requested appropriate responses from management. Where weaknesses in specific controls were identified, management undertook to implement appropriate corrective actions to mitigate the weakness identified.
- Monitoring the reporting process and the preparation of fairly presented financial statements in compliance with the applicable legal and regulatory requirements and accounting standards.
- Reviewing and recommending for adoption by the board, the financial information that is publicly disclosed, which for the year included:
  - the interim results for the half year ended 31 December 2020;
  - the annual results for the year ended 30 June 2021; and
  - ASX Quarterly activities reports.
- Reviewing a documented assessment prepared by management on the going concern status of the Company and the Group, including the key

## Audit and Risk Committee Report *(continued)*

assumptions, and made recommendations to the board accordingly.

- Reviewing the key audit matter in the external auditors' report. The committee was comfortable with the conclusions reached by management and the external auditors.
- Recommending the integrated annual report to the board for approval.

### External auditors

- Monitored closely the activities of external auditors including their independence and ensuring that the scope of their non-audit services do not impair their independence.
- Approved the auditor's remuneration for audit and non-audit services, after satisfying itself that the fees were appropriate given; the size of the Group, complexity of the issues the external auditor is to handle during the audit, and quality of work the external auditor is to submit during the course of the year.
- Met with the external auditors where management was not present.
- The committee is responsible for making a recommendation to the board for it to put to the Company's shareholders for approval at the annual general meeting ('AGM'), the appointment, reappointment or removal of the external auditor. At the November 2020 AGM, the shareholders approved the resolution to reappoint Deloitte and Touche Chartered Accountants (Zimbabwe) as the external auditor until the conclusion of the next AGM. The committee is satisfied with the quality and independence of the audit conducted by the external auditor, and it has recommended to the board that it propose at the November 2021 AGM that Deloitte and Touche Chartered Accountants (Zimbabwe) be appointed as the external auditor of the Company for the year ending 30 June 2022.

### Internal controls and risk management

- Reviewed the reports of the internal auditors and their concerns arising out of their audits and requested appropriate responses from management. Where weaknesses in specific controls were

identified, management undertook to implement appropriate corrective actions to mitigate the weakness identified.

- Considered the performance and effectiveness of internal audit, reviewed the three-year operational strategic internal audit plan and monitored adherence of internal audit to its annual plan.
- Reviewed reports received through the "whistle-blowing" system.
- Reviewed and approved the internal audit terms of reference.
- Met with the internal auditors where management was not present.
- Considered and reviewed with management and the internal auditors, significant findings during the year and management's responses thereto in relation to reliable reporting, corporate governance and adequate and effective internal control.
- Monitored the maintenance of proper and adequate accounting records, the overall operation and financial reporting environment and the performance of the internal audit function in terms of agreed goals and objectives.
- Ensured that the combined assurance model was applied to provide a coordinated approach to all assurance activities.
- In respect of the internal audit function, the committee received written confirmation from the service provider of their fulfilment of the internal audit mandate during the year and the conclusion on the adequacy and effectiveness of internal financial controls.
- Based on the results of the formal documents review of the Group's system of internal financial controls which was performed by the internal audit function, nothing has come to the attention of the committee to indicate that the internal financial controls were not operating effectively. The committee has reported accordingly to the board.

### Ethics and Governance

The committee is obligated to assist with the establishment of a clearly defined and documented code of ethics, giving due cognisance to the various statutory, common law and other requirements that cover the

## Audit and Risk Committee Report *(continued)*

ethical behaviour of the directors and employees of Zimplats. As it relates to this function the committee, during the course of the year, inter alia :-

- Reviewed and made recommendations regarding dividend declarations in line with the Group capital allocation framework, dividend policy, liquidity and solvency test;
- Reviewed and approved the dividend policy and tax policy;
- Reviewed and approved the IT governance framework;
- Ensured that appropriate procedures exist to monitor directors' declarations on the nature and extent of their interest in contracts and on the extent of their interests and dealings in Zimplats shares;
- Ensured compliance with the relevant laws and regulations that govern Zimplats operations and business conduct.

### Area of special emphasis

Given the worldwide reliance on information and communication technology (ICT) systems in the conduct of business, caused by the Covid-19 pandemic, the committee spent a significant amount of time during the year, interrogating issues relating to the suitability, adaptability and safeguards implemented by management to new and existing ICT systems, at the operating subsidiary. In interrogating ICT related issues and their implementation, the committee was guided by legislative developments in both Zimbabwe and South Africa, whose legislation has an impact on the operating subsidiary. In Zimbabwe, the Cyber Security and Data Protection Bill which aims to consolidate cyber related offences and provide for data protection was gazetted and in South Africa the Protection of Personal Information Act, being a South African Act which became law on 1 July 2020. Lastly, of significance, the committee approved and adopted the Information and

Technology Charter, being a robust policy document which ensures that the board governs technology and information in a way that supports the organisation in the setting of its strategic objectives.

### ANNUAL FINANCIAL STATEMENTS

The committee has advised the board that in its view the financial statements for the year ended 30 June 2021, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's financial position and performance. The committee, in advising the board of this position; critically assessed the financial statements against the external auditors workplan and parameters set out in its letter of engagement, discussed with external audit and management extensively on issues arising from the financial statements, and where necessary required external counsel to opine on specific issues, as well as discussed and considered input from management, in ensuring that the annual financial statements for the year ended 30 June 2021 comply, in all material aspects, with the requirements of International Financial Reporting Standards ('IFRS') and interpretations issued by the IFRS Interpretations Committee, applicable to companies reporting under IFRS, Companies (Guernsey) Law 2008, and the Listing Requirements of the Australian Stock Exchange.

The committee assessed and confirmed the appropriateness of the going-concern assumption used in the annual financial statements, considering the reasonableness of the values and commodity prices included in management budgets and the capital and liquidity plans. Accordingly, the committee has recommended the approval of the annual financial statements to the board. The board has subsequently approved the annual financial statements.

## Audit and Risk Committee Report (continued)

### CHIEF FINANCE OFFICER AND FINANCE FUNCTION REVIEW

Mrs Patricia Zvandasara is a chartered accountant and she was appointed chief finance officer with effect from 1 November 2019. The committee has reviewed her qualifications and expertise and found her to be suitably qualified and experienced to lead the finance function.

### CONCLUSION

The committee is satisfied that it has considered and discharged its responsibilities in accordance with its mandate, statutory responsibilities and terms of reference during the current year.



**Mrs C Mtasa**

Chairperson of the Audit and Risk Committee

31 August 2021



## Directors' Report

*The Directors have the pleasure in presenting their report, together with the consolidated and separate financial statements for Zimplats Holdings Limited ("Zimplats" or "the Company") and its subsidiaries (together "the Group") for the year ended 30 June 2021.*

### PURPOSE OF THE COMPANY

The Group's main purpose is the production of platinum group metals from its reserves and resources on the Great Dyke in Zimbabwe. At present, the Group's mining activities are operated by Zimbabwe Platinum Mines (Private) Limited, a 90% owned subsidiary.

### REPORTING CURRENCY AND ROUNDING OFF OF AMOUNTS

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

In accordance with the Australian Securities and Investment Commission ("ASIC") Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, amounts in the financial reports have been rounded off to the nearest thousand dollars, unless otherwise indicated.

### SHARE CAPITAL

#### Authorised Share Capital

The authorised share capital of the Company remains unchanged since the last period at 500 million ordinary shares of US\$0.10 each.

#### Issued share capital

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

#### Unissued share capital

In terms of the articles of incorporation of the Company, unissued shares are under the control of the directors.

### Majority Shareholding in the Company

The number of shares held by the majority shareholder, Impala Platinum B.V., was unchanged at 93 644 430 shares.

### COVID-19 PANDEMIC

Economic activity in Zimbabwe remains guided by Covid-19 legislation enacted by the Government of Zimbabwe from time to time. Mining operations continue to be categorised as "essential services" in Zimbabwe and the Group operated uninterrupted by the pandemic throughout the financial year. All operations continued with strict adherence to Covid-19 management protocols which were developed in FY2020 and reviewed throughout the year to respond to changing circumstances.

Management activated a vaccination programme for all employees (including contractors) and their dependents, placing the Group on a firm footing to fight the pandemic in the workplace in the future.

### EMPOWERMENT

The Government of Zimbabwe, through Finance (No. 2) Act, 2020 amended section 3(1) of the Indigenisation and Empowerment Act [Chapter 14:33] by giving the Minister of Indigenisation and Empowerment, the discretion to prescribe which entities shall be classified as "designated extractive businesses", being a company, entity or business involved in the extraction of such mineral as may be prescribed by the Minister in consultation with the Minister responsible for Mines and Mining Development and the Minister responsible for Finance.

## Directors' Report *(continued)*

Section 3 (a) and (b) of the Indigenisation and Empowerment Act, which previously required businesses involved in the extraction of “platinum” or “diamonds” to be 51% owned by an appropriate designated entity, were repealed by the Finance Act (No.2) Act, 2020.

On 2 February 2021, a joint press statement, issued by the Ministers of Finance and Economic Development and Mines and Mining Development, clarified the amendment to the Indigenisation and Empowerment Act. According to the press statement, a business extracting minerals is not required to have a designated entity owning 51% of its shareholding.

### FINANCIAL AFFAIRS

The financial results for the year are set out on pages 22 to 75. The Company's financial results were positive despite the challenging economic environment in which the Company is operating.

There have been no significant events that have occurred since the date of these financial statements and the date of approval that would affect the ability of the user of these financial statements to make proper evaluations and decisions.

The financial statements were prepared using the appropriate accounting policies and supported by reasonable and prudent judgments and estimates. The directors have a reasonable expectation that the Company has adequate resources to continue as a going concern in the foreseeable future. However, in the current economic environment, coupled with the Covid-19 pandemic, this expectation will need to be continuously reassessed to determine its reasonableness.

As a result, the financial statements have been prepared on a going-concern basis.

### EVENTS AFTER REPORTING PERIOD

After the reporting date, the board of directors declared a final dividend of US\$85 million (equating to 79 US cents per share) to shareholders on record as at 20 August 2021. These financial statements do not reflect this dividend payable in accordance with the requirements of International Accounting Standard (“IAS”) 10, Events After Reporting Period, and IAS 1, Presentation of Financial Statements.

There are no other significant events after the statement of financial position date that have a bearing on the understanding of these financial statements.

### CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER CERTIFICATION

The chief executive officer and chief finance officer have made the following certification to the board on the basis that there is nothing that has come to their attention that would cause them to report otherwise:-

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

## Directors' Report *(continued)*

### COMPOSITION OF THE BOARD

No directorate changes occurred during the year under review. The members of the board of directors remain as follows:-

- Dr F S Mufamadi
- Mr A Mhembere
- Mrs P Zvandasara
- Ms M Kerber
- Ms T N Mgoduso
- Mrs C Mtasa
- Mr A Muchadehama
- Mr N J Muller
- Dr D S M Shoko
- Mr Z B Swanepoel

In terms of the articles of association of the Company ("the Articles"), at least one third of the directors, excluding the chief executive officer, will retire each year. The directors to retire at the next annual general meeting of the Company consist of directors retiring in terms of article 16.2 of the Articles.

In terms of article 16.2 of the Articles, a director will retire from office no later than at the third annual general meeting following his or her last election and will be eligible for re-election. Dr. F S Mufamadi, Mr Z B Swanepoel, Ms. T N Mgoduso, and Ms. M Kerber will be retiring in terms of article 16.2 of the Articles.

All the retiring directors, being eligible, offer themselves for re-election.

### BOARD DIVERSITY

Gender	
Male	6
Female	4
Nationality	
South African	5
Zimbabwean	5
Independence	
Executive	2
Non-Executive	8

### DIRECTORS INTEREST

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

### INDEMNITY OF OFFICERS

The Company's memorandum and articles of incorporation include indemnities in favour of persons who are or have been officers of the Company. To the extent permitted by law, the Company indemnifies every person who is or has been an officer against:

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

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

The Company has given indemnities by deed of indemnity in favour of certain officers in respect of liabilities incurred by them whilst acting as an officer of the Company or any subsidiary of the Company. No claims under the abovementioned indemnities have been made against the Company during or since the end of the financial year.

## Directors' Report *(continued)*

### COMPANY SECRETARY

On 6 August 2021, the board approved the change of the secretary of the Company from C.L Secretaries Limited to Carey Commercial Limited.

### SPECIAL RESOLUTIONS PASSED

No special resolutions were passed by shareholders during the year.

### INSURANCE FOR OFFICERS

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

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

### AUDITORS

Deloitte & Touche Chartered Accountants (Zimbabwe), the Company's independent auditors, have indicated their willingness to continue as the Company's auditors. A resolution to authorise their re-appointment will be proposed at the forthcoming annual general meeting. In line with best practice, the auditors of the Company are requested to attend the annual general meeting in order to be available to answer shareholder questions concerning the conduct of the audit and the preparation and content of the audit report.

### ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at the offices of Impala Platinum Holdings Limited, 2 Fricker Road, Illovo, Johannesburg, South Africa and virtually at <https://78449.themediaframe.com/links/zimplats211111.html> on Thursday 11 November 2021, at 11:30am South African time. Due to the continued impact of the Covid-19 pandemic and the restrictions placed on travel, physical meetings, and gatherings, and in the interests of health and safety of all stakeholders, the annual general meeting will be held virtually. Fuller details relating to registration, participation, resolutions and voting appear in the notice of the annual general meeting.

### BY ORDER OF THE BOARD

31 August 2021

## The Directors' Statement of Responsibility

### For the year ended 30 June 2021

*The Company's directors are responsible for the preparation, integrity and objectivity of the financial statements, comprising the statements of financial position as at 30 June 2021, statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS).*

To enable the directors to meet those responsibilities:

- The board and management set standards and management implements systems of internal control, accounting and information systems aimed at providing reasonable assurance that assets are safeguarded and the risk of error, fraud or loss is reduced in a cost effective manner, and make appropriate accounting estimates. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.
- The Group's internal audit function, which is outsourced and operates independently, appraises, evaluates and, when necessary, recommends improvements in the systems of internal control and accounting practices, based on audits carried out on various functions or aspects of the business.
- The audit and risk committee, together with the internal auditors, plays an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

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

- the information and explanations provided by line management
- discussions held with the independent auditors on the results of the audit
- the assessment by the audit and risk committee.

Nothing has come to the attention of the board that has caused it to believe that the Company's systems of internal controls and risk management are not effective

and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The board's opinion is underpinned by the audit and risk committee's statement.

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

The annual financial statements have been prepared on a going concern basis as the directors believe that the Company and the Group will continue to be in operation in the foreseeable future.

It is the responsibility of the independent auditors to report on the financial statements. Their report to the shareholders of the Company is set out on pages 16 to 19.

These financial statements have been prepared under the supervision of the chief finance officer, Patricia Zvandasara, a member of the Institute of Chartered Accountants Zimbabwe (ICAZ) membership certificate number M2948, registered with the Public Accountants and Auditors Board, registration number 3328.

The directors' report and the financial statements were approved by the board of directors.



**A Mhembere**  
Chief Executive Officer



**P Zvandasara**  
Chief Finance Officer

**31 August 2021**





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## Independent Auditor's Report To The Shareholders of Zimplats Holdings Limited

### Opinion

We audited the consolidated and separate financial statements of Zimplats Holdings Limited (“the Company”) and its subsidiaries (“the Group) set out on pages 22 to 75, which comprise the consolidated and separate statement of financial position as at 30 June 2021 and the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and Companies (Guernsey) Law 2008.

### 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

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. The KAM relates to the consolidated financial statements as no key audit matters have been identified in respect of the separate financial statements.



A full list of partners and directors is available on request

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

## Independent Auditor's Report (continued)

Key Audit Matter	How the matter was addressed in the audit
<b>Determination and valuation of income tax (Group)</b>	
<p>The interpretation of fiscal legislation in Zimbabwe is complex and has in the past resulted in differences of opinion over the interpretation or application of certain legislation between the Group and the Zimbabwe Revenue Authority ('ZIMRA').</p> <p>In the previous financial year, an uncertain tax matter was identified due to a difference in interpretation of the legislation between the Group and ZIMRA with regards to the currency in which taxes and royalties should be paid. This was primarily premised on;</p> <ul style="list-style-type: none"> <li>• The interpretation of the legislation, as it applies to a general taxpayer, and in compliance with consequent effect of a series of enactments which introduced currency changes in Zimbabwe; and</li> <li>• The Support agreement that the Group had with the Government of Zimbabwe.</li> </ul> <p>In the current year, there were key developments arising from</p> <ul style="list-style-type: none"> <li>• The lapsing of the Support agreement that the Group had with the Government of Zimbabwe; and</li> <li>• Continuous engagements between management and ZIMRA on these tax matters, particularly, the computation and payment of the taxes in the respective currencies.</li> </ul> <p>These developments resulted in the resolution of the uncertain tax position related specifically to the payment of income taxes and royalties in foreign currencies.</p> <p>Significant judgements and estimates are made by management in applying the Group's taxation accounting policy as disclosed in note 31. The judgements are based on:</p> <ul style="list-style-type: none"> <li>• Discussions with tax authorities and other relevant authorities;</li> <li>• Independent tax and legal expert advice; and</li> <li>• Interpretations of relevant case law.</li> </ul> <p>This was considered a key audit matter as a result of the significance of the judgments and estimations involved, the magnitude of the income taxes to the financial statements and the reliance on taxation and legal advice.</p>	<p>To address the key audit matter, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Group's tax risk environment and focused on risk areas, in addition to reviewing the income tax computations.</li> <li>• Held discussions with management and those charged with governance concerning the Group's compliance with tax laws and regulations;</li> <li>• Inspected correspondence between the Group, tax authorities and other relevant regulators;</li> <li>• Inspected legal advice obtained by management during the year in order to verify whether the position taken by management is in line with the advice provided;</li> <li>• Involved our tax specialists who performed the following procedures: <ul style="list-style-type: none"> <li>- Reviewed management's tax assessments to evaluate the Group's compliance with the ZIMRA guidelines in determining the income tax expense and the split between US\$ and ZW\$; and</li> <li>- Assessed how the Group had considered new information or changes in tax law and assessed the Group's judgement of how these impact the Group's position or measurement of the required provision.</li> </ul> </li> <li>• Reviewed the Group financial statements to assess adequacy of disclosures.</li> </ul> <p>The approach adopted in respect of payment of income taxes is in compliance with the requirements of the tax authorities (ZIMRA) and the disclosures in the consolidated and separate financial statements are appropriate.</p>

## Independent Auditor's Report *(continued)*

### **Other Information**

The directors are responsible for the other information. The other information comprises the audit and risk committee report, the directors' report, the directors' statement of responsibility and the additional information section of the annual financial statements, which we obtained prior to the date of this auditor's report and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed 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 (IFRS) and the Companies (Guernsey) Law 2008 for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.

## Independent Auditor's Report *(continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / 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 those charged with governance 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, actions taken to eliminate threats or safeguards applied.

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

*Deloitte & Touche*

**DELOITTE & TOUCHE**

**Chartered Accountants (Zimbabwe)**

**Per: Charity Mtwazi**

**Registered Auditor**

Public Accountants and Auditors Board (PAAB), Practice Certificate Number 0585

Institute of Chartered Accountants in England and Wales Membership and Practising certificate Number 8190859

Harare

Zimbabwe

**31 August 2021**



# Financial Statements

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## Statements of Financial Position

### As at 30 June 2021

	Notes	Group		Company	
		2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	1 225 940	1 159 904	4 974	5 099
Investments in subsidiaries	5	-	-	112 574	115 232
Other financial assets	6	16	25	-	-
		<b>1 225 956</b>	<b>1 159 929</b>	<b>117 548</b>	<b>120 331</b>
<b>Current assets</b>					
Inventories	7	132 539	91 892	-	-
Prepayments	8	50 246	32 973	-	214
Trade and other receivables	9	396 592	287 948	6 018	-
Current tax receivable	10	23 460	-	-	-
Equity instruments at fair value through profit or loss	11	4 254	8 640	4 254	8 640
Other financial assets	6	216	276	-	-
Cash and cash equivalents	12	344 815	135 817	237 942	45 193
		<b>952 122</b>	<b>557 546</b>	<b>248 214</b>	<b>54 047</b>
<b>Total assets</b>		<b>2 178 078</b>	<b>1 717 475</b>	<b>365 762</b>	<b>174 378</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Capital and reserves					
Share capital	13	10 763	10 763	10 763	10 763
Share premium	13	89 166	89 166	89 166	89 166
Retained earnings		1 646 193	1 172 070	265 531	74 309
		<b>1 746 122</b>	<b>1 271 999</b>	<b>365 460</b>	<b>174 238</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Provision for environmental rehabilitation	14	20 256	19 023	-	-
Deferred tax	15	280 346	301 034	-	-
Borrowings	16	559	2 412	-	-
Share based compensation	17	3 124	2 008	-	-
		<b>304 285</b>	<b>324 477</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Trade and other payables	18	98 159	84 612	302	140
Current tax payable	10	-	10 383	-	-
Borrowings	16	2 221	2 221	-	-
Share based compensation	17	27 291	16 508	-	-
Bank overdraft		-	7 275	-	-
		<b>127 671</b>	<b>120 999</b>	<b>302</b>	<b>140</b>
<b>Total equity and liabilities</b>		<b>2 178 078</b>	<b>1 717 475</b>	<b>365 762</b>	<b>174 378</b>

The above statements of financial position should be read in conjunction with the accompanying notes.

The financial statements were authorised for issue by the board of directors and were signed on its behalf by:



**A Mhembere**  
Chief Executive Officer



**P Zvandasara**  
Chief Finance Officer

31 August 2021

## Statements of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Notes	Group		Company	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		US\$ 000	US\$ 000	US\$ 000	US\$ 000
Revenue	19	1 353 792	868 912	328 500	81 000
Cost of sales	20	(546 730)	(480 358)	-	-
<b>Gross profit</b>		<b>807 062</b>	<b>388 554</b>	<b>328 500</b>	<b>81 000</b>
Administrative expenses	21	(5 608)	(5 711)	(1 878)	(1 319)
Net foreign currency exchange transactions losses	22	(218)	(4 830)	-	(1)
Other expenses	24	(2 627)	(1 371)	-	(489)
Other income	25	6 385	609	5 941	-
Finance income	26	38	84	-	8
Finance cost	27	(4 484)	(3 105)	-	-
Impairment of investment in subsidiary	5	-	-	(3 066)	-
<b>Profit before income tax</b>		<b>800 548</b>	<b>374 230</b>	<b>329 497</b>	<b>79 199</b>
Income tax expense	28	(237 426)	(112 391)	(49 275)	(12 150)
<b>Profit for the year</b>		<b>563 122</b>	<b>261 839</b>	<b>280 222</b>	<b>67 049</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>563 122</b>	<b>261 839</b>	<b>280 222</b>	<b>67 049</b>
Earnings per share (cents):					
Basic	29	523	243	260	62
Diluted	29	523	243	260	62

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Statements of Changes in Equity

For the year ended 30 June 2021

	Share capital US\$ 000	Share premium US\$ 000	Retained earnings US\$ 000	Total US\$ 000
<b>GROUP</b>				
<b>Balance as at 1 July 2019</b>	<b>10 763</b>	<b>89 166</b>	<b>955 231</b>	<b>1 055 160</b>
Total comprehensive income for the year	-	-	261 839	261 839
Profit for the year	-	-	261 839	261 839
Other comprehensive income for the year	-	-	-	-
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid (note 33)	-	-	(45 000)	(45 000)
<b>Balance as at 30 June 2020</b>	<b>10 763</b>	<b>89 166</b>	<b>1 172 070</b>	<b>1 271 999</b>
Total comprehensive income for the year	-	-	563 122	563 122
Profit for the year	-	-	563 122	563 122
Other comprehensive income for the year	-	-	-	-
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid (note 33)	-	-	(88 999)	(88 999)
<b>Balance as at 30 June 2021</b>	<b>10 763</b>	<b>89 166</b>	<b>1 646 193</b>	<b>1 746 122</b>
<b>COMPANY</b>				
<b>Balance as at 1 July 2019</b>	<b>10 763</b>	<b>89 166</b>	<b>52 260</b>	<b>152 189</b>
Total comprehensive income for the year	-	-	67 049	67 049
Profit for the year	-	-	67 049	67 049
Other comprehensive income for the year	-	-	-	-
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid (note 33)	-	-	(45 000)	(45 000)
<b>Balance as at 30 June 2020</b>	<b>10 763</b>	<b>89 166</b>	<b>74 309</b>	<b>174 238</b>
Total comprehensive income for the year	-	-	280 222	280 222
Profit for the year	-	-	280 222	280 222
Other comprehensive income for the year	-	-	-	-
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid (note 33)	-	-	(88 999)	(88 999)
<b>Balance as at 30 June 2021</b>	<b>10 763</b>	<b>89 166</b>	<b>265 532</b>	<b>365 461</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## Statements of Cash Flows

For the year ended 30 June 2021

	Notes	Group		Company	
		30 June	30 June	30 June	30 June
		2021	2020	2021	2020
		US\$ 000	US\$ 000	US\$ 000	US\$ 000
<b>Cash flows from operating activities</b>					
Net cash generated from operations	30	779 286	364 053	321 105	104 978
Finance costs paid	16	(3 095)	(2 895)	-	-
Share-based compensation payments	17	(33 145)	(13 420)	-	-
Payments made for environmental rehabilitation	14	(901)	(755)	-	-
Income taxes and withholding taxes paid	10	(289 500)	(88 599)	(49 275)	(12 150)
<b>Net cash inflow from operating activities</b>		<b>452 645</b>	<b>258 384</b>	<b>271 830</b>	<b>92 828</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	4	(159 072)	(104 244)	-	-
Proceeds from disposal of property, plant and equipment		387	339	-	-
Disposals/(acquisitions) of equity instruments	11	10 327	(9 129)	9 951	(9 129)
Proceeds from sale of subsidiary	5	2 800	-	-	-
Movement in loans to subsidiaries		-	-	(33)	(1 863)
Finance income	26	38	84	-	8
<b>Net cash (outflow)/ inflow in investing activities</b>		<b>(145 520)</b>	<b>(112 950)</b>	<b>9 918</b>	<b>(10 984)</b>
<b>Cash flows from financing activities</b>					
Repayments of borrowings	16	-	(42 500)	-	-
Lease payments	16	(1 853)	(1 687)	-	-
Dividends paid	34	(88 999)	(45 000)	(88 999)	(45 000)
<b>Net cash outflow in financing activities</b>		<b>(90 852)</b>	<b>(89 187)</b>	<b>(88 999)</b>	<b>(45 000)</b>
<b>Net increase in cash and cash equivalents</b>					
Cash and cash equivalents at beginning of the year		128 542	67 018	45 193	8 349
Exchange gains on cash and cash equivalents		-	5 277	-	-
<b>Cash and cash equivalents at the end of the year</b>	12	<b>344 815</b>	<b>128 542</b>	<b>237 942</b>	<b>45 193</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the financial statements

For the year ended 30 June 2021

## 1 GENERAL INFORMATION

Zimplats Holdings Limited (the 'Company') is a public company domiciled in Guernsey, Channel Islands and listed on the Australian Stock Exchange (ASX). The consolidated and separate financial statements of the Group for the year ended 30 June 2021 comprise the Company and its subsidiaries (together the 'Group').

The Group's principal business is producing platinum group metals (which primarily include platinum, palladium, rhodium, iridium and ruthenium) and associated metals (nickel, gold, copper, cobalt and silver) mined from the Great Dyke in Zimbabwe. The Group operates mines in Ngezi and has processing plants in Selous and Ngezi.

These financial statements are presented in United States Dollars (US\$) and rounded to thousands, unless otherwise stated. The US\$ is the functional and presentation currency of the Group.

## 2 SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

The significant accounting policies, judgements and estimates, that are deemed material and have been applied in the preparation of these financial statements are set out within the relevant notes to the financial statements and are indicated as follows throughout the document:

<b>Accounting policy (AP)</b>	The specific principles, bases, conventions, rules and practices applied by the Company for preparing and presenting the financial statements.
<b>Significant judgement and estimates (JE)</b>	The complex or subjective judgements that have the most significant effect on amounts recognised and assumptions and other sources of estimation uncertainty where there is a significant risk of material adjustment to the carrying amounts of assets or liabilities with the next reporting period.

Accounting policies which are material to users, especially where particular accounting policies are based on judgement regarding choices within IFRSs have been disclosed. Accounting policies for which no choice is permitted in terms of IFRSs, have been included only if management concluded that the disclosure would assist users in understanding the consolidated and separate financial statements as a whole, taking into account the materiality of the item being discussed. Accounting policies which are not applicable from time to time, have been removed, but will be included if the type of transaction occurs in future.

Accounting policies that refer to 'consolidated or Group', apply equally to the Company financial statements where relevant. The composition of the Group is further described in note 5 of the consolidated financial statements.

### 2.1 New and revised International Financial Reporting Standards (IFRS)

The principal accounting policies used by the Group are consistent with those of the previous year, except for changes from new or revised IFRSs.

The following amendments to standards are not yet effective but were early adopted by the Group on 1 July 2020:

#### IAS 16 Property, Plant and Equipment

- In summary, the amendment to IAS 16 'Property, plant and equipment' prohibits deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity instead recognises the proceeds from selling such items, and related cost of production in profit or loss.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

- The amendments also clarify the meaning of ‘testing whether an asset is functioning properly’. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.
- The adoption of these amendments had no material impact on the Group.

### Definition of material

#### Amendments to IAS 1 and IAS 8

- The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of ‘obscuring’ material information with immaterial information has been included as part of the new definition.
- The threshold for materiality influencing users has been changed from ‘could influence’ to ‘could reasonably be expected to influence’. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of ‘material’ or refer to the term ‘material’ to ensure consistency.
- The adoption of these amendments had no material impact on the Group.

### Disclosure of Accounting Policies

- Amendment to IAS 1 and IFRS Practice Statement 2, Making Materiality Judgements, changes the requirements in IAS 1, Presentation of Financial Statements, regarding the disclosure of accounting policies. The amendments explain how an entity can identify a material accounting policy, with added examples of when an accounting policy is likely to be material.
- To support the amendment, guidance and examples have also been developed to explain and demonstrate the application of the “four-step materiality process” described in IFRS Practice Statement 2. The practice statement provides entities with guidance on making materiality judgements when preparing their annual financial statements.
- The Practice Statement is a non-mandatory document and does not change or introduce any requirements in IFRS standards. The amendments had no material impact on the Group.

### Definition of Accounting Estimates

- Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, replace the definition of a change in accounting estimates with a definition of accounting estimates, defined as “monetary amounts in financial statements that are subject to measurement uncertainty”.
- The amendments further clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The amendments had no material impact on the Group.

### Amendments to IAS 12 Income Taxes

- Narrows the IAS 12 scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.
- The amendments apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and the corresponding amounts recognised as assets, requiring an entity to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset subject to the recoverability criteria in IAS 12.
- The amendment had no impact on the Group as Zimplats provides for deferred tax on lease assets and liabilities as well as rehabilitation provisions and the associated assets.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

### **Covid-19-related rent concessions beyond 30 June 2021**

- Amendment to IFRS 16 Leases Due to the ongoing nature of the pandemic, the IASB has extended the practical expedient in the IFRS 16 amendment (that relieves a lessee from assessing whether a Covid-19-related rent concession is a lease modification) to reduction in lease payments originally due on or before 30 June 2022 (previously 30 June 2021). The amendment had no material impact on the Group.

The following amendments to standards are not yet effective and were not adopted by the Group on 1 July 2020:

### **Interest Rate Benchmark Reform**

- Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 address issues that might affect financial reporting when an existing interest rate benchmark is replaced with an alternative benchmark interest rate.
- The proposed amendments will apply to existing financial assets and financial liabilities that are subject to Interbank offered rate (IBOR) reform. In addition to the Group's US\$ revolving credit facility, which references the LIBOR that will cease to exist in December 2021, the impacts of the amendments and related disclosures will be considered for all the Group's borrowing facilities and other financial assets and liabilities that would be in place and impacted by the respective IBOR reforms when they become effective. These amendments are not expected to have a material impact.
- It is further not anticipated that the amendments, as they relate to interest rate hedge accounting and lease accounting, will impact the Group.
- The amendments are effective for annual periods beginning on or after 1 January 2021.

### **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

- The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.
- The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
- The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. It is not expected that the amendments will have a material impact on the Group.

### **Amendments to IFRS 3 – Reference to the Conceptual Framework**

- The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.
- Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.
- The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.
- It is not expected that the amendments will have a material impact on the Group.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

### IFRS 9 Financial Instruments

- The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.
- The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.
- It is not expected that the amendments will have a material impact on the Group.

### 2.2 Statement of compliance

The financial statements have been prepared in accordance with IFRSs and interpretations issued by the IFRS IC, applicable to companies reporting under IFRS, Companies (Guernsey) Law 2008, and the Listing Requirements of the Australian Stock Exchange.

### 2.3 Basis of preparation

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

- Equity instruments designated as financial assets measured at fair value through profit or loss
- Trade receivables measured at fair value
- Liabilities for cash-settled share-based payment arrangements measured using a binomial option pricing model.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will continue in existence for the foreseeable future. The board of directors has assessed the ability of the Group to continue as a going concern and believe that the preparation of these consolidated financial statements on a going concern basis is still appropriate.

Managing the Covid-19 pandemic remained a critical imperative in the period under review. The best-practice measures and processes put in place during FY2020, and which have served the Group well, will remain active through the course of the pandemic.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management and the board of directors to exercise their judgement in the process of applying the Group's accounting policies.

The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors that are considered relevant, including current and expected economic conditions, expectations of future events that are believed to be reasonable under the circumstances. These estimates will seldom equal the actual results exactly. Revisions to accounting estimates are recognised in the period in which the estimates are reviewed and in future periods. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant and have a risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year, are disclosed in the notes where necessary and indicated with EJ.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

Summary of critical estimates and judgements:

- Income taxes (notes 10, 28 and 31)
- Inventory valuation and quantities (note 7)
- Environmental rehabilitation provision (note 14)
- Share-based compensation (note 17)

Summary of accounting policy selections:

- Property, plant and equipment and intangible assets are measured on the historical-cost model
- Expenses are classified on a functional basis, with additional information on the nature of the expenses
- Operating cash flows are presented on the indirect method

### 2.4 Principles of consolidation

The consolidated financial statements include those of the parent company, Zimplats Holdings Limited, its subsidiaries, associates and structured entities, using uniform accounting policies.

#### Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

At consolidation level, inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the separate financial statements of the Company, all investments in subsidiaries are carried at cost less accumulated allowance for impairment.

#### Associates

Associates are entities over which an investor has significant influence, being the power to participate in the financial and operating policy decisions of the investee (but not control or joint control).

Investments in associates are accounted for using the equity method. Under the equity method of accounting, an equity investment is initially recorded at cost and is subsequently adjusted to reflect the investor's share of the net profit or loss of the associate.

Dividends received from the investee reduce the carrying amount of the investment.

The Group's investments in associates are listed below:

- Palmline Investments (Private) Limited is a start-up venture involved in cattle ranching in which the Group subscribed for a 45% equity interest in the prior year. The carrying value of the investment in Palmline Investments (Private) Limited is nil as a result of accumulated losses reported as at 30 June 2021.
- Mine Support Solutions (Private) Limited is a start-up venture in the business of manufacturing and supplying underground mine support products in which the Group subscribed for a 15% equity interest. The Group accounts for its interest in Mine Support Solutions (Private) Limited as an associate as it has significant influence. The carrying value of the investment in Mine Support Solutions (Private) Limited as at 30 June 2021 is not material.

### 2.5 Foreign currencies

#### Functional and presentation currency

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

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

### Transactions and balances

Foreign currency transactions are accounted for at the rates of exchange ruling at the date of the transaction. Foreign currency monetary assets and liabilities are translated at year-end exchange rates. Gains or losses arising on settlement of such transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### Functional currency of Zimbabwe Platinum Mines (Private) Limited

Considering the primary economic environment in which the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited, operates, as well as considering factors such as which currency influences sales prices, competitive forces and regulations primarily determining sales prices, cost, financing activities and the currency in which receipts from operating activities are retained, management concluded that the Zimbabwe Platinum Mines (Private) Limited's functional currency remains the US\$. The exchange rate between the US\$ and the Zimbabwean Dollar (ZW\$) is established through the foreign currency auction market introduced by the Reserve Bank of Zimbabwe in June 2020.

### Exchange rates

#### South African Rand (ZAR)

Year-end rate: ZAR14.32: US\$1 (2020: ZAR17.38: US\$1)

Average rate: ZAR15.40: US\$1 (2020: ZAR15.67: US\$1)

#### ZW\$

Year-end rate: ZW\$85.47: US\$1 (2020: ZW\$63.74: US\$1)

Average rate: ZW\$81.84: US\$1 (2020: ZW\$19.13: US\$1)

## 3 OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The executive committee has been identified as the chief operating decision maker and is responsible for making strategic decisions, allocating resources and assessing the performance and financial position of the Group.

An operating segment is a component of an entity:

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

The Group operates as a vertically integrated mining concern and is managed as a single segment. The Group's operations are based in one geographical location, Zimbabwe. The chief operating decision maker (the executive committee) makes strategic decisions based on internal reports on the Group's performance and financial position as a whole, which is shown in the primary statements. The Group has one customer, Impala Platinum Limited.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

### 4 PROPERTY, PLANT AND EQUIPMENT

GROUP	Land, buildings and mining claims US\$ 000	Mining assets US\$ 000	Metallurgical assets US\$ 000	Mobile equipment US\$ 000	Service and other assets US\$ 000	Assets under construction US\$ 000	Total US\$ 000
<b>Year ended 30 June 2021</b>							
Opening net book value	139 196	326 323	370 100	59 881	134 091	130 313	1 159 904
Additions	-	-	-	47 536	-	111 536	159 072
Environmental rehabilitation asset adjustment (note 14)	-	745	-	-	-	-	745
Transfer from assets under construction	9 205	70 208	31 755	(1 804)	5 091	(114 455)	-
Disposals	(3 518)	(2 361)	(14 949)	(34 050)	(1 208)	-	(56 086)
Accumulated depreciation on disposals	15	2 361	14 949	33 860	1 208	-	52 393
Depreciation charge	(4 442)	(20 286)	(26 745)	(28 464)	(10 151)	-	(90 088)
Closing net book value	140 456	376 990	375 110	76 959	129 031	127 394	1 225 940
<b>At 30 June 2021</b>							
Cost	200 868	543 953	548 299	208 531	210 814	127 394	1 839 859
Accumulated depreciation	(60 412)	(166 963)	(173 189)	(131 572)	(81 783)	-	(613 919)
Net book value	140 456	376 990	375 110	76 959	129 031	127 394	1 225 940
<b>Year ended 30 June 2020</b>							
Opening net book value	142 502	287 177	366 330	56 490	139 903	148 978	1 141 380
Additions	-	-	-	23 285	-	80 959	104 244
Right of use assets capitalised	314	-	-	6 006	-	-	6 320
Environmental rehabilitation asset adjustment (note 14)	-	(2 410)	-	-	-	-	(2 410)
Borrowing costs capitalised (note 27)	-	-	-	-	-	1 734	1 734
Transfer from assets under construction	854	62 622	34 098	-	3 784	(101 358)	-
Disposals	-	-	-	(2 106)	(262)	-	(2 368)
Accumulated depreciation on disposals	-	-	-	1 761	261	-	2 022
Depreciation charge	(4 474)	(21 066)	(30 328)	(25 555)	(9 595)	-	(91 018)
Closing net book value	139 196	326 323	370 100	59 881	134 091	130 313	1 159 904
<b>At 30 June 2020</b>							
Cost	194 952	472 505	532 268	208 383	200 670	130 313	1 739 091
Accumulated depreciation	(55 756)	(146 182)	(162 168)	(148 502)	(66 579)	-	(579 187)
Net book value	139 196	326 323	370 100	59 881	134 091	130 313	1 159 904

## Notes to the financial statements (continued)

For the year ended 30 June 2021

	Land and buildings US\$ 000	Mobile equipment US\$ 000	Total US\$ 000
<b>Right-of-use assets included in property, plant and equipment</b>			
Finance leases capitalised at 30 June 2019	-	-	-
Right-of-use asset capitalised on adoption of IFRS 16	314	6 006	6 320
Depreciation	(92)	(1 802)	(1 894)
Closing net book value - 30 June 2020	222	4 204	4 426
Depreciation	(92)	(1 802)	(1 894)
Closing net book value - 30 June 2021	130	2 402	2 532

### Assets under construction comprise:

	Group	
	2021 US\$ 000	2020 US\$ 000
Mupani Mine	34 172	56 226
Bimha Mine re-development	21 466	14 064
Base metal refinery	18 960	18 960
Third concentrator plant	16 835	-
Borrowing costs capitalised	5 561	7 421
Ngwarati high wall	5 186	-
Information, communication and technology systems	4 574	3 247
Housing development	1 650	-
Ngezi Phase 2	1 644	7 272
Other	17 346	23 123
	127 394	130 313

### Mining claims

	Company	
	2021 US\$ 000	2020 US\$ 000
Opening net book value	5 099	5 216
Depreciation charge	(125)	(117)
Closing net book value	4 974	5 099

### At 30 June

Cost	6 261	6 261
Accumulated depreciation	(1 287)	(1 162)
Net book value	4 974	5 099

### Commitments in respect of property, plant and equipment

	Group	
	2021 US\$ 000	2020 US\$ 000
Commitments contracted for	155 967	74 418
Approved capital expenditure not yet contracted	490 144	156 948
	646 111	231 366
Less than one year	252 739	86 722
Between one and five years	378 014	138 272
Greater than five years	15 358	6 372
	646 111	231 366

This expenditure will be funded internally and from borrowings, where necessary. No property, plant and equipment was pledged as collateral other than the right-of-use assets that are encumbered by leases.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

### **AP Accounting Policy**

#### **Carrying amount**

Property, plant and equipment is stated at historical cost less accumulated depreciation and less any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### **Cost**

Pre-production expenditure, including evaluation costs incurred to establish or expand productive capacity, and to support and maintain that productive capacity is capitalised to property, plant and equipment. The recognition of pre-production expenditure including evaluation costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management. Any net income earned while the item is not yet capable of operating as intended is recognised in profit or loss.

Interest on general or specific borrowings to finance the establishment or expansion of mining and processing assets is capitalised during the construction phase. When general and/or specific borrowings are utilised to fund qualifying capital expenditure, such borrowing costs attributable to the capital expenditure are capitalised from the point at which the capital expenditure and related borrowing costs are incurred until completion of construction. Actual interest, net of any temporary income, on specific borrowings is capitalised. Interest on general borrowings is capitalised at the weighted average cost of the debt on qualifying expenditure, limited to actual interest incurred.

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

- Any decrease in the liability reduces the cost of the asset. The decrease in the asset is limited to its carrying amount and any excess is accounted for in the income statement.
- Any increase in the liability increases the carrying amount of the asset. An increase to the cost of an asset is tested for impairment when there is an indication of impairment.

#### **Subsequent expenditure**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance costs are charged to the income statement during the reporting period in which they are incurred.

#### **Derecognition**

An item of property, plant and equipment is derecognised upon disposal and when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal, retirement or scrapping of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

### Depreciation

Depreciation of assets, other than land and assets under construction that are not depreciated, is calculated using either the straight line (SL) method or units of production (UoP) method, net of residual values, over the estimated useful lives of specific assets. The depreciation method and rates applied to specific assets reflect the pattern in which the asset's benefits are expected to be used by the Group. Assets are not depreciated when the residual value equals or exceeds the carrying value of the asset. Depreciation is calculated on the carrying amount less residual value of the assets. Depreciation methods and depreciation rates are applied consistently within each asset class. The depreciation calculation is adjusted prospectively for changes in the residual value and useful lives.

Depreciation is charged to profit or loss.

### Mining claims and exploration

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

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

## EJ Areas of judgement and estimates

### a. Depreciation

#### Mining assets

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

#### Metallurgical assets

Metallurgical assets are depreciated using the straight line method over a maximum of the lower of the life-of-mine and 30 years.

As at 30 June 2021, the life-of-mine was estimated as follows:

Mine	Estimated useful life
Rukodzi Mine	1 year
Ngwarati Mine	4 years
Bimha Mine	32 years
Mupfuti Mine	7 years
Mupani Mine	38 years

#### Land and buildings

Land is not depreciated. Buildings are depreciated using the straight line method over a maximum of the lower of the life-of-mine and 50 years. The useful life of land and buildings subject to a finance lease is limited to the 3-year lease term.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

### Mobile equipment

This category includes trackless mining machinery and motor vehicles. These assets are depreciated using the straight line method over the useful life of the asset as follows:

Asset type	Estimated useful life
Personally allocated vehicles	5 years
Pool vehicles:	
<i>Light</i>	10 years
<i>Heavy</i>	15 - 20 years
Trackless mining machinery	4 -13 years

### Service assets

Service assets comprise mainly the Ngezi Road, internal access roads and reticulation to staff housing, a 330kV substation and sewage facilities. These assets are depreciated using the straight line method over a maximum of the lower of the life-of-mine and 30 years.

### Other assets

Other assets comprise the environmental rehabilitation assets, information technology equipment and furniture and fittings. The environmental rehabilitation assets are depreciated using the straight line method over a maximum of the lower of the life-of-mine and 30 years. Information, communication and technology equipment, furniture and fittings and office equipment are depreciated using the straight line method over the useful life of the asset as follows:

Asset type	Estimated useful life
Information technology equipment	4-5 years
Furniture, fittings and office equipment	5 years

### b. Units-of-production

Management has elected to use the centares mined in relation to centares proved and probable mineral reserves as an appropriate units-of-production (UOP) depreciation methodology. Changes in proved and probable mineral reserves will impact the useful lives of the assets depreciated on the UOP method and this will similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life-of-mine.

### c. Mineral reserves estimations

The estimation of reserves impacts the depreciation of property, plant and equipment and the recoverable amount of property, plant and equipment. Factors impacting the determination of proved and probable reserves are:

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

Expectations regarding future profitability would impact the decision to continue mining and consequently, the continued classification as proved and probable mineral reserves. During the year, proven and probable mineral reserves were reassessed.

### d. Production start date

The Group assesses the stage of each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location.

When a mine construction project is ready for use and moves into the production stage, the capitalisation of mine construction costs ceases and further costs are either regarded as inventory or expensed. During the production stage only costs qualifying for capitalisation as mining assets additions or improvements, underground mine development or mineable reserve development are capitalised.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

### Change in estimates

Changes were made in respect of the ore reserves which form the basis of the units-of-production for depreciation as follows:

- Model updates based on new drilling and interpretation increased the ore reserves at Mupfuti and Mupani mines.
- Drilling confirmed mineable ground conditions on the upper ores at Mupfuti Mine, increasing total ore reserves.
- The boundary between Mupfuti and Bimha mines was changed following an updated interpretation of the Mulota fault, decreasing total ore reserves.
- The mining of ore that had previously been planned for Ngwarati Mine between February and June 2021 was deferred to later years, following the collapse of the Ngwarati boxcut highwall in FY2021.

Overall the changes above resulted in an increase in total ore reserves used for units-of-production based depreciation computations. This will result in a reduction of the depreciation expense for the current year and future periods, as shown below:

	US\$ 000
Depreciation for the year based on old estimates	91 155
Depreciation for the year based on new estimates	90 088
Decrease in depreciation	1 067

### AP Accounting policy

#### Impairment of property, plant and equipment

These assets are assessed for indicators of impairment at each reporting date. Irrespective of whether there is any indication of impairment, the Group tests these assets for impairment annually. An impairment loss is recognised in profit or loss, equal to the amount by which the carrying amount of an asset or a cash-generating unit exceeds the higher of its fair value less cost to sell and its value in use.

When impairments reverse due to change in circumstances, reversals are limited to the initial impairment, what the carrying amount would have been net of depreciation if the impairment was not recognised and the newly calculated recoverable amount.

Property, plant and equipment is grouped at Group level, which is the lowest level for which separately identifiable cash flows are available (cash-generating units). The assets within a cash-generating unit can include a combination of board-approved projects and mineral resources outside the approved mine plans.

### EJ Areas of judgement and estimates

#### Impairment of property, plant and equipment

The Group carried out an impairment assessment of property, plant and equipment as at 30 June 2021. The recoverable amount of the cash generating unit ("CGU") was determined based on the discounted cash flow model for the existing mines, the concentrators, the smelter and other property, plant and equipment. The Group is regarded as the CGU as its operations are vertically integrated and are managed as a single entity. The calculation was based on the approved life-of-mine production plan, approved mineral reserve and resources statement, internal forecasts of operating costs, capital expenditure and metal prices.

The discount rate applied is the weighted average cost of capital adjusted to take into account specific risks relating to the Group.

Mineral resources outside the approved mine plans are valued based on the in situ 6E ounce value. Comparable market transactions are used as a source of evidence adjusting specifically for the nature of each underlying ore body and the prevailing platinum price.

All the above estimates are subject to risks and uncertainties including achievement of mine plans, future metal prices and exchange rates. It is therefore possible that changes can occur which may affect the recoverability of the mining assets.

No impairment loss was recognised by the Group as the estimated recoverable value of property, plant and equipment is greater than the carrying value of the assets.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

The key financial assumptions used in the impairment calculations are:

- Long-term real basket price per 6E ounce sold of US\$1 414.
- Long-term pre-tax real discount rate of 14.04%.
- Inflation rate of 2% per annum applied on costs after 30 June 2026.

**Sensitivity analysis:**

- A change in the discount rate by an additional 10% would not result in impairment.
- A change of 10% in the long-term real basket price per 6E ounce sold would not result in impairment.

### 5 INVESTMENTS IN SUBSIDIARIES

The Group's subsidiaries as at 30 June 2021 are set out below. Unless otherwise stated, the respective subsidiary's share capital consists solely of ordinary shares that are held directly by the Group.

Name	Country of incorporation	Nature of interests	Ownership interest	
			2021 %	2020 %
Always Investments (Private) Limited	Zimbabwe	Subsidiary	100	100
Duckbrooke Mine (Private) Limited	Zimbabwe	Subsidiary	100	100
Hartley Minerals Zimbabwe (Proprietary) Limited	Australia	Subsidiary	100	100
Hartley Platinum Mines (Private) Limited	Zimbabwe	Subsidiary	100	100
Jalta Investments (Private) Limited	Zimbabwe	Subsidiary	100	100
Matreb Investments (Private) Limited	Zimbabwe	Subsidiary	100	100
Mhondoro Holdings Limited	United Kingdom	Subsidiary	100	100
Mhondoro Mining Company Limited (in liquidation)	Zimbabwe	Subsidiary	100	100
Mhondoro Platinum Holdings Limited (in liquidation)	Zimbabwe	Subsidiary	100	100
Ngezi Platinum Limited	Zimbabwe	Subsidiary	100	100
Selous Platinum (Private) Limited (in liquidation)	Zimbabwe	Subsidiary	100	100
Zimbabwe Platinum Mines (Private) Limited*	Zimbabwe	Subsidiary	90	90
Zimplats Corporate Services (Private) Limited	Zimbabwe	Subsidiary	100	100
Zimplats Enterprises (Private) Limited	Zimbabwe	Subsidiary	100	100
Baydonhill Investments (Private) Limited**	Zimbabwe	Subsidiary	-	100

\*In 2017, Zimbabwe Platinum Mines (Private) Limited issued a 10% equity stake for a consideration of US\$95 million to the Zimplats Employee Share Ownership Trust (the ESOT), which holds the shares for the benefit of the participating employees. The ESOT is consolidated as it acts as an agent for the Group.

\*\*Disposal of subsidiary

## Notes to the financial statements (continued)

For the year ended 30 June 2021

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>Investments in subsidiaries</b>				
<b>Equity</b>				
Mhondoro Holdings Limited*	-	-	-	2 666
Zimbabwe Platinum Mines (Private) Limited	-	-	76 778	76 778
	-	-	76 778	79 444
<b>Long term inter-company loans</b>				
Hartley Minerals Zimbabwe (Proprietary) Limited	-	-	27 965	27 965
Mhondoro Holdings Limited*	-	-	465	835
Zimbabwe Platinum Mines (Private) Limited	-	-	7 366	6 988
	-	-	35 796	35 788
Total investments in subsidiaries	-	-	112 574	115 232

The loans to subsidiaries are unsecured, bear no interest and have no fixed repayment terms. The loans are included in investments in subsidiaries as they are, in substance, part of the investment in the entities.

\*In the current year, Zimplats Holdings Limited impaired its investment in Mhondoro Holdings Limited (Mhondoro) in full (US\$2.7 million) as the carrying amount of the investment exceeded its recoverable amount. At the end of the reporting period Mhondoro's liabilities exceeded its net assets. Consequently, the Company also impaired its receivable from Mhondoro by US\$0.4 million to reflect the expected credit losses. The total impairment charge is US\$3.1 million.

In February 2021, the Group disposed of its subsidiary, Baydonhill Investments (Private) Limited. Details of the disposal are as follows:

	2021 US\$ 000
Carrying amounts of net assets over which control was lost:	
<b>Non-current assets</b>	
Property, plant and equipment	3 245
<b>Current liabilities</b>	
Trade payables	3
Net assets derecognised	3 242
<b>Consideration received:</b>	
Cash	2 800
Deferred consideration	500
Total consideration received	3 300
<b>Gain on disposal:</b>	
Consideration received	3 300
Net assets derecognised	(3 242)
Gain on disposal	58
The gain on disposal of the subsidiary is recorded as part of profit for the year in the statement of profit or loss and other comprehensive income.	
<b>Net cash inflow arising on disposal of subsidiary:</b>	
Cash consideration received	2 800

The deferred consideration was settled by the purchaser in full after the reporting date.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

### 6 OTHER FINANCIAL ASSETS

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>Subsequently carried at amortised cost</b>				
Loans carried at amortised cost	232	301	-	-
Non-current	16	25	-	-
Current	216	276	-	-
	232	301	-	-

#### AP Accounting Policy

The classification of these instruments is in line with the Group's business model to hold the assets to maturity and to collect contractual cash flows that consists solely of payments of principal and interest on the outstanding amount. These assets with maturities greater than 12 months after the reporting date are classified as non-current assets.

#### Impairment of financial assets at amortised cost

The general expected credit loss (ECL) model is applied to other receivables (note 9) and other financial assets at amortised cost. It requires a 3 stage assessment of financial assets:

**Stage 1:** No significant deterioration in credit quality. This identifies financial assets as having a low credit risk, and the asset is considered to be performing as anticipated. At this stage, a 12 month expected credit loss assessment is required.

**Stage 2:** Significant deterioration in credit quality of the financial asset but no indication of a credit loss event. This stage identifies assets as underperforming. Lifetime expected credit losses are required to be assessed.

**Stage 3:** Clear and objective evidence of impairment is present. This stage identifies assets as non-performing financial instruments.

Lifetime expected credit losses are required to be assessed.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of repayment terms by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Once a default has occurred, it is considered a deterioration of credit risk and therefore identifies the asset as under performing in stage two.

Financial assets are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. Indicators of an increase in credit risk requires judgement and may include historical information about the debtor, adverse actual and expected data about existing market conditions such as interest rates and the sovereign and financial institutions' credit ratings, which influence our forward looking estimates, at the end of each reporting period.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

### EJ Estimates and judgment

#### Loans at amortised cost

Loans at amortised cost consist of housing and motor vehicle loans advanced to the Group's employees in terms of the housing and motor vehicle leasing schemes. An impairment rate of 0% (2020; 0%) was applied to the employee loans. This impairment assumption is based on the low credit risk associated with loans advanced to employees as repayments are deducted periodically through the payroll. In addition, the loans are secured by a bond over residential properties and certificate of title to the motor vehicles.

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>7 INVENTORIES</b>				
Ore, concentrate and matte stocks	63 814	36 452	-	-
Consumables	75 482	62 197	-	-
	139 296	98 649	-	-
Less: provision for obsolete consumables	(6 757)	(6 757)	-	-
	132 539	91 892	-	-
No inventories are encumbered.				
The movement in the provision for obsolete consumables is as follows:				
At the beginning of the year	6 757	5 021	-	-
Charged to profit or loss during the year	-	1 736	-	-
At the end of the year	6 757	6 757	-	-
In the statement of cash flows, increase in inventory comprises:				
Movement as per the statement of financial position	(40 647)	(36 332)	-	-
Increase in provision for obsolete consumables (note 30)	-	(1 736)	-	-
	(40 647)	(38 068)	-	-

No inventories were encumbered during the current and prior years.

The movement in ore, concentrate and matte stocks included in cost of sales is disclosed in note 20.

### EJ Areas of judgement and estimates

#### Change in in-process metal estimate

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

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

### AP Accounting Policy

#### Ore, concentrate and matte stocks

Ore, concentrate and matte stocks are valued at the lower of cost (average cost of production) and estimated net realisable value. The cost of production includes total costs incurred on mining and processing including depreciation. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Quantities of in-process metals are based on latest available assays allocated to main products on a units produced basis.

#### Consumable stocks

Consumable stocks are stated at the lower of cost and net realisable value. The cost of consumable stocks include expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Costs are assigned to individual items of inventory on the basis of weighted average costs.

Obsolete, redundant and slow moving consumable stocks are identified and written down to net realisable value which is the estimated selling price in the ordinary course of business less selling expenses.

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>8 PREPAYMENTS</b>				
Deposits on property, plant and equipment	32 932	20 916	-	-
Consumables and other operating expenditure	17 314	7 831	-	-
Insurance premiums	-	4 226	-	214
	50 246	32 973	-	214

Property, plant and equipment prepayments mainly relate to amounts prepaid on capital equipment for Bimha Mine redevelopment, Mupani Mine development, the third concentrator module at Ngezi and advance payments for trackless mining machinery.

### AP Accounting Policy

Prepayments are not financial assets and comprise deposits on property, plant and equipment, consumables, and other prepaid operating expenditure.

Any expenditure paid in cash prior to the service being rendered or for which a benefit is receivable in the future will be recorded as prepayments, and classified as current assets unless a portion of the prepayment covers a period longer than 12 months. The prepayment is subsequently expensed in profit or loss or capitalised to property, plant and equipment as and when the expense is incurred or assets are received.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>9 TRADE AND OTHER RECEIVABLES</b>				
Trade receivables due from related parties (note 33.2c)	374 406	280 457	-	-
Value added tax receivable	20 240	5 041	-	-
Other receivables	1 946	2 450	6 018	-
	396 592	287 948	6 018	-
Trade and other receivables are denominated in different currencies as follows:				
United States dollars	378 100	285 589	-	-
Zimbabwean dollars	18 492	2 359	-	-
South African Rands	-	-	6 018	-
	396 592	287 948	6 018	-
	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
In the statement of cash flows, movement in trade and other receivables comprises:				
Movement as per the statement of financial position	(108 644)	(80 563)	(6 018)	25 503
Unrealised foreign exchange loss (note 30)	(463)	(3 262)	-	-
Deferred consideration on disposal of subsidiary (note 5)	500	-	-	-
	(108 607)	(83 825)	(6 018)	25 503

Trade receivables comprise amounts due from Impala Platinum Limited, a related party, for sales of metal products.

Refer to note 32 for fair value and financial risk disclosures.

### AP Accounting Policy

Trade receivables are subject to provisional pricing and are measured at fair value through profit or loss. These financial assets relate to revenue from contracts with customers and the Group has an unconditional right to the consideration due as the performance conditions have been met. The value of the receivable fluctuates in line with metal prices and foreign currency movements, resulting in this class of financial asset being measured at fair value through profit or loss.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for credit losses. Other receivables are classified as assets with a low credit risk as such the probability of default is nil and therefore the expected credit losses are insignificant.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>10 CURRENT TAX (RECEIVABLE)/PAYABLE</b>				
Current tax payable at the beginning of the year	10 383	4 216	-	-
Charge to profit or loss (note 28)	258 114	100 222	49 275	12 150
Foreign currency exchange gains	(2 457)	(5 456)	-	-
Payments made during the year	(289 500)	(88 599)	(49 275)	(12 150)
Current tax (receivable)/payable at the end of the year	(23 460)	10 383	-	-

The exchange gains arose from the settlement and translation of ZW\$ denominated income tax liabilities to US\$.

### AP Accounting Policy

#### Current tax

The tax currently (receivable)/payable is based on taxable profit for the year and provisional taxes paid during the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's asset or liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on objective, unbiased interpretation of the fiscal legislation, informed by specialist independent tax and legal advice.

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>11 EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
<b>Equity instruments</b>				
Investment in Impala Platinum Holdings Limited ('Implats') listed shares	4 254	8 640	4 254	8 640
The movement in equity instruments at fair value through profit or loss is as follows:				
At the beginning of the year	8 640	-	8 640	-
Acquisitions	-	9 129	-	9 129
Fair value adjustments (note 24, 25)	5 941	(489)	5 941	(489)
Disposals	(10 327)	-	(10 327)	-
At the end of the year	4 254	8 640	4 254	8 640

During the prior year, the Company acquired shares in Implats pursuant to the Implats Group Bonus Share Plan. The shares are held to be distributed to the Group's employees in terms of the rules of the scheme on vesting (note 17).

Refer to note 32 for fair value and financial risk disclosures.

### AP Accounting Policy

#### Equity instruments measured at fair value through profit or loss

Financial assets that are not measured at amortised cost or at fair value through other comprehensive income are classified as measured at fair value through profit or loss. These included the Company's investment in Impala Platinum Holdings Limited listed shares. The Group presents changes in the fair value of equity investments held for trading in profit or loss due to the Group's business model.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>12 CASH AND CASH EQUIVALENTS</b>				
Cash at bank	344 802	135 795	237 942	45 193
Cash on hand	13	22	-	-
Cash and balances with banks	344 815	135 817	237 942	45 193
Bank overdraft	-	(7 275)	-	-
Cash and cash equivalents	344 815	128 542	237 942	45 193
Cash and bank balances are denominated in US\$ except the net exposures to foreign currency detailed below:				
	ZW\$ 000	ZW\$ 000	ZW\$ 000	ZW\$ 000
Balances with banks (Zimbabwean dollars - ZW\$)	35 982	930	-	-
Bank overdraft (ZW\$)	-	(463 735)	-	-
	AUD 000	AUD 000	AUD 000	AUD 000
Balances with banks (Australian dollars - AUD)	65	23	65	23
	ZAR 000	ZAR 000	ZAR 000	ZAR 000
Balances with banks (South African Rands - ZAR)	1	1	1	1

Refer to note 32 for fair value and financial risk disclosures.

### AP Accounting Policy

Cash and cash equivalents comprise cash on hand and on demand bank deposits. Bank overdrafts are offset against cash and cash equivalents in the cash flow statement but included in current liabilities in the statement of financial position.

Cash and cash equivalents are measured at amortised cost.

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>13 SHARE CAPITAL AND SHARE PREMIUM</b>				
<b>Authorised</b>				
500 000 000 ordinary shares of US\$0.10 each	50 000	50 000	50 000	50 000
<b>Issued and fully paid</b>				
107 637 649 ordinary shares of US\$0.10 each	10 763	10 763	10 763	10 763
Share premium	89 166	89 166	89 166	89 166
At 30 June	99 929	99 929	99 929	99 929

The unissued shares are under the control of the directors subject to limitations imposed by the Companies (Guernsey) Law 2008 and the Memorandum and Articles of Incorporation.

### AP Accounting Policy

Ordinary shares are classified as equity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>14 ENVIRONMENTAL REHABILITATION PROVISION</b>				
At the beginning of the year	19 023	20 244	-	-
Change in estimate - rehabilitation asset (note 4)	745	(2 410)	-	-
Interest accrued - present value adjustment (note 27)	1 389	1 944	-	-
Payments made during the year	(901)	(755)	-	-
At the end of the year	20 256	19 023	-	-

The provision is based on a Mines and Environmental Rehabilitation Plan that was approved by the board of directors. It is mandatory for mines operating in Zimbabwe to have a plan for the rehabilitation of the environment in which they operate. The provision comprises the present value of the expected rehabilitation costs at the end of the life of the mine.

The current undiscounted cost of the rehabilitation estimate is US\$38.5 million (2020: US\$38.5 million).

### AP Accounting Policy

#### Environmental rehabilitation provision

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

The expected decommissioning or rehabilitation cost, discounted to its net present value, is provided when the related environmental disturbance occurs, based on the Group's interpretation of environmental and regulatory requirements and its own environmental policies where these are more stringent and this has created an obligation on the Group. The cost is capitalised where it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost, apart from unwinding the discount, which is recognised in the income statement as a finance cost, is also capitalised. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site. The provision is reviewed annually to take into account the effects of changes in the estimates.

Where there is a change in the expected decommissioning and restoration costs, an adjustment is recorded against the carrying value of the provision and any related asset, and the effect is then recognised in the income statement on a prospective basis over the remaining life of the operation.

The provisions referred to above do not include any amounts related to remediation costs associated with unforeseen circumstances. The costs of other activities to prevent and control pollution and to rehabilitate the environment that are not included in provisions are charged to the statement of profit or loss as incurred.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

### EJ Areas of judgement and estimates

#### Environmental rehabilitation provisions

The Group's mining and processing activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life-of-mine estimates (note 4) 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. Estimates are determined by independent environmental specialists in accordance with environmental regulations. Provisions for future rehabilitation costs have been determined, based on calculations which require the use of estimates.

The pre-tax discount rate used was 7.3% (2020: 7.3%) at the time of calculation. The net present value of current rehabilitation estimates is based on the assumption of a long-term real discount rate of 2.0% (2020: 2.0%).

At 30 June 2021, if the discount rate had decreased by 2% with all other variables held constant, the present value of the current rehabilitation estimate would have been US\$23.8 million.

At 30 June 2021, if the discount rate had increased by 2% with all other variables held constant, the present value of the current rehabilitation estimate would have been US\$18.4 million.

### 15 DEFERRED TAX

The analysis of deferred tax assets and liabilities is as follows:

Deferred tax assets

Recoverable within 12 months

Recoverable after 12 months

#### Deferred tax liabilities

To be settled within 12 months

To be settled after 12 months

Deferred tax liabilities (net)

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

At the beginning of the year

Charged to profit or loss (note 28)

At the end of the year

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
	(13 687)	(11 623)	-	-
	(5 702)	(5 599)	-	-
	(19 389)	(17 222)	-	-
	8 310	32 615	-	-
	291 425	285 641	-	-
	299 735	318 256		
	280 346	301 034	-	-
	301 034	288 866	-	-
	(20 688)	12 168	-	-
	280 346	301 034	-	-

## Notes to the financial statements (continued)

For the year ended 30 June 2021

The movement in deferred tax assets and liabilities during the year without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

### Deferred tax assets

	Environmental rehabilitation provision US\$ 000	Share based compensation US\$ 000	Leave pay US\$ 000	Lease Liabilities and other provisions US\$ 000	Total US\$ 000
As at 1 July 2019	(5 213)	(2 959)	(2 278)	(3 101)	(13 551)
Credited to profit or loss	(6)	(1 815)	(2)	(1 848)	(3 671)
As at 30 June 2020	(5 219)	(4 774)	(2 280)	(4 949)	(17 222)
Charged/(credited) to profit or loss	213	(2 750)	(160)	530	(2 167)
As at 30 June 2021	(5 006)	(7 524)	(2 440)	(4 419)	(19 389)

Other provisions comprise the tax effects on audit fees and bonus provision balances. The directors believe that sufficient future taxable profits will be available to utilise the deferred tax assets.

### Deferred tax liabilities

	Accelerated tax depreciation US\$ 000	Prepayments US\$ 000	Inventory consumables US\$ 000	Exchange gains US\$ 000	Total US\$ 000
As at 1 July 2019	285 439	-	12 234	4 744	302 417
Charged/(credited) to profit or loss	201	5 349	(12 234)	22 523	15 839
As at 30 June 2020	285 640	5 349	-	27 267	318 256
Charged/(credited) to profit or loss	5 783	2 556	-	(26 860)	(18 521)
As at 30 June 2021	291 423	7 905	-	407	299 735

#### AP Accounting Policy

##### Deferred tax

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

Deferred tax assets are recognised only if it is probable that future taxable income will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends to settle the balance on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>16 BORROWINGS</b>				
<b>Non-current</b>				
Lease liability	559	2 412	-	-
<b>Current</b>				
Lease liability	2 221	2 221	-	-
<b>Total</b>	<b>2 780</b>	<b>4 633</b>	<b>-</b>	<b>-</b>
The movement in borrowings is as follows:				
At the beginning of the year	4 633	42 500	-	-
Lease liabilities	4 633	-	-	-
Bank borrowings	-	42 500	-	-
Leases capitalised (note 4)	-	6 320	-	-
Interest accrued (note 27)	367	2 334	-	-
Lease liabilities	367	534	-	-
Bank borrowings	-	1 800	-	-
Repayments	(2 220)	(46 521)	-	-
Capital: Bank borrowings	-	(42 500)	-	-
Capital: Lease liability	(1 853)	(1 687)	-	-
Interest	(367)	(2 334)	-	-
At the end of the year	<b>2 780</b>	<b>4 633</b>	<b>-</b>	<b>-</b>

The maturity analysis for the Group's leases as at the end of the reporting period is as follows:

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
On demand and up to 6 months	997	907	-	-
6 months to 1 year	1 046	950	-	-
1 year to 2 years	737	2 042	-	-
2 years to 5 years	-	734	-	-
	<b>2 780</b>	<b>4 633</b>	<b>-</b>	<b>-</b>

The maturity analysis for the Group's lease payments as at the end of the reporting period is as follows:

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
On demand and up to 6 months	1 110	1 110	-	-
6 months to 1 year	1 110	1 110	-	-
1 year to 2 years	750	2 220	-	-
2 years to 5 years	-	750	-	-
	<b>2 970</b>	<b>5 190</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

### 16.1 Bank borrowings

Bank borrowings comprised a loan facility for general business purposes from Standard Bank of South Africa Limited. The loan was guaranteed by Impala Platinum Holdings Limited.

The loan was a revolving facility of US\$85 million and bore interest at 3 months LIBOR plus 7% per annum. The first capital repayment installment amounting to US\$42.5 million was made during the year ended 30 June 2019 and the balance of US\$42.5 million was paid in December 2019.

The Group had no undrawn bank borrowing facilities at 30 June 2021 and 30 June 2020.

### 16.2 Leasing activities

The Group had two leases deemed as material as at 30 June 2020, as follows:

#### Ore and concentrates haulage

The Group has a contract for haulage trucks used for the transportation of ore and concentrates between Ngezi and the Selous Metallurgical Complex. The contract has a period of five years from 1 November 2017 to 31 October 2022. As at 30 June 2021, the present value of the lease liability was US\$2.7 million (2020: US\$4.3 million) at a discount rate of 9.6%.

#### Borrowdale Office Park

The lessor and Zimplats entered into a lease agreement in which Zimplats leases premises measuring 1 146m<sup>2</sup> – situated at stand 19308, Borrowdale Office Park – 1st Floor, South block, Borrowdale, Harare for the purposes of administration offices. The lease contract was initially for five years to November 2018 and has since been extended to November 2022. As at 30 June 2021, the present value of the lease liability was US\$0.1 million (2020: US\$0.3 million) at a discount rate of 9.6%.

## AP Accounting Policy

### Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

### Leases

The Group assesses whether a contract is, or contains, a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

Lease liabilities are initially measured at the present value of the contractual lease payments due over the lease term, discounted using the rate implicit in the lease. If this rate is not readily determinable, the lessee's incremental borrowing rate is used. Variable lease payments are included in the measurement of the lease liability if they depend on an index or rate at date of commencement. The initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability includes:

- amounts expected to be payable under any residual value guarantee;
- exercise price of any purchase option if the lessee is reasonably certain to exercise the option; and
- penalties payable for terminating the lease, if the term of the lease reflects the termination option.

Right-of-use assets are initially measured at the value of the corresponding lease liability at initial measurement, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs; and
- the amount of any provision recognised where the lessor is contractually required to dismantle, remove or restore the leased asset.

The right-of-use assets are included in property, plant and equipment (note 4).

Lease payments are subsequently allocated between the lease liability and finance cost. The finance cost is charged to profit or loss over the lease period at a constant periodic rate of interest on the remaining balance of the liability. The right-of-use asset is subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

When the lessee revises its estimate of the term of any lease due to changes in the probability of a lease extension or termination option being exercised, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the revised discount rate at remeasurement.

The carrying value of lease liabilities are similarly revised when the variable element of future lease payments dependent on a rate or index is revised, using the revised discount rate on commencement of lease. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the revised remaining lease term.

The Group has no arrangements where it is a lessor.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>17 SHARE BASED COMPENSATION</b>				
At the beginning of the year	18 516	11 488	-	-
Charged to the statement of profit or loss	45 044	20 448	-	-
Payments to employees during the year	(33 145)	(13 420)	-	-
At the end of the year	30 415	18 516	-	-
Current liabilities	27 291	16 508	-	-
Non-current liabilities	3 124	2 008	-	-
	30 415	18 516	-	-

During the year ended 30 June 2021, the Group had the following cash settled share-based payment arrangements.

Type of arrangement	LTIP - CSP	LTIP - BSP	LTIP - PSP
Date of grant	Various since November 2012	Various since November 2018	Various since November 2018
Number of shares in issue	2 172 995	696 283	790 529
Carrying amount	US\$130 000 (2020: US\$6 748 000)	US\$7 605 000 (2020: US\$5 824 000)	US\$9 390 000 (2020: US\$1 323 000)
Average contractual life	The conditional shares are full value shares, with a nil exercise price. The contractual life ends on the vesting date.	Two years vesting period whereby 50% vests in the first year and the remaining in the following year.	Three years The conditional shares are full value shares, with a nil exercise price. The contractual life ends on the vesting date.
Vesting conditions	Three years service and achievement of a target total shareholder return for the CSP 2 plan. There are no performance conditions under the CSP 1 plan.	Two years vesting period whereby 50% vests in the first year and the remaining 50% in the following year. There are no performance conditions.	Three years service and achievement of a target total shareholder return and return on capital employed for the performance period.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

Type of arrangement	LTIP - SAR - new	LTIP - SAR - run off
Date of grant	Various since November 2012	Various since May 2010
Number of shares in issue	730 684	431 785
Carrying amount	US\$10 038 000 (2020: US\$3 537 000)	US\$3 252 000 (2020: US\$1 084 000)
Average contractual life	Three years before vesting and another three years before lapse	Lapse ten years after issue: <ul style="list-style-type: none"> <li>• First 25% lapse eight years after vesting</li> <li>• Second 25% lapse seven years after vesting</li> <li>• Third 25% lapse six years after vesting</li> <li>• Fourth 25% lapse five years after vesting</li> </ul>
Vesting conditions	Three years service and achievement of a target total shareholder return for the performance period.	<ul style="list-style-type: none"> <li>• First 25% after two years' service</li> <li>• Second 25% after three years' service</li> <li>• Third 25% after four years' service</li> <li>• Fourth 25% after five years' service</li> </ul>

### Share appreciation rights

The fair value of share appreciation rights is calculated using the binomial option pricing model. The average inputs into this model for the share appreciation cash plans are as follows:

	Note	LTIP - SAR - New		LTIP - SAR - Run off	
		2021	2020	2021	2020
Weighted average option value (ZAR)	i)	196.68	78.06	79.49	14.71
Weighted average share price on valuation date (ZAR)	ii)	235.49	116.00	235.49	116.00
Weighted average exercise price (ZAR)	iii)	38.81	37.81	156.00	171.30
Volatility	iv)	48.91	60.68	48.91	60.68
Risk-free interest rate (%)		4.68	5.07	4.68	5.00

- i) The weighted average option values for cash settled shares are calculated on the reporting date.
- ii) The value of cash settled share appreciation rights are calculated at year end based on the year-end closing price.
- iii) The weighted average exercise price for cash-settled shares is calculated taking into account the exercise price on each grant date.
- iv) Volatility for cash shares is the four hundred day average historical volatility on those major shareholders' shares on each valuation date.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

Further details of the share based payment arrangement are as follows:

	2021	2021	2020	2020
	Number	Weighted	Number of	Weighted
	of options	average	options	average
		exercise		exercise
		price		price
		ZAR		ZAR
<b>Conditional share plan (LTIP - CSP)</b>				
Outstanding at start of year	3 714 146	-	4 194 816	-
Granted	-	-	330 217	-
Forfeited	(50 233)	-	-	-
Exercised	(1 490 918)	-	(810 887)	-
Outstanding at end of year	2 172 995	-	3 714 146	-
Exercisable at end of year	-	-	-	-
<b>Bonus share plan (LTIP - BSP)</b>				
Outstanding at start of year	1 279 110	-	1 795 345	-
Granted	438 388	-	518 416	-
Forfeited	-	-	(173 257)	-
Exercised	(1 021 215)	-	(861 394)	-
Outstanding at end of year	696 283	-	1 279 110	-
Exercisable at end of year	-	-	-	-
<b>Performance share plan (LTIP - PSP)</b>				
Outstanding at start of year	1 024 363	-	853 839	-
Granted	148 240	-	170 524	-
Forfeited	(382 074)	-	-	-
Exercised	-	-	-	-
Outstanding at end of year	790 529	-	1 024 363	-
Exercisable at end of year	-	-	-	-
<b>Share appreciation rights (LTIP - SAR - new)</b>				
Outstanding at start of year	1 151 687	37.81	1 735 233	44.20
Granted	-	-	-	-
Forfeited	(248 205)	36.08	(522 337)	37.81
Exercised	(172 798)	36.08	(61 209)	37.81
Outstanding at end of year	730 684	36.08	1 151 687	37.81
Exercisable at end of year	-	-	239 354	37.81
<b>Share appreciation rights (LTIP - SAR - run-off)</b>				
Outstanding at start of year	1 281 223	171.30	1 917 614	183.84
Forfeited	(685 134)	-	(636 391)	171.30
Exercised	(164 304)	156.00	-	-
Outstanding at end of year	431 785	156.00	1 281 223	171.30
Exercisable at end of year	431 785	156.00	1 281 223	171.30

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

### AP Accounting Policy

#### Cash-settled share based payments

The long-term incentive plans set out below are classified as cash-settled share based payments. The obligation to settle the shares under the long-term incentive plans lies with the Group notwithstanding that participants are awarded Implata Platinum Holdings Limited shares.

#### Long-term Incentive Plan

##### Long-term Incentive Plan 2018

#### Performance share award

The performance shares are Implata shares purchased by the Group, awarded free of charge to designated participants, at a vesting period determined at the discretion of the remuneration committee. On the date of award, participants are only granted conditional rights to acquire these shares at a future date, and are not entitled to any shareholder rights prior to vesting date. For the shares to vest, participants must remain employed by a company in the Implata Group and subject to the satisfaction of the performance condition measured over the performance period.

#### Bonus share award

The bonus share award is also comprised of fully paid shares awarded free of charge to participants at the end of a two-year vesting period. 50% of the awarded shares vest one year after date of the award, and the remaining 50% at the end of two years after the award date. At the date of award, participants are only granted conditional rights to acquire these shares at a future date, and are not entitled to any shareholder rights prior to vesting date. For the shares to vest, participants are primarily required to remain employed by a company in the Implata Group.

##### Long-term Incentive Plan 2012

#### Conditional share plan (LTIP – CSP)

Fully paid shares are awarded free of charge to the participants at the end of a three-year vesting period. On the date of award, participants are only granted conditional rights to acquire these shares at a future date, and only become shareholders with dividend and voting rights from vesting onwards. There are two CSPs in effect. For the shares to vest in both instances, participants must remain employed by a company in the Implata Group but, for certain of these shares, vesting of the shares are subject to the achievement of defined performance vesting conditions over the performance period.

#### Share Appreciation Rights (LTIP – SAR)

Conditional rights are awarded to participants to receive shares in Implata. The number of shares awarded are calculated with reference to the increase in the share price from the award date until the date on which the SAR is exercised by the participants. A three-year vesting period applies, during which time the participants have no rights in respect of the underlying shares. Vesting is conditional on continued employment and a prescribed level of corporate performance. The participants are only entitled to exercise the SARs subsequent to and to the extent that vesting has taken place. Participants become shareholders following the exercise of the SARs. All unexercised SARs lapse after six years from date of allocation.

### EJ Areas of judgement and estimates

The fair value of the share-based payments were calculated using the binomial option model for non-vested shares, except for full value shares which are valued using the share price on valuation date, adjusted for the present value of expected dividends during the vesting period as well as performance conditions. The inputs into the model for valuation of SARs are detailed above.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>18 TRADE AND OTHER PAYABLES</b>				
Trade payables	49 908	26 209	-	-
Leave liability*	9 861	8 853	-	-
Royalty and commission payable	16 451	11 731	-	-
Amounts due to related parties (note 33.2d)	1 456	10 723	-	-
Accruals	18 691	25 215	274	140
Other payables	1 792	1 881	28	-
	<b>98 159</b>	<b>84 612</b>	<b>302</b>	<b>140</b>
Trade payables are unsecured, non-interest bearing and are normally settled within 30 days from the invoice date. The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short term nature.				
The payables are denominated in different currencies as follows:				
United States Dollars	57 813	48 859	261	110
South African Rands	21 955	18 304	-	-
Zimbabwean Dollars	15 856	16 941	-	-
Euro	2 494	478	-	-
Australian dollars	41	30	41	30
	<b>98 159</b>	<b>84 612</b>	<b>302</b>	<b>140</b>
In the statement of cash flows, movement in trade and other payables comprises:				
Movement as per the statement of financial position	13 548	1 641	162	(240)
Unrealised foreign currency exchange gains	(255)	1 725	-	-
	<b>13 293</b>	<b>3 366</b>	<b>162</b>	<b>(240)</b>

\*Employee entitlements to annual leave are recognised on an ongoing basis. The liability for annual leave as a result of services rendered by employees (leave liability) is accrued up to the reporting date. The movement in the leave liability is as follows:

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>Leave liability</b>				
Movement in the provision for leave pay is as follows:				
At the beginning of the year	8 853	8 847	-	-
Used in the current year	(4 499)	(5 061)	-	-
Charged to the statement of profit or loss	5 507	5 067	-	-
	<b>9 861</b>	<b>8 853</b>	<b>-</b>	<b>-</b>

### AP Accounting Policy

#### Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within two months of recognition. Trade and other payables are classified as current liabilities unless payment is not due within twelve months after the reporting date.

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

## Notes to the financial statements (continued)

For the year ended 30 June 2021

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>19 REVENUE</b>				
Revenue from contracts with customers	1 181 329	821 814	-	-
Revenue from movements in commodity prices	172 463	47 098	-	-
	<b>1 353 792</b>	<b>868 912</b>	-	-
The Group derives its revenue from the following metal products:				
Palladium	498 851	388 366	-	-
Rhodium	440 305	160 162	-	-
Platinum	246 057	195 999	-	-
Nickel	63 587	52 506	-	-
Gold	49 889	44 993	-	-
Iridium	25 000	2 865	-	-
Copper	23 419	15 286	-	-
Ruthenium	5 949	8 251	-	-
Silver	412	247	-	-
Cobalt	323	237	-	-
	<b>1 353 792</b>	<b>868 912</b>	-	-
The Company derives its revenue from dividend income: Zimbabwe Platinum Mines (Private) Limited			328 500	81 000

### AP Accounting Policy

The Group sells white matte or concentrate which primarily consists of platinum, palladium, rhodium, iridium, ruthenium and associated metals (nickel, gold, copper, cobalt and silver). The products are sold to one customer, Impala Platinum Limited ('Impala'), a fellow subsidiary in South Africa, under the terms of a contract. Performance obligations included in the sales contract are assessed to allocate the transaction price to the performance obligation in order to determine revenue to be recognised.

#### Revenue from contracts with customers

Revenue from the sale of white matte and concentrate is recognised when the product has been delivered to Impala where it is subjected to further processing in accordance with contractual terms. This is the point at which the performance obligation is satisfied and a receivable is recognised as the consideration is unconditional and only the passage of time is required before payment is due. No element of financing is present due to short term nature of Group contracts and credit terms are consistent with market practice. Prices of the individual extracted metals are based on observable spot prices. Quantities of the metals contained in the white matte and concentrate are obtained from the assay report results from both the Group and Impala and agreed by the two parties.

#### Revenue from movements in commodity prices

The sales price is determined on a provisional basis at the date of the sale, with adjustments made to the sale price based on movements in quoted market prices up to the date of final pricing.

#### Dividend income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

## Notes to the financial statements (continued)

For the year ended 30 June 2021

### EJ Areas of judgement and estimates

#### Significant judgements made in applying IFRS 15 to contracts with customers

The Group has recognised revenue amounting to US\$1.35 billion (2020: US\$869 million) for metal sales to Impala. Sales to Impala are governed by a contract which stipulates when payments are to be received and the prices to be effected. During the course of the year, assays performed by the Group are compared against those done by Impala and averages for both parties are used to determine sales volume. The Group believes that, based on past experience, these assays will not vary significantly.

At year end, deliveries to Impala (based on the lower of assays between Impala and the Group), for which actual prices are not yet certain, are valued using average metal prices for the month of June 2021. Appropriate adjustments will be made in the following year when they fall due for payment. Total sales for the year comprise current year sales and prior year pipeline sales adjustments.

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>20 COST OF SALES</b>				
<b>Mining operations</b>	202 505	192 199	-	-
Employee benefit expenses (note 23)	57 382	51 818	-	-
Materials and other mining costs	136 773	132 543	-	-
Utilities	8 350	7 838	-	-
<b>Concentrating and smelting operations</b>	105 208	97 902	-	-
Employee benefit expenses (note 23)	16 394	15 024	-	-
Materials and consumables	53 245	50 825	-	-
Utilities	35 569	32 053	-	-
Depreciation	89 650	90 355	-	-
Movement in ore, concentrate and matte stocks	(27 362)	(23 381)	-	-
<b>Shared services</b>	116 086	85 117	-	-
Employee benefit expenses (note 23)	83 203	47 710	-	-
Insurance	8 620	7 772	-	-
Information, communication and technology	7 438	6 149	-	-
Selling and distribution expenses	3 175	8 231	-	-
Other costs	13 650	15 255	-	-
Royalty	49 214	30 906	-	-
Commission	11 429	7 260	-	-
	546 730	480 358	-	-

## Notes to the financial statements (continued)

For the year ended 30 June 2021

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>21 ADMINISTRATIVE EXPENSES</b>				
Corporate social responsibility costs	3 149	3 590	-	-
Employee benefit expenses	58	56	58	56
Insurance	238	211	238	211
Depreciation	439	478	125	116
Consulting fees	810	431	810	431
Non-executive directors' fees	394	372	391	371
Independent auditors' remuneration	257	292	66	77
Other corporate costs	263	281	190	57
	5 608	5 711	1 878	1 319
<b>22 NET FOREIGN EXCHANGE TRANSACTIONS</b>				
Unrealised foreign exchange (gains)/losses on the translation of the monetary assets and liabilities (net):	650	(9 196)	-	-
Trade and other receivables (note 9)	463	3 262	-	-
Trade and other payables (note 17)	255	(1 725)	-	-
Current income tax liabilities	(68)	(5 456)	-	-
Cash and cash equivalents	-	(5 277)	-	-
Realised foreign exchange losses/(gains) on translation of monetary assets and liabilities (net):	(432)	14 026	-	1
Trade and other receivables	7 681	7 937	-	-
Trade and other payables	(5 319)	4 026	-	-
Current income tax liabilities	(2 389)	-	-	-
Cash and cash equivalents	(405)	2 063	-	1
Foreign currency exchange losses (net)	218	4 830	-	1
For the purposes of the statement of cash flows, the foreign currency exchange adjustment comprises of:				
Unrealised foreign currency exchange (gains)/losses (net)	650	(3 919)	-	-
Realised foreign currency exchange gains on current income tax liabilities	(2 389)	-	-	-
Cash and cash equivalents	-	(5 277)	-	-
	(1 739)	(9 196)	-	-

## Notes to the financial statements (continued)

For the year ended 30 June 2021

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>23 EMPLOYEE BENEFIT EXPENSES</b>				
Wages and salaries	105 829	94 890	53	51
Share based payments (note 16)	45 034	20 448	-	-
Pension costs - defined contribution	6 174	5 858	5	5
	157 037	121 196	58	56
Employee benefit expenses have been disclosed as follows:				
Cost of sales:				
- Mining operations	57 382	51 818	-	-
- Concentrating and smelting operations	16 394	15 024	-	-
- Central services	83 203	54 298	-	-
Administrative expenses	58	56	58	56
	157 037	121 196	58	56
Average number of employees during the year	3 400	3 314	1	1

### AP Accounting Policy

#### Employee benefits

##### Short-term employee benefits

Short-term employee benefits comprise wages and salaries, accumulated leave pay, bonuses and any non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. Short term benefits are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as current employee benefit obligations in the statement of financial position. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

##### Pension obligations

The Group participates in defined contribution retirement plans.

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

Contributions paid to independently managed funds are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

### Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination and the entity has a detailed formal plan to terminate the employment of current employees and the Group can no longer withdraw the offer of those 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.

### Employee share ownership plan

The Group has in place an employee share ownership plan which holds 10% of the issued shares in the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited. This was done through the establishment of a trust, Zimplats Employee Share Ownership Trust (the "ESOT") which holds the shares for the benefit of the participating employees. The ESOT is consolidated as it acts as an agent of the Group.

The ESOT was established in Zimbabwe and its beneficiaries are the permanent employees (excluding the executive directors and company secretary) of the Company.

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>24 OTHER EXPENSES</b>				
Ngwarati high wall repairs	1 640	-	-	-
Care and maintenance costs for Hartley Platinum Mine	926	683	-	-
Loss on re-measurement of equity instruments at fair value through profit or loss (note 11)	-	489	-	489
Loss on disposal of property, plant and equipment	61	6	-	-
Other expenses	-	193	-	-
	2 627	1 371	-	489
<b>25 OTHER INCOME</b>				
Gain on re-measurement equity instruments at fair value through profit or loss (note 11)	5 941	-	5 941	-
Other income	444	609	-	-
	6 385	609	5 941	-

## Notes to the financial statements (continued)

For the year ended 30 June 2021

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>26 FINANCE INCOME</b>				
Interest earned on cash and cash equivalents	32	8	-	8
Interest earned on staff vehicle loan scheme	6	76	-	-
	38	84	-	8

### AP Accounting Policy

#### Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>27 FINANCE COSTS</b>				
Interest expense on bank overdraft	2 728	561	-	-
Interest expense on bank borrowings (note 16)	-	1 800	-	-
Unwinding of the environmental rehabilitation provision (note 14)	1 389	1 944	-	-
Interest expense on leases (note 16)	367	534	-	-
Borrowing costs capitalised (note 4*)	-	(1 734)	-	-
	4 484	3 105	-	-

\*No interest was capitalised in 2021 as bank borrowings were repaid in full in 2020. The average rate calculated for the capitalisation of borrowing costs for the year ended 30 June 2021 was nil (2020: 4.1%). Interest was capitalised insofar as qualifying capital expenditure was incurred.

### AP Accounting policy

#### Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use.

Other borrowing costs are expensed in the period in which they are incurred.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>28 INCOME TAX EXPENSE</b>				
Corporate tax:	203 364	86 723	-	-
- Current tax on profits for the year	200 499	84 345	-	-
- Adjustment in respect of prior years	2 865	2 378	-	-
Withholding tax	54 750	13 500	49 275	12 150
Total current tax	258 114	100 223	49 275	12 150
Deferred tax (note 15)	(20 688)	12 168	-	-
Temporary differences	(8 647)	15 329	-	-
Adjustment in respect of prior years	-	(3 161)	-	-
Change in tax rate	(12 041)	-	-	-
Total income tax expense	237 426	112 391	49 275	12 150
Reconciliation of tax charge:				
The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted tax rate applicable to profits for the Group of 24.72% (2020: 25.75%) as follows:				
Profit before income tax	800 548	374 230	329 497	79 199
Notional tax on profit for the year based on weighted tax rate	197 896	96 364	-	-
Tax effect of:				
Withholding tax on interest and dividends	54 750	13 500	49 275	12 150
Expenses not deductible for tax purposes	8 599	4 047	-	-
- Renewals	4 422	-	-	-
- ESOT dividend subject to withholding tax	2 059	492	-	-
- Donations	807	924	-	-
- Disallowed pension costs	441	483	-	-
- HMZ depreciation	356	415	-	-
- Corporate costs	514	466	-	-
- Exchange differences	-	1 005	-	-
- Other	-	262	-	-
Deferred tax adjustment due to change in tax rate	(12 041)	-	-	-
Exchange differences - change in tax computation methodology	(12 468)	-	-	-
Gain on re-measurement of equity instruments at fair value	(1 469)	-	-	-
Adjustment in respect of prior years - corporate tax	2 865	2 378	-	-
Adjustment in respect of prior years - deferred tax	-	(3 161)	-	-
Utilisation of HMZ tax loss	(706)	(737)	-	-
Income tax expense	237 426	112 391	49 275	12 150

The statutory tax rate for the Company is 0% as it is domiciled in Guernsey. The statutory tax rate of the Group's major operating subsidiary is 24.72% (2020: 25.75%).

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

### EJ Areas of judgement and estimates

#### Income tax

Income tax includes current tax, deferred tax and withholding taxes. Current tax is calculated by applying enacted or substantively enacted tax rates to taxable income, including adjustments to tax payable in respect of prior years.

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially reported, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

### 29 EARNINGS PER SHARE

#### 29.1 Basic earnings per share

Basic earnings per ordinary share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	2021	2020	2021	2020
Profit attributable to equity holders of the Company (US\$ 000)	563 122	261 839	280 222	67 049
Weighted average number of ordinary shares in issue	107 637 649	107 637 649	107 637 649	107 637 649
Basic earnings per share (cents)	523	243	260	62

#### 29.2 Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group did not have any shares with a potential dilutive impact (2020: nil).

	Group		Company	
	2021	2020	2021	2020
Profit attributable to equity holders of the Company (US\$ 000)	563 122	261 839	280 222	67 049
Weighted average number of ordinary shares in issue	107 637 649	107 637 649	107 637 649	107 637 649
Diluted earnings per share (cents)	523	243	260	62

## Notes to the financial statements (continued)

For the year ended 30 June 2021

	Note	Group		Company	
		30 June 2021 US\$ 000	30 June 2020 US\$ 000	30 June 2021 US\$ 000	30 June 2020 US\$ 000
<b>30 Cash generated from operations</b>					
Profit before income tax		800 550	374 230	329 497	79 199
<b>Adjustments for:</b>					
Depreciation	4	90 088	91 018	125	117
Provision for obsolete inventories	7	-	1 736	-	-
Provision for share based compensation	17	45 044	20 448	-	-
Foreign currency exchange adjustment	22	(1 739)	(9 196)	-	-
Loss on disposal of property, plant and equipment	24	61	6	-	-
Impairment of investment in subsidiary	5	-	-	3 066	-
Profit on disposal of subsidiary	5	(58)	-	-	-
(Gain)/loss on remeasuring of equity instruments at fair value through profit and loss	11	(5 941)	489	(5 941)	489
Finance income	26	(38)	(84)	-	(8)
Finance costs	27	4 484	3 105	-	-
<b>Changes in operating assets and liabilities</b>					
Increase in inventories	7	(40 647)	(38 068)	-	-
(Increase)/decrease in prepayments		(17 273)	(1 203)	214	(82)
(Increase)/decrease in trade and other receivables	9	(108 607)	(83 825)	(6 018)	25 503
Decrease in other financial assets		69	2 031	-	-
Increase/(decrease) in trade and other payables	18	13 293	3 366	162	(240)
Net cash generated from operations		779 286	364 053	321 105	104 978

### 31 CONTINGENCIES

#### 31.1 Contingent liabilities

At year-end the Group had contingent liabilities in respect of matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

#### 31.2 Uncertain tax matters

The Group has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. The fiscal legislation in Zimbabwe is volatile, highly complex and subject to interpretation. From time to time, the Group is subject to a review of its historic income tax returns and in connection with such reviews, disputes can arise with the Zimbabwe Revenue Authority ('ZIMRA') over the interpretation and/or application of certain legislation.

Significant judgement is required in determining the provision for income taxes due to the complexity and differences of interpretation of fiscal legislation, and application which may require determination through the courts. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for anticipated tax audit issues and uncertain tax positions based on estimates of whether additional taxes will be due. The assessment is based on objective, unbiased interpretation of the fiscal legislation, informed by specialist independent tax and legal advice. Where, ZIMRA as the tax authority makes an assessment that differs from that determined and initially recorded by the company, such difference in computation will impact the income tax expenses and liabilities in the period in which such determination is made.

The matter of the currency in which income taxes and royalties should be paid was settled amicably during the year.

Irrespective of whether potential economic outflows of matters have been assessed as probable or possible, individually significant matters are included below to the extent that disclosure does not prejudice the Group.

#### 31.3 Matters before the courts

The Group filed legal proceedings in the Special Court for Income Tax Appeals and the Supreme Court of Zimbabwe in relation to various historical income tax matters and these cases are pending in the courts. The Group has on a without prejudice basis settled the disputed liabilities involved in these cases and therefore, no further liabilities will arise in respect of these disputed tax matters.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

### 32 FINANCIAL RISK MANAGEMENT

#### 32.1 Financial Instruments

##### Background and basis of preparation

The impact of COVID-19 should already be priced into the inputs, which for the Group, mostly relates to securities and commodity price risks used in the level 1 and 2 fair valuation techniques as determined by the market. The Group has no financial assets valued using level 3 valuation techniques.

The following table summarises the Group's classification of financial instruments:

	2021 US\$ 000	2020 US\$ 000
<b>Assets as per statement of financial position</b>		
<b>At amortised cost</b>		
Other financial assets (note 6)	232	301
Other receivables (note 9)	1 946	2 450
Cash and cash equivalents (note 12)	344 815	135 817
	346 993	138 568
<b>At fair value through profit or loss</b>		
Trade receivables (note 9)	374 406	280 457
Equity instruments (note 11)	4 254	8 640
	378 660	289 097
Total financial assets	725 652	427 665
<b>Liabilities as per statement of financial position</b>		
Financial liabilities at amortised cost		
Lease liabilities (note 16)	2 780	4 633
Bank overdraft (note 12)	-	7 275
Trade and other payables (excluding statutory liabilities)	82 034	72 622
Total financial liabilities	84 814	84 530

##### Fair value

IFRS establishes a fair value hierarchy that categorises the inputs to valuation techniques used to measure fair value into three levels:

- Level 1 – Quoted prices in active markets for the same instrument
- Level 2 – Valuation techniques for which significant inputs are based on observable market data
- Level 3 – Valuation techniques for which any significant input is not based on observable market data.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

The following financial instruments are carried at fair value:

	2021 US\$ 000	2020 US\$ 000	Fair value hierarchy	Valuation technique and key inputs
<b>Financial assets at fair value through profit or loss</b>				
Trade receivables (note 9)	374 406	280 457	Level 2	Quoted market metal price and estimates of metals contained in matte/concentrate sold
Equity instruments (note 11)	4 254	8 640	Level 1	Quoted market price for the same instrument
	<b>378 660</b>	<b>289 097</b>		

The carrying amount of financial assets and liabilities which are not carried at fair value is a reasonable approximation of their fair value.

There have been no transfers between fair value hierarchy levels in the current year.

### 32.2 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's future financial performance. The primary objective of the financial risk management function is to establish risk limits and to ensure that risks stay within limits.

Risk management is carried out by the audit and risk committee under policies approved by the board of directors. The audit and risk committee identifies and evaluates financial risks in close cooperation with management.

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

#### 32.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from open positions in foreign currencies, interest bearing liabilities and commodity prices to the extent that these are exposed to general and specific market movements.

##### (i) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk and currency risk whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all financial instruments traded in the market.

The Group is exposed to commodity price risk as trade receivables include pipeline sales amounting to US\$226.7 million (2020: US\$264.5 million) which will be re-measured at future metal prices according to the sales contract with Impala. Metals sold, for which actual prices are not yet certain, are valued using average prices for the month of June with reference to the international market. The Group is therefore exposed to the risk of external price volatility (price takers).

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

The following demonstrates the sensitivity of pipeline sales included in trade receivables, for which actual prices are not yet certain, at the reporting date to a 10% change in metal prices on profitability, with all other variables held constant:

	2021 US\$ 000	2020 US\$ 000
<b>Effect on profit before income tax</b>		
Rhodium	9 485	1 408
Palladium	6 921	5 546
Platinum	3 317	11 209
Nickel	940	6 028
Gold	662	1 334
Copper	370	450
Cobalt, Iridium, Ruthenium and Silver	973	473
Total	22 668	26 448

### (ii) Foreign exchange risk

Foreign exchange risk is the risk arising from fluctuations in foreign exchange rates and their effect on future commercial transactions or recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures on purchases that are denominated in currencies other than the US\$, primarily with respect to contracts with suppliers of goods and services mainly denominated in the South African Rand (ZAR) and Zimbabwean Dollar (see note 17). The Group does not use forward exchange contracts to hedge its foreign currency risk.

At 30 June 2021, if the US\$ had weakened/strengthened by 20% (2020: 20%) against the South African Rand with all other variables held constant, post-tax profit for the year would have been US\$3.06 million (2020: US\$2.04 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of ZAR denominated trade payables.

At 30 June 2021, if the US\$ had weakened/strengthened by 50% (2020: 50%) against the Zimbabwe Dollar with all other variables held constant, post-tax profit for the year would have been US\$0.37 million (2020: 2.11 million) higher/lower.

### (iii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises from the bank overdraft. The bank overdraft, issued at a fixed rate, exposes the Group to fair value interest rate risk. The Group's US\$14 million bank overdraft facility is denominated in ZW\$. A treasury committee meets each month to discuss various scenarios including cash flow forecasts and projections, allocations of funds and other treasury related issues.

Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. The board of directors approve loans per the Group's approval framework, including the interest rate terms, which are benchmarked against the London Inter- Bank Offered Rate ("LIBOR").

## Notes to the financial statements (continued)

For the year ended 30 June 2021

### Interest rate risk sensitivity analysis

The table below indicates the sensitivity to a 20% (2020: 20%) change in interest rates on the bank overdraft with all other variables held constant, of the Group's profit before income tax.

	2021 US\$ 000	2020 US\$ 000
<b>Interest rate change</b>		
20% (2020: 20%) increase	-	509
20% (2020: 20%) decrease	-	(509)

There is no interest rate risk as the Group did not have a bank overdraft as at year end.

### 32.2.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge a contract. Credit risk potentially arises from cash and cash equivalents, deposits with banks or financial institutions and trade and other receivables. The Group's cash and balances with banks are placed with high credit quality financial institutions. The sole customer of the Group is Impala based in South Africa, which is a fellow wholly owned subsidiary of Impala Platinum Holdings Limited, the majority shareholder of the Company. Based on historic default rates, there have been no impairments necessary (2019: US\$ nil) against trade receivables. The credit quality of the sole customer is considered to be sound and management does not expect any losses from non-performance.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Group's maximum exposure to credit risk by class of financial asset is as follows:

	2021 US\$ 000	2020 US\$ 000
Trade and other receivables (excluding value added tax)	376 352	282 907
Other financial assets	232	301
Cash and balances with banks (excluding cash on hand)	344 802	135 795
	721 386	419 003

### Credit quality of financial assets

The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

### Other receivables at amortised cost

Credit risk relating to other receivables comprises employee housing and car loans secured by a second bond over residential properties and certificate of title respectively. Ownership is only transferred after the loan has been paid in full. There is limited credit risk associated with loans and receivables from employees as repayments are deducted periodically through the payroll.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

### Cash and balances with banks

The Group holds accounts with large financial institutions with sound capital and financial cover and good credit ratings.

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
AA	105 864	69 816	-	-
A+	49	19 800	49	16
A	2	3	-	-
BB	-	993	-	-
BB-	238 887	45 183	237 894	45 177
	344 802	135 795	237 943	45 193

External ratings for financial institutions were based on Fitch and Moody'S and the Global Credit Rating Company ratings.

### 32.2.3 Liquidity risk

Liquidity risk is the risk that the Group may fail to meet its obligations when they fall due, the consequences of which may be the failure to meet obligations to creditors. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group identifies this risk through periodic liquidity gap analysis and the maturity profile of assets and liabilities. Where major gaps appear, action is taken in advance to close or minimise the gaps.

The treasury committee meets every month to review cash flow forecasts performed by the finance department. The finance department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities as well as ensure that the Group does not breach borrowing limits or covenants (where applicable). Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

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

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant. For borrowings, the cash flows have been estimated using the three months LIBOR applicable at the end of the reporting period.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

Group	On demand and up to 6 months US\$ 000	6 months to 1 year US\$ 000	1 year to 2 years US\$ 000	2 years to 5 years US\$ 000	Total contractual cash flows US\$ 000	Total carrying amount US\$ 000
<b>At 30 June 2021</b>						
<b>Liabilities</b>						
Lease liabilities	1 110	1 110	750	-	2 970	2 780
Trade and other payables (excluding statutory liabilities and provisions)	82 034	-	-	-	82 034	82 034
<b>Total liabilities</b>	<b>83 144</b>	<b>1 110</b>	<b>750</b>	<b>-</b>	<b>85 004</b>	<b>84 814</b>
<b>Assets</b>						
Trade and other receivables (excluding value added tax)	376 565	3	16	-	376 584	376 584
Cash and balances with banks	344 815	-	-	-	344 815	344 815
<b>Total assets</b>	<b>721 380</b>	<b>3</b>	<b>16</b>	<b>-</b>	<b>721 399</b>	<b>721 399</b>
<b>Liquidity surplus/(gap)</b>	<b>638 236</b>	<b>(1 107)</b>	<b>(734)</b>	<b>-</b>	<b>636 395</b>	<b>636 585</b>
<b>Cumulative liquidity surplus</b>	<b>638 236</b>	<b>637 129</b>	<b>636 395</b>	<b>636 395</b>		
<b>At 30 June 2020</b>						
<b>Liabilities</b>						
Lease liabilities	907	950	2 042	6	4 633	4 633
Bank overdraft	7 275	-	-	-	7 275	7 275
Trade and other payables (excluding statutory liabilities and provisions)	72 622	-	-	-	72 622	72 622
<b>Total liabilities</b>	<b>80 804</b>	<b>950</b>	<b>2 042</b>	<b>6</b>	<b>84 530</b>	<b>84 530</b>
<b>Assets</b>						
Trade and other receivables (excluding value added tax)	283 125	94	40	-	283 259	283 259
Cash and balances with banks	135 817	-	-	-	135 817	135 817
<b>Total assets</b>	<b>418 942</b>	<b>94</b>	<b>40</b>	<b>-</b>	<b>419 076</b>	<b>419 076</b>
<b>Liquidity surplus/(gap)</b>	<b>338 138</b>	<b>(856)</b>	<b>(2 002)</b>	<b>(6)</b>	<b>334 546</b>	<b>334 546</b>
<b>Cumulative liquidity surplus</b>	<b>338 138</b>	<b>337 282</b>	<b>335 280</b>	<b>335 274</b>		

The Group determines ideal weights for maturity time buckets which are used to benchmark the actual maturity profile. Maturity mismatches arising across the time buckets are managed through sales or advances from related parties. Mismatches arising from financing mismatches are managed through renewal of existing facilities or renegotiation of terms.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

### 32.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

The Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as debt divided by equity. The group excludes leases in its determination of net debt. Net debt to equity ratio as at 30 June 2021 was nil% (2020: nil%).

### AP Accounting Policy

#### Financial Instruments – General accounting policy

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contract. Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities other than financial assets and financial liabilities at fair value through profit or loss are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Financial assets

##### Classification

The Group classifies its financial assets in the following categories on the basis of both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets:

- Financial assets at fair value through profit or loss; and
- Financial assets at amortised cost.

Purchases and sales of investments are recognised on the trade date, being the date on which the Group commits to purchase or sell the asset. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the Group transfers the contractual rights to receive the cash flows of the financial asset, or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

#### Financial asset measured at amortised cost

Assets that are held for collecting contractual cash flows where those cash flows are comprised solely of payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income calculated on the effective interest rate method. Any gain or loss arising on derecognition is presented in other income and expense and foreign exchange gains and losses presented in foreign exchange transaction losses, directly in profit or loss. These assets with maturities greater than 12 months after the reporting date are classified as non-current assets.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

### 33 RELATED PARTIES

The Company is controlled by Impala Platinum BV which owns 87% of the ordinary shares of Zimplats Holdings Limited. The ultimate holding company is Impala Platinum Holdings Limited (incorporated in South Africa) which owns a 100% equity interest in Impala Platinum BV.

#### 33.1 Directors and key management personnel

The directors named in the directors' report held office as directors of the Company during the year ended 30 June 2021.

##### Transactions with directors and key management personnel

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

Fees paid during the year to non-executive directors totaled US\$394 000 (2020: US\$371 000). Remuneration to executive directors and key management personnel is analysed as follows:

	2021 US\$ 000	2020 US\$ 000
Short-term employee benefits	11 954	10 282
Post-employment benefits	1 252	1 033
Share-based payments	23 758	8 694
	36 964	20 009

An asset with a carrying value of US\$273 000 was disposed during the year in accordance with the Group's management tendering policy for an amount of US\$330 000. The transaction was at arm's length.

## Notes to the financial statements *(continued)*

For the year ended 30 June 2021

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>33.2 Related party transactions and balances</b>				
The following transactions were carried out with related parties:				
<b>a) Revenue</b>				
Sales of metal products to:				
Impala Platinum Limited (note 19)	1 353 792	868 912	-	-
Dividend income from Zimbabwe Platinum Mines (Private) Limited (note 19)	-	-	328 500	81 000
	<b>1 353 792</b>	<b>868 912</b>	<b>328 500</b>	<b>81 000</b>
<b>b) Support services</b>				
Services rendered to Zimbabwe Platinum Mines (Private) Limited by Impala Platinum Limited	2 510	1 207	-	-
Support services mainly relate to information, communication and technology systems.				
<b>c) Amounts due from related parties</b>				
Impala Platinum Limited: trade receivables (note 9)	374 406	280 457	-	-
The amounts due from Impala Platinum Limited are due three to five months after the date of sale. The trade receivables bear no interest.				
<b>d) Amounts due to related parties</b>				
Impala Platinum Limited	1 456	10 723	-	-

The amounts due to Impala Platinum Limited bear no interest and they are payable within 30 days of receipt of invoice, subject to exchange control approval.

## Notes to the financial statements (continued)

For the year ended 30 June 2021

	Group		Company	
	2021 US\$ 000	2020 US\$ 000	2021 US\$ 000	2020 US\$ 000
<b>34 DIVIDENDS</b>				
<b>Amounts recognised as distributions to equity holders in the year:</b>				
Interim dividend for the year ended 30 June 2021	45 000	-	45 000	-
Final dividend for the year ended 30 June 2020	43 999	-	43 999	-
Final dividend for the year ended 30 June 2019	-	45 000	-	45 000
	<b>88 999</b>	<b>45 000</b>	<b>88 999</b>	<b>45 000</b>

### AP Accounting Policy

#### Dividends

Dividends are recognised as a liability on the date on which such dividends are declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting date but not distributed at the reporting date.

Dividends declared after the reporting date but before the financial statements are issued are not recognised in the financial statements but are disclosed in the notes to the financial statements as a non-adjusting event after the reporting period.

### 35 EVENTS AFTER THE REPORTING PERIOD

After the reporting date, the board of directors declared a final dividend of US\$85 million (equating to US\$0.79 per share) to shareholders on record as at 20 August 2021. These financial statements do not reflect this dividend payable in accordance with the requirements of International Accounting Standard ("IAS") 10, 'Events after the reporting period' and IAS 1, 'Presentation of financial statements'.

There are no other significant events after the statement of financial position date that have a bearing on the understanding of these financial statements.



# Additional Information

Contact Details

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Australian Stock  
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### WANT TO BE KEPT UP TO DATE WITH ZIMPLATS NEWS?

1. Zimplats has a web page, which can be viewed at [www.zimplats.com](http://www.zimplats.com). Whilst visiting our page please register for e-mail alerts in order that you may be kept up to date with what is happening within the Company.
2. Stock exchange information and announcements can be viewed online at [www.asx.com.au](http://www.asx.com.au). The ASX company code is ZIM.





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