



CHAMBER OF MINES  
of South Africa

CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER **2017**

Making Mining Matter



MINERALS COUNCIL  
SOUTH AFRICA



# VISION

**To ensure that mining matters for all South Africans.**

The Chamber of Mines' vision is to reposition the mining sector as South Africa's foremost industrial sector. In partnership with our key stakeholders, we envisage an environment that is conducive to shaping policy and legislation to facilitate a significant increase in real investment in the mining sector by 2030. Such an outcome would be a positive and game-changing catalyst in helping the country achieve its economic growth, development and transformation targets as articulated in the National Development Plan (NDP).

# MISSION

The Chamber of Mines is committed to taking a leadership position in the South African mining space, working with its members and key stakeholders in becoming the most-respected, capable and trusted advocacy organisation for the entire mining sector. In seeking to realise its vision of a positive turnaround in the mining sector, the Chamber works in problem-solving partnerships with its key stakeholders.

# VALUES

Integrity, respect, transparency and accountability which in turn help create trust and responsible citizenry.

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## COUNCIL'S RESPONSIBILITIES AND APPROVAL

The Council of the Chamber of Mines of South Africa (hereafter "the Chamber" or "Company") is responsible for the maintenance of adequate accounting records, the preparation and integrity of the consolidated financial statements and related information.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards for small and medium sized entities. The Group's independent external auditors, Deloitte & Touche, have audited these consolidated financial statements and their report appears on page 3.

The consolidated financial statements are prepared on a going concern basis. Nothing has come to the attention of the Council to indicate that the Group will not remain a going concern for the foreseeable future.

The consolidated and separate financial statements set out on pages 6 to 29 were approved by the Council on 14 March 2018 and were signed on its behalf by:



**Mr R Baxter**  
Chief Executive



**Mr M Mgojo**  
President



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## INDEPENDENT AUDITORS' REPORT

To the members of Chamber of Mines of South Africa

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the consolidated and separate financial statements of The Chamber of Mines of South Africa and its subsidiary ("the Group") set out on pages 6 to 21, which comprise the consolidated and separate statements of financial position as at 31 December 2017, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements 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 consolidated and separate financial position of the entity and the Group as at 31 December 2017, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards for Small to Medium Entities (IFRS for SMEs).

#### Basis for opinion

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

#### Other information

The Council is responsible for the other information. The other information comprises the Council's responsibility statement. The other information does not form part of the consolidated and separate financial statements.

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

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

If, based on the work we have performed on the other information, 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.

National Executive: \*LLBam Chief Executive Officer \*TMM Jordan Deputy Chief Executive Officer \*MJ Jarvis Chief Operating Officer  
\*GM Pinnock Audit \*N Sing Risk Advisory \*NB Kader Tax TP Pillay Consulting S Gwala BPaaS \*K Black Clients & Industries  
\*JK Mazzocco Talent & Transformation \*MJ Comber Reputation & Risk \*TJ Brown Chairman of the Board

A full list of partners and directors is available on request \*Partner and Registered Auditor

**B-BBEE rating: Level 2 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice**

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

## **INDEPENDENT AUDITORS' REPORT** continued

### **Responsibilities of the Council for the consolidated and separate financial statements**

The Council is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards for Small to Medium Entities and the requirements of the Section 98 of the Labour Relations Act No. 66 of 1995, and for such internal control as the Council 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 Council is responsible for assessing the entity and the Group'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 entity or the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 to cease to continue as a going concern.

## INDEPENDENT AUDITORS' REPORT continued

- 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 and separate 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 Audit committee 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.

*Deloitte & Touche*

**Deloitte & Touche**

Registered Auditor

Per: P Ndlovu

Partner

16 March 2017

## STATEMENTS OF FINANCIAL POSITION

as at 31 December 2017

|                                     | Notes | Group             |                   | Company           |                   |
|-------------------------------------|-------|-------------------|-------------------|-------------------|-------------------|
|                                     |       | 2017<br>R         | 2016<br>R         | 2017<br>R         | 2016<br>R         |
| <b>ASSETS</b>                       |       |                   |                   |                   |                   |
| <b>Non-current assets</b>           |       |                   |                   |                   |                   |
| Property, plant and equipment       | 2     | 1,972,530         | 969,590           | 1,972,530         | 969,590           |
| Intangible assets                   | 3     | 96,646            | 39,163            | 96,646            | 39,163            |
| Other investments                   |       | 235,683           | 235,999           | 235,683           | 235,999           |
| Investments and term deposits       | 4     | 35,642,375        | 34,342,285        | 37,334,912        | 36,169,292        |
|                                     |       | <b>37,947,234</b> | <b>35,587,037</b> | <b>39,639,771</b> | <b>37,414,044</b> |
| <b>Current assets</b>               |       |                   |                   |                   |                   |
| Trade and other receivables         | 5     | 29,909,920        | 19,160,824        | 29,918,044        | 19,176,931        |
| Cash and cash equivalents           | 6     | 24,932,531        | 12,594,783        | 23,165,447        | 10,719,246        |
|                                     |       | <b>54,842,451</b> | <b>31,755,607</b> | <b>53,083,491</b> | <b>29,896,177</b> |
| <b>Total assets</b>                 |       | <b>92,789,685</b> | <b>67,342,644</b> | <b>92,723,262</b> | <b>67,310,221</b> |
| <b>Equity and liabilities</b>       |       |                   |                   |                   |                   |
| Capital and reserves                |       |                   |                   |                   |                   |
| Project funds                       | 7     | 39,423,311        | 38,123,222        | 39,423,311        | 38,123,222        |
| Retained income                     |       | 8,299,050         | 8,299,050         | 8,302,624         | 8,302,624         |
|                                     |       | <b>47,722,361</b> | <b>46,422,272</b> | <b>47,725,935</b> | <b>46,425,846</b> |
| <b>LIABILITIES</b>                  |       |                   |                   |                   |                   |
| <b>Non-current liabilities</b>      |       |                   |                   |                   |                   |
| External debt                       | 19    | 2,489,125         | 2,675,758         | 2,489,125         | 2,675,758         |
| <b>Current liabilities</b>          |       |                   |                   |                   |                   |
| Trade and other payables            | 8     | 38,589,582        | 14,795,316        | 38,519,585        | 14,759,319        |
| External debt                       | 19    | 261,671           | 262,248           | 261,671           | 262,248           |
| Loans from related parties          | 9     | 3,726,946         | 3,187,050         | 3,726,946         | 3,187,050         |
|                                     |       | <b>42,578,199</b> | <b>18,244,614</b> | <b>42,508,202</b> | <b>18,208,617</b> |
| <b>Total liabilities</b>            |       | <b>45,067,324</b> | <b>20,920,372</b> | <b>44,997,327</b> | <b>20,884,375</b> |
| <b>Total equity and liabilities</b> |       | <b>92,789,685</b> | <b>67,342,644</b> | <b>92,723,262</b> | <b>67,310,221</b> |



## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 December 2017

|  | Notes | Group              |                    | Company            |                    |
|--|-------|--------------------|--------------------|--------------------|--------------------|
|  |       | 2017<br>R          | 2016<br>R          | 2017<br>R          | 2016<br>R          |
| Revenue  | 10    | 123,414,373        | 100,589,863        | 123,414,373        | 100,589,863        |
| Other income                                   | 11    | 2,886,166          | 2,430,151          | 3,000,042          | 2,544,027          |
| Administrative and operating expenditure       | 12    | (128,496,296)      | (103,940,756)      | (128,459,022)      | (103,803,769)      |
| Depreciation and amortisation                  |       | (576,092)          | (514,269)          | (710,562)          | (768,639)          |
| <b>Operating loss</b>                          |       | <b>(2,771,849)</b> | <b>(1,435,011)</b> | <b>(2,755,169)</b> | <b>(1,438,518)</b> |
| Interest received                              |       | 3,011,737          | 1,712,773          | 2,995,057          | 1,694,054          |
| Finance costs                                  |       | (239,888)          | (299,811)          | (239,888)          | (255,536)          |
| <b>Loss before taxation</b>                    |       | <b>–</b>           | <b>(22,049)</b>    | <b>–</b>           | <b>–</b>           |
| Taxation                                       | 16    | –                  | (3,656)            | –                  | –                  |
| <b>Loss for the year</b>                       |       | <b>–</b>           | <b>(25,705)</b>    | <b>–</b>           | <b>–</b>           |
| Project income                                 | 7     | 30,100,000         | 14,910,000         | 30,100,000         | 14,910,000         |
| Additional project income                      | 7     | 13,309,668         | 6,373,625          | 13,309,668         | 6,373,625          |
| Project expenditure                            | 7     | (42,109,579)       | (16,874,146)       | (42,109,579)       | (16,874,146)       |
| <b>Increase in project funding</b>             |       | <b>1,300,089</b>   | <b>4,409,479</b>   | <b>1,300,089</b>   | <b>4,409,479</b>   |
| <b>Total comprehensive income for the year</b> |       | <b>1,300,089</b>   | <b>4,383,774</b>   | <b>1,300,089</b>   | <b>4,409,479</b>   |

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2017

|  | Notes | Project funds<br>R | Accumulated funds<br>R | Total funds<br>R  |
|--|-------|--------------------|------------------------|-------------------|
| <b>GROUP</b>                                   |       |                    |                        |                   |
| <b>Balance at 01 January 2016</b>              |       | <b>33,713,743</b>  | <b>8,324,755</b>       | <b>42,038,498</b> |
| Loss for the year                              |       | –                  | (25,705)               | (25,705)          |
| Increase in project funding                    |       | –                  | 4,409,479              | 4,409,479         |
| <b>Total comprehensive loss for the year</b>   |       | <b>–</b>           | <b>4,383,774</b>       | <b>4,383,774</b>  |
| Transfer (from) to project funds               |       | 4,409,479          | (4,409,479)            | –                 |
| <b>Balance at 31 December 2016</b>             |       | <b>38,123,222</b>  | <b>8,299,050</b>       | <b>46,422,272</b> |
| Increase in project funding                    |       | –                  | 1,300,089              | 1,300,089         |
| <b>Total comprehensive income for the year</b> |       | <b>–</b>           | <b>1,300,089</b>       | <b>1,300,089</b>  |
| Transfer (from) to project funds               |       | 1,300,089          | (1,300,089)            | –                 |
| <b>Balance at 31 December 2017</b>             | 7     | <b>39,423,311</b>  | <b>8,299,050</b>       | <b>47,722,361</b> |
| <b>COMPANY</b>                                 |       |                    |                        |                   |
| <b>Balance at 01 January 2016</b>              |       | <b>33,713,743</b>  | <b>8,302,624</b>       | <b>42,016,367</b> |
| Increase in project funding                    |       | –                  | 4,409,479              | 4,409,479         |
| Transfer (from) to project funds               |       | 4,409,479          | (4,409,479)            | –                 |
| <b>Balance at 31 December 2016</b>             |       | <b>38,123,222</b>  | <b>8,302,624</b>       | <b>46,425,846</b> |
| Increase in project funding                    |       | –                  | 1,300,089              | 1,300,089         |
| Transfer (from) to project funds               |       | 1,300,089          | (1,300,089)            | –                 |
| <b>Balance at 31 December 2017</b>             | 7     | <b>39,423,311</b>  | <b>8,302,624</b>       | <b>47,725,935</b> |

## CONSOLIDATED STATEMENTS OF CASH FLOWS

for the year ended 31 December 2017

|   | Notes | Group             |                    | Company           |                    |
|---|-------|-------------------|--------------------|-------------------|--------------------|
|   |       | 2017<br>R         | 2016<br>R          | 2017<br>R         | 2016<br>R          |
| <b>Cash flows from operating activities</b> |       |                   |                    |                   |                    |
| Cash generated from operations              | 13    | 12,689,714        | 11,531,661         | 12,814,847        | 11,863,633         |
| Finance costs                               |       | (239,888)         | (299,811)          | (239,888)         | (255,536)          |
| <b>Net cash from operating activities</b>   |       | <b>12,449,826</b> | <b>11,231,850</b>  | <b>12,574,959</b> | <b>11,608,097</b>  |
| <b>Cash flows from investing activities</b> |       |                   |                    |                   |                    |
| Purchase of property, plant and equipment   | 2     | (1,536,016)       | (540,773)          | (1,536,016)       | (540,773)          |
| Purchase of other intangible assets         | 3     | (100,500)         | (26,127)           | (100,500)         | (26,127)           |
| Increase in investments                     |       | (1,300,089)       | (4,409,478)        | (1,300,089)       | (4,409,478)        |
| Interest received                           |       | 3,011,737         | 1,712,773          | 2,995,057         | 1,694,054          |
| <b>Net cash from investing activities</b>   |       | <b>75,132</b>     | <b>(3,263,605)</b> | <b>58,452</b>     | <b>(3,282,324)</b> |
| <b>Cash flows from financing activities</b> |       |                   |                    |                   |                    |
| Repayment of external debt                  |       | (187,210)         | (171,562)          | (187,210)         | (171,562)          |
| <b>Net cash from financing activities</b>   |       | <b>(187,210)</b>  | <b>(171,562)</b>   | <b>(187,210)</b>  | <b>(171,562)</b>   |
| <b>Total cash movement for the year</b>     |       | <b>12,337,748</b> | <b>7,796,683</b>   | <b>12,446,201</b> | <b>8,154,211</b>   |
| Cash at the beginning of the year           |       | 12,594,783        | 4,798,100          | 10,719,246        | 2,565,035          |
| <b>Total cash at end of the year</b>        | 6     | <b>24,932,531</b> | <b>12,594,783</b>  | <b>23,165,447</b> | <b>10,719,246</b>  |

## ACCOUNTING POLICIES

for the year ended 31 December 2017

### 1. ACCOUNTING POLICIES

The principal accounting policies and basis of accounts used are in all material respects consistently applied. The annual financial statements have been prepared in accordance with the historic cost basis, except for certain financial instruments which are stated at fair value and these policies conform with International Financial Reporting Standards for small and medium sized entities.

#### 1.1 Consolidation

##### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the organisation and entity controlled by the organisation (its subsidiary). Control is achieved where the organisation has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of the subsidiary is attributed to the owners of the organisation and to the non controlling interests even if this results in the non controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiary to bring their accounting policies into line with those used by other members of the Group.

All intra group transactions, balances, income and expenses are eliminated in full on consolidation.

#### 1.2 Revenue recognition

Revenue represents contributions from members, administration fees and interest income. Contributions are recognised when invoiced and consist of contributions for operating costs and capital expenditure, collected in line with the yearly approved budget.

#### 1.3 Administration fees

Administration fees are earned in respect of services provided to associated entities.

Interest income is accrued on an effective yield basis.

#### 1.4 Project income

Project income represents contributions from members of specific projects.

#### 1.5 Project expenditure

Project expenditure relates to expenditure incurred on projects approved by the Council.

#### 1.6 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Intangible assets is carried at cost less accumulated amortisation and accumulated impairment losses.

Depreciation is provided using the straight line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which are as follows:

| Item                   | Average useful life (Years) |
|------------------------|-----------------------------|
| Furniture and fixtures | 5                           |
| Motor vehicles         | 5                           |
| Computer equipment     | 3                           |
| Computer software      | 2                           |

### 1.7 Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group has become a party to contractual provisions of the instruments.

Trade receivables and payables are stated at their nominal value. Trade receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

### 1.8 Impairment of assets

The group assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

### 1.9 Interest received

Interest received comprises interest earned on call deposits and investment accounts, held with banking institutions.

### 1.10 Provisions

Provisions are recognised where the Group has a present legal or constructive obligation as a result of a past event, a reliable estimate of the obligation can be made and it is probable that an overflow of resources embodying economic benefits will be required to settle the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

### 1.11 Other investments

Other investments consist of gold coins and medallions. These investments are carried at cost and are not held for capital appreciation.

### 1.12 Investments

Unlisted investments comprise shares in related companies and are stated at cost. Other investments comprise monies invested to fund liabilities and projects which are stated at cost.

### 1.13 Retirement benefits

The policy of the Group, subject to the rules of the Chamber of Mines Retirement Fund, is to provide retirement benefits for its employees. Payments to the defined contribution fund are expensed as they fall due.

### 1.14 New and revised standards in issue not yet adopted

At the date of authorisation of these financial statements, the following new and revised standards and/or amendments to the standards were in issue but not yet effective:

| Standard  | Effective date |
|---|----------------|
| IFRS 15 Revenue from contracts with customers<br>This is not expected to have a material impact on the entity.  | 01/01/2018     |
| IFRS 16 Leases<br>This is expected to have an impact on the financial statements as the lease of the building occupied by the Chamber is likely to be recorded as a right of use asset with a corresponding liability.      | 01/01/2019     |
| IFRS 9 Financial Instruments<br>This will not result in a significant change on the statement of financial position other than impact the impairment of financial instruments. The effects are not expected to be material. | 01/01/2018     |

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

for the year ended 31 December 2017

### 2. PROPERTY, PLANT AND EQUIPMENT

| Group and company      | 2017             |                          |                  | 2016             |                          |                |
|------------------------|------------------|--------------------------|------------------|------------------|--------------------------|----------------|
|                        | Cost             | Accumulated depreciation | Carrying value   | Cost             | Accumulated depreciation | Carrying value |
| Furniture and fixtures | 2,679,135        | (1,285,854)              | 1,393,281        | 1,577,001        | (1,066,423)              | 510,578        |
| Motor vehicles         | 143,505          | (143,505)                | –                | 143,505          | (133,938)                | 9,567          |
| Computer equipment     | 2,668,155        | (2,088,906)              | 579,249          | 2,234,273        | (1,784,828)              | 449,445        |
| <b>Total</b>           | <b>5,490,795</b> | <b>(3,518,265)</b>       | <b>1,972,530</b> | <b>3,954,779</b> | <b>(2,985,189)</b>       | <b>969,590</b> |

#### Reconciliation of property, plant and equipment – 2017 Group and company

|                        | Opening balance | Additions        | Depreciation     | Total            |
|------------------------|-----------------|------------------|------------------|------------------|
| Furniture and fixtures | 510,578         | 1,102,135        | (219,432)        | 1,393,281        |
| Motor vehicles         | 9,567           | –                | (9,567)          | –                |
| Computer equipment     | 449,445         | 433,881          | (304,077)        | 579,249          |
|                        | <b>969,590</b>  | <b>1,536,016</b> | <b>(533,076)</b> | <b>1,972,530</b> |

#### Reconciliation of property, plant and equipment – 2016 Group and company

|                        | Opening balance | Additions      | Depreciation     | Total          |
|------------------------|-----------------|----------------|------------------|----------------|
| Furniture and fixtures | 417,954         | 266,833        | (174,209)        | 510,578        |
| Motor vehicles         | 38,268          | –              | (28,701)         | 9,567          |
| Computer equipment     | 425,109         | 273,940        | (249,604)        | 449,445        |
|                        | <b>881,331</b>  | <b>540,773</b> | <b>(452,514)</b> | <b>969,590</b> |

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS continued

### 3. INTANGIBLE ASSETS

| Group and company | 2017    |                          |                | 2016    |                          |                |
|-------------------|---------|--------------------------|----------------|---------|--------------------------|----------------|
|                   | Cost    | Accumulated amortisation | Carrying value | Cost    | Accumulated amortisation | Carrying value |
| Computer software | 341,486 | (244,840)                | 96,646         | 240,986 | (201,823)                | 39,163         |

#### Reconciliation of intangible assets – 2017 Group and company

|                   | Opening balance | Additions | Amortisation | Total  |
|-------------------|-----------------|-----------|--------------|--------|
| Computer software | 39,163          | 100,500   | (43,017)     | 96,646 |

#### Reconciliation of intangible assets – 2016 Group and company

|                   | Opening balance | Additions | Amortisation | Total  |
|-------------------|-----------------|-----------|--------------|--------|
| Computer software | 74,791          | 26,127    | (61,755)     | 39,163 |

### 4. INVESTMENTS AND TERM DEPOSITS

|  | Group     |           | Company          |                  |
|--|-----------|-----------|------------------|------------------|
|  | 2017<br>R | 2016<br>R | 2017<br>R        | 2016<br>R        |
| <b>Investments</b>   |           |           |                  |                  |
| Rand Mutual Assurance Company Ltd<br>4 shares @ R20 each (2016: 4 shares @ R20 each) | 80        | 80        | 80               | 80               |
| Mining Lekgotla (Pty) Ltd  | –         | –         | 1,692,537        | 1,827,007        |
| <b>Total investments</b>   | <b>80</b> | <b>80</b> | <b>1,692,617</b> | <b>1,827,087</b> |
| <b>Reconciliation of investment</b>  |           |           |                  |                  |
| <b>Mining Lekgotla</b>   |           |           |                  |                  |
| Opening Balance  | –         | –         | 1,827,007        | 2,081,377        |
| Impairment of investment   | –         | –         | (134,470)        | (254,370)        |
| <b>Closing balance</b>   | <b>–</b>  | <b>–</b>  | <b>1,692,537</b> | <b>1,827,007</b> |

Mining Lekgotla no longer operates and therefore written down to the recoverable amount being the net asset value.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS** continued  
for the year ended 31 December 2017

**4. INVESTMENTS AND TERM DEPOSITS** continued

|   | Group             |                   | Company           |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2017<br>R         | 2016<br>R         | 2017<br>R         | 2016<br>R         |
| <b>Term deposits:</b>   |                   |                   |                   |                   |
| TB & HIV / AIDS advocacy  | 337,616           | 110,694           | 337,616           | 110,694           |
| Chamber of Mines certificates   | 7,147,410         | 6,616,721         | 7,147,410         | 6,616,721         |
| Museum  | 803,400           | 803,400           | 803,400           | 803,400           |
| Monument  | 242,001           | 242,001           | 242,001           | 242,001           |
| Improving representation  | 95,659            | –                 | 95,659            | –                 |
| Impact of carbon tax  | 160,000           | –                 | 160,000           | –                 |
| Stakeholder Engagement Project  | 270,711           | 304,811           | 270,711           | 304,811           |
| Non Sec 21 emission factors   | 500,000           | –                 | 500,000           | –                 |
| Epidemiology study for ex-mineworkers   | 8,209,053         | 8,248,295         | 8,209,053         | 8,248,295         |
| Occupational health reporting system  | 1,767             | –                 | 1,767             | –                 |
| Impact of NHI on mining industry  | 86,200            | –                 | 86,200            | –                 |
| Ex-mineworkers records of service   | 460,000           | –                 | 460,000           | –                 |
| Creation of Bargaining Council  | 960,277           | 960,277           | 960,277           | 960,277           |
| Subvention of salaries  | 84,898            | 811,613           | 84,898            | 811,613           |
| Implementation on 2024 milestones   | 341,404           | –                 | 341,404           | –                 |
| Strategic communication   | 603,012           | 2,768,278         | 603,012           | 2,768,278         |
| Chamber Management Information  | 213,520           | 213,520           | 213,520           | 213,520           |
| International Council on Mining and Metallurgy  | 204,579           | 204,579           | 204,579           | 204,579           |
| Just Transition assessment  | 2,000,000         | –                 | 2,000,000         | –                 |
| Legal expenses  | 1,898,021         | –                 | 1,898,021         | –                 |
| Community development   | –                 | 1,973,126         | –                 | 1,973,126         |
| Making ODMWA a working project  | –                 | 58,117            | –                 | 58,117            |
| Develop funding and governance models   | 328,408           | –                 | 328,408           | –                 |
| Mapping the mining innovation ecosystem   | 223,474           | –                 | 223,474           | –                 |
| Chamber regional presence   | 673,441           | –                 | 673,441           | –                 |
| H&S milestone analysis and mining Charter facilitation  | 383,062           | 388,791           | 383,062           | 388,791           |
| Development of a reporting framework for water  |                   |                   |                   |                   |
| Conservation and demand management in the mining sector   | 1,956,036         | 216,441           | 1,956,036         | 216,441           |
| Assessment of the brand health of the Chamber of Mines and the South African mining industry                        | 1,142,878         | 1,472,092         | 1,142,878         | 1,472,092         |
| Funding the mining industry's contribution to the mining LAB process  | 3,393,695         | 5,303,351         | 3,393,695         | 5,303,351         |
| Development of rehabilitation practices and methodologies for sustainable trade offs between mining and agriculture | 800,000           | 800,000           | 800,000           | 800,000           |
| Development of the regional mine closure strategies   | 350,000           | 350,000           | 350,000           | 350,000           |
| Unclaimed benefits  | 1,262,838         | 1,500,508         | 1,262,838         | 1,500,508         |
| Transformation  | 508,935           | 995,590           | 508,935           | 995,590           |
| Develop 2030 mining roadmap   | –                 | –                 | –                 | –                 |
| Consultancy for development of health data repository system  | –                 | –                 | –                 | –                 |
| <b>Total term deposits</b>  | <b>35,642,295</b> | <b>34,342,205</b> | <b>35,642,295</b> | <b>34,342,205</b> |
| <b>Total investments and term deposits</b>  | <b>35,642,375</b> | <b>34,342,285</b> | <b>37,334,912</b> | <b>36,169,292</b> |



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS continued

Term deposits represent funds received in advance from members to finance the execution of special projects. The funds are invested in risk free call deposit accounts with ABSA Bank and Nedbank.

Due to the uncertainty regarding the timing of the utilisation of the above term deposits, all deposits have been disclosed as non-current.

### 5. TRADE AND OTHER RECEIVABLES

|                                 | Group             |                   | Company           |                   |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                 | 2017<br>R         | 2016<br>R         | 2017<br>R         | 2016<br>R         |
| Trade receivables – members     | 28,194,642        | 17,880,350        | 28,205,461        | 17,899,149        |
| Trade receivables – non-members | 664,690           | 559,165           | 664,690           | 559,165           |
| VAT                             | 1,324,452         | 528,442           | 1,321,757         | 525,750           |
| Other receivables               | 1,584,100         | 2,180,944         | 1,584,100         | 2,180,944         |
| Allowance for doubtful debts    | (1,857,964)       | (1,988,077)       | (1,857,964)       | (1,988,077)       |
|                                 | <b>29,909,920</b> | <b>19,160,824</b> | <b>29,918,044</b> | <b>19,176,931</b> |

The average credit period is 60 days. No interest is charged on trade receivables. The organisation has recognised an allowance for doubtful debts of 100% against all receivables over 120 days which are considered to be irrecoverable. Allowance for doubtful debts are recognised against trade receivables between 90 and 120 days based on estimated irrecoverable amounts determined by an analysis of the counterparty's current financial position.

Only 28% of trade receivables over 90 days have been provided for as doubtful debts in the current period. The reason being that 95% of trade receivables consists of members contributions invoices which have been approved by the Council members upon acceptance of the yearly budget thus these trade receivables have been committed and pre-approved by the Council members for payment.

Trade receivables disclosed above include amounts (see below for age analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

|  | Group     |           | Company   |           |
|--|-----------|-----------|-----------|-----------|
|  | 2017<br>R | 2016<br>R | 2017<br>R | 2016<br>R |
| <b>Age of receivables that are past due but not impaired</b> |           |           |           |           |
| 90 – 120 days  | 6,647,397 | 2,442,226 | 6,647,397 | 2,442,226 |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS** continued  
for the year ended 31 December 2017

**6. CASH AND CASH EQUIVALENTS**

|  | Group             |                   | Company           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2017<br>R         | 2016<br>R         | 2017<br>R         | 2016<br>R         |
| Cash and cash equivalents consist of:                  |                   |                   |                   |                   |
| Cash at bank   | 18,160,590        | 20,659,821        | 16,393,506        | 18,784,284        |
| Cash on call   | 42,414,236        | 26,277,167        | 42,414,236        | 26,277,167        |
| Amounts classified under investments and term deposits | (35,642,295)      | (34,342,205)      | (35,642,295)      | (34,342,205)      |
|  | <b>24,932,531</b> | <b>12,594,783</b> | <b>23,165,447</b> | <b>10,719,246</b> |

Cash and cash equivalents comprise cash and short term deposits. The carrying amount of these assets approximates fair value. Credit risk is limited as the counter parties are financial institutions with high credit ratings.

**7. PROJECT FUNDS**

|                                | Group             |                   | Company           |                   |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                | 2017<br>R         | 2016<br>R         | 2017<br>R         | 2016<br>R         |
| Balance at beginning of period | 38,123,222        | 33,713,743        | 38,123,222        | 33,713,743        |
| Project income                 | 30,100,000        | 14,910,000        | 30,100,000        | 14,910,000        |
| Additional project income      | 13,309,668        | 6,373,625         | 13,309,668        | 6,373,625         |
| Project expenditure            | (42,109,579)      | (16,874,146)      | (42,109,579)      | (16,874,146)      |
| <b>Closing balance</b>         | <b>39,423,311</b> | <b>38,123,222</b> | <b>39,423,311</b> | <b>38,123,222</b> |

Refer to Appendix A on page 24 for a detailed breakdown.

**8. TRADE AND OTHER PAYABLES**

|                              | Group             |                   | Company           |                   |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
|                              | 2017<br>R         | 2016<br>R         | 2017<br>R         | 2016<br>R         |
| Trade payables – members     | 6,023,831         | 61,424            | 6,023,831         | 61,424            |
| Trade payables – non-members | 6,399,648         | 3,503,449         | 6,399,648         | 3,475,429         |
| Accruals                     | 902,078           | 684,884           | 832,081           | 676,907           |
| Special projects – members   | 4,758,281         | 5,956,660         | 4,758,281         | 5,956,660         |
| Bonuses                      | 15,303,258        | 505,000           | 15,303,258        | 505,000           |
| Accrued leave pay            | 5,202,486         | 4,083,899         | 5,202,486         | 4,083,899         |
|                              | <b>38,589,582</b> | <b>14,795,316</b> | <b>38,519,585</b> | <b>14,759,319</b> |

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS continued

### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past due event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset where it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 9. LOANS FROM RELATED PARTIES

|   | Group     |           | Company   |           |
|---|-----------|-----------|-----------|-----------|
|   | 2017<br>R | 2016<br>R | 2017<br>R | 2016<br>R |
| Chamber of Mines Building Company Limited | 3,726,946 | 3,187,050 | 3,726,946 | 3,187,050 |

The above loans are unsecured, interest free and payable on demand.

The Chamber of Mines Building Company is the registered owner of the building the Chamber of Mines occupy and is leased for a period of five years. In lieu of rent, the Chamber bears all the expenses related to the insurance, rates and taxes and maintenance of the building.

A fuel cell was installed by the Building Company in the building during 2014 with commissioning in the first quarter of 2015. As part of the financing of the fuel cell, the Chamber received a loan from the IDC in 2015 which is utilised to offset a portion of the loan with the Building Company.

### 10. REVENUE

|                           | Group       |             | Company     |             |
|---------------------------|-------------|-------------|-------------|-------------|
|                           | 2017<br>R   | 2016<br>R   | 2017<br>R   | 2016<br>R   |
| Contribution from members | 123,414,373 | 100,589,863 | 123,414,373 | 100,589,863 |

### 11. OTHER INCOME

|                     | Group            |                  | Company          |                  |
|---------------------|------------------|------------------|------------------|------------------|
|                     | 2017<br>R        | 2016<br>R        | 2017<br>R        | 2016<br>R        |
| Administration fees | 2,051,766        | 1,950,476        | 2,165,642        | 2,064,352        |
| Other income        | 834,400          | 479,675          | 834,400          | 479,675          |
|                     | <b>2,886,166</b> | <b>2,430,151</b> | <b>3,000,042</b> | <b>2,544,027</b> |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS** continued  
for the year ended 31 December 2017

**12. ADMINISTRATIVE AND OPERATING EXPENDITURE**

|                           | Group              |                    | Company            |                    |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
|                           | 2017<br>R          | 2016<br>R          | 2017<br>R          | 2016<br>R          |
| Auditors' remuneration    | 689,000            | 465,455            | 655,000            | 441,055            |
| Employee related expenses | 92,668,405         | 72,071,455         | 92,668,405         | 71,965,037         |
| Impairment of investment  | –                  | –                  | 134,470            | 254,370            |
| Operating costs           | 35,138,891         | 31,403,846         | 35,001,147         | 31,143,307         |
|                           | <b>128,496,296</b> | <b>103,940,756</b> | <b>128,459,022</b> | <b>103,803,769</b> |

**13. CASH GENERATED FROM OPERATIONS**

|   | Group             |                   | Company           |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2017<br>R         | 2016<br>R         | 2017<br>R         | 2016<br>R         |
| Total comprehensive profit for the period before taxation | 1,300,089         | 4,387,430         | 1,300,089         | 4,409,479         |
| <b>Adjustments for:</b>                                   |                   |                   |                   |                   |
| Depreciation and amortisation                             | 576,092           | 514,269           | 576,092           | 514,269           |
| Interest received-investment                              | (3,011,737)       | (1,712,773)       | (2,995,057)       | (1,694,054)       |
| Finance costs   | 239,888           | 299,811           | 239,888           | 255,536           |
| Impairment of investment                                  | –                 | –                 | 134,470           | 254,370           |
| Other non-cash items                                      | 316               | –                 | 316               | –                 |
| <b>Changes in working capital:</b>                        |                   |                   |                   |                   |
| Trade and other receivables                               | (10,749,096)      | 5,646,400         | (10,741,113)      | 5,698,848         |
| Trade and other payables                                  | 23,794,266        | 1,854,310         | 23,760,266        | 1,882,971         |
| Loans from related parties                                | 539,896           | 542,214           | 539,896           | 542,214           |
|   | <b>12,689,714</b> | <b>11,531,661</b> | <b>12,814,847</b> | <b>11,863,633</b> |

#### 14. FINANCIAL INSTRUMENTS

The organisation's financial instruments consist of cash deposits with banks, trade and other receivables and trade and other payables and loans from group companies.

##### Currency risk management

The organisation is not exposed to currency risk, other than the translation of its foreign bank account balance.

##### Categories of financial instruments

The financial assets of the Chamber consists of investments, trade and other receivables and cash and cash equivalents. These are considered loans and receivables for both 2017 and 2016 financial years and carried at amortised cost. The financial liabilities consists of trade and other payables (excluding accruals) and loans from related parties. These are considered financial liabilities at amortised cost for both 2017 and 2016 financial years.

##### Interest rate risk management

The organisation adopts a policy of regularly reviewing interest rate exposure and maintains both fixed and floating rate borrowings.

##### Credit risk management

Management has a credit risk policy in place and exposure to credit risk is monitored on an ongoing basis. Provision is made for specific doubtful debts, and at the year end management did not consider there to be any material credit risk exposure that was not provided against. Reputable financial institutions are used for investing and cash handling purposes.

|   | Group              |                    | Company            |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 2017<br>R          | 2016<br>R          | 2017<br>R          | 2016<br>R          |
| <b>Movement in allowance for doubtful debts</b> |                    |                    |                    |                    |
| Balance at the beginning of the year            | (1,988,077)        | (2,052,521)        | (1,988,077)        | (2,052,521)        |
| Provision raised for the period                 | –                  | (1,747,018)        | –                  | (1,747,018)        |
| Provision previously raised now recoverable     | 122,173            | –                  | 122,173            | –                  |
| Provision utilised for the period               | 16,754             | 1,834,955          | 16,754             | 1,834,955          |
| Provision recovered for the period              | (8,814)            | (23,493)           | (8,814)            | (23,493)           |
| <b>Balance at the end of the year</b>           | <b>(1,857,964)</b> | <b>(1,988,077)</b> | <b>(1,857,964)</b> | <b>(1,988,077)</b> |

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Included in the provision for doubtful debt are amounts not considered recoverable relating to debtors who face financial difficulty, amounts long overdue as well as amounts in dispute pending a recalculation of fees. The provision recognised represents the difference between the carrying amount of these trade receivables and the present value of expected future payments. The Group does not hold any collateral over these balances.

#### 15. EVENTS AFTER THE REPORTING PERIOD

As at date of signing these financial statements, there were no significant or material subsequent events which would require adjustments to or disclosure in the annual financial statements.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS** continued  
for the year ended 31 December 2017

**16. TAXATION**

|   | Group     |           | Company   |           |
|---|-----------|-----------|-----------|-----------|
|   | 2017<br>R | 2016<br>R | 2017<br>R | 2016<br>R |
| <b>Major components of the tax expense</b>      |           |           |           |           |
| <b>Current</b>                                  |           |           |           |           |
| Local income tax – current period               | –         | –         | –         | –         |
| <b>Deferred</b>                                 |           |           |           |           |
| Originating and reversing temporary differences | –         | 3,656     | –         | –         |

**Reconciliation of the tax expense**

|  | Group     |              | Company   |           |
|--|-----------|--------------|-----------|-----------|
|  | 2017<br>R | 2016<br>R    | 2017<br>R | 2016<br>R |
| <b>Reconciliation between accounting profit and tax expense</b>  |           |              |           |           |
| Accounting loss  | –         | (22,049)     | –         | –         |
| Tax at the applicable tax rate of 28% (2016: 28%)                | –         | (6,174)      | –         | –         |
| <b>Tax effect of adjustments on taxable income</b>               |           |              |           |           |
| Deferred tax asset not raised (utilised) on estimated tax losses | –         | 6,174        | –         | –         |
| Deferred tax written off   | –         | 3,656        | –         | –         |
|  | –         | <b>3,656</b> | –         | –         |

The Chamber of Mines of South Africa is exempt under section 10 (1) (d) of the Income Tax Act.

**17. SUBSIDIARIES**

| Name of subsidiary        | Principal activity  | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Group |
|---------------------------|---|--------------------------------------|---|
| Mining Lekgotla (Pty) Ltd | Holding annual Mining Lekgotla events and developing scenarios for mining | South Africa                         | 100%  |

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS** continued

**18. DEFERRED TAX**

|   | Group     |           | Company   |           |
|---|-----------|-----------|-----------|-----------|
|   | 2017<br>R | 2016<br>R | 2017<br>R | 2016<br>R |
| <b>Deferred tax asset</b>                   |           |           |           |           |
| <b>Reconciliation of deferred tax asset</b> |           |           |           |           |
| At beginning of year                        | –         | 3,656     | –         | –         |
| Deductible temporary difference movement    | –         | (3,656)   | –         | –         |
|   | –         | –         | –         | –         |

**19. EXTERNAL DEBT**

|                   | Group     |           | Company   |           |
|-------------------|-----------|-----------|-----------|-----------|
|                   | 2017<br>R | 2016<br>R | 2017<br>R | 2016<br>R |
| At amortised cost |           |           |           |           |
| IDC loan          | 2,750,796 | 2,938,006 | 2,750,796 | 2,938,006 |

The Loan is repaid in 144 (one hundred and forty four) monthly instalments as follows: Six monthly instalments comprising of interest only, payable on the first day of the first month succeeding the first draw down and thereafter on the first day of each and every succeeding month; thereafter, 138 (one hundred and thirty eight) equal monthly instalments comprising of interest and capital in the amount of R35 591 (thirty five thousand five hundred and ninety one rand) payable on the first day of the 7th (seventh) month from the first draw down and thereafter on the first day of each and every succeeding month until the Loan has been repaid in full.

|                                | Group            |                  | Company          |                  |
|--------------------------------|------------------|------------------|------------------|------------------|
|                                | 2017<br>R        | 2016<br>R        | 2017<br>R        | 2016<br>R        |
| <b>Non-current liabilities</b> |                  |                  |                  |                  |
| At amortised cost              | 2,489,125        | 2,675,758        | 2,489,125        | 2,675,758        |
| <b>Current liabilities</b>     |                  |                  |                  |                  |
| At amortised cost              | 261,671          | 262,248          | 261,671          | 262,248          |
|                                | <b>2,750,796</b> | <b>2,938,006</b> | <b>2,750,796</b> | <b>2,938,006</b> |

## DETAILED INCOME STATEMENT

for the year ended 31 December 2017

|                                    | Note(s) | Group                |                      | Company              |                      |
|------------------------------------|---------|----------------------|----------------------|----------------------|----------------------|
|                                    |         | 2017<br>R            | 2016<br>R            | 2017<br>R            | 2016<br>R            |
| <b>Revenue</b>                     |         |                      |                      |                      |                      |
| Contribution from members          |         | 123,414,373          | 100,589,863          | 123,414,373          | 100,589,863          |
| <b>Other income</b>                |         |                      |                      |                      |                      |
| Administration fees                |         | 2,051,766            | 1,950,476            | 2,165,642            | 2,064,352            |
| Sundry revenue                     |         | 834,400              | 479,675              | 834,400              | 479,675              |
| Interest received                  |         | 3,011,737            | 1,712,773            | 2,995,057            | 1,694,054            |
|                                    |         | <b>5,897,903</b>     | <b>4,142,924</b>     | <b>5,995,099</b>     | <b>4,238,081</b>     |
| <b>Expenses</b> (Refer to page 23) |         | <b>(129,072,388)</b> | <b>(104,455,025)</b> | <b>(129,169,584)</b> | <b>(104,572,408)</b> |
| <b>Operating profit</b>            |         | <b>239,888</b>       | <b>277,762</b>       | <b>239,888</b>       | <b>255,536</b>       |
| Finance costs                      |         | (239,888)            | (299,811)            | (239,888)            | (255,536)            |
| <b>Loss before taxation</b>        |         | –                    | <b>(22,049)</b>      | –                    | –                    |
| Taxation                           | 16      | –                    | (3,656)              | –                    | –                    |
| <b>Loss for the year</b>           |         | –                    | <b>(25,705)</b>      | –                    | –                    |



## DETAILED INCOME STATEMENT continued

|  | Note(s) | Group                |                      | Company              |                      |
|--|---------|----------------------|----------------------|----------------------|----------------------|
|  |         | 2017                 | 2016                 | 2017                 | 2016                 |
|  |         | R                    | R                    | R                    | R                    |
| <b>Operating expenses</b>                  |         |                      |                      |                      |                      |
| Administration and management fees         |         | (163,118)            | (163,118)            | (163,118)            | (163,118)            |
| Advertising                                |         | (117,322)            | (13,880)             | (117,322)            | (13,880)             |
| Auditors remuneration                      |         | (689,000)            | (465,455)            | (655,000)            | (441,055)            |
| Bad debts                                  |         | 122,173              | (1,747,018)          | 122,173              | (1,747,018)          |
| Bank charges                               |         | (57,642)             | (59,505)             | (56,044)             | (58,035)             |
| Cleaning                                   |         | (456,522)            | (417,928)            | (456,522)            | (417,928)            |
| Computer expenses                          |         | –                    | (3,970)              | –                    | (3,970)              |
| Consulting and professional fees           |         | (9,975,988)          | (9,198,219)          | (9,975,988)          | (9,195,722)          |
| Depreciation, amortisation and impairments |         | (576,092)            | (514,269)            | (710,562)            | (768,639)            |
| Employee costs                             |         | (92,668,405)         | (72,071,455)         | (92,668,405)         | (71,965,037)         |
| Entertainment                              |         | (29,568)             | (62,367)             | (29,568)             | (62,367)             |
| Other expenses                             |         | (1,504,687)          | (978,103)            | (1,504,687)          | (978,103)            |
| Fuel cell maintenance                      |         | (210,804)            | –                    | (210,804)            | –                    |
| Conferences and seminars                   |         | (1,056,460)          | (861,077)            | (1,054,784)          | (859,875)            |
| Committee expenses                         |         | (628,606)            | (420,841)            | (628,606)            | (420,841)            |
| Other project expenses                     |         | (298,977)            | (277,250)            | (298,977)            | (277,250)            |
| Sundry expenses                            |         | (388,377)            | (203,772)            | (388,377)            | (203,772)            |
| Flowers                                    |         | (2,390)              | (9,679)              | (2,390)              | (9,679)              |
| Sponsorships                               |         | (1,183,356)          | (119,467)            | (1,183,356)          | (119,467)            |
| Insurance                                  |         | (613,471)            | (545,692)            | (613,471)            | (545,692)            |
| Lease rentals on operating lease           |         | (1,538,195)          | (1,436,256)          | (1,538,195)          | (1,436,256)          |
| Legal expenses                             |         | (236,712)            | (301,509)            | (236,712)            | (301,509)            |
| Magazines, books and periodicals           |         | (553,308)            | (347,208)            | (553,308)            | (347,208)            |
| Municipal expenses                         |         | (1,451,507)          | (1,203,276)          | (1,451,507)          | (1,203,276)          |
| Gas  |         | (653,281)            | (707,778)            | (653,281)            | (707,778)            |
| Placement fees                             |         | (196,046)            | (1,814,302)          | (196,046)            | (1,814,302)          |
| Postage                                    |         | (36,632)             | (13,934)             | (36,632)             | (12,934)             |
| Printing and stationery                    |         | (1,486,603)          | (803,710)            | (1,486,603)          | (803,710)            |
| Repairs and maintenance                    |         | (6,914,950)          | (4,730,065)          | (6,914,950)          | (4,730,065)          |
| Security                                   |         | (833,145)            | (592,677)            | (833,145)            | (592,677)            |
| Subscriptions                              |         | (2,133,938)          | (1,962,193)          | (2,133,938)          | (1,962,193)          |
| Telephone                                  |         | (358,534)            | (341,519)            | (358,534)            | (341,519)            |
| Training                                   |         | (316,198)            | (286,637)            | (316,198)            | (286,637)            |
| Travel – local                             |         | (1,123,864)          | (935,633)            | (1,123,864)          | (935,633)            |
| Travel – overseas                          |         | (740,863)            | (845,263)            | (740,863)            | (845,263)            |
|  |         | <b>(129,072,388)</b> | <b>(104,455,025)</b> | <b>(129,169,584)</b> | <b>(104,572,408)</b> |

## APPENDIX A

(Refer to Note 7)

| Project funds                         | Group/Company    |           |
|---------------------------------------|------------------|-----------|
|                                       | 2017<br>R        | 2016<br>R |
| <b>TB and HIV/AIDS advocacy</b>       | <b>337,616</b>   | 110,694   |
| Balance at 31 December 2016           | 110,694          |           |
| Received                              | 800,000          |           |
| Expenditure                           | (573,078)        |           |
| <b>Balance as at 31 December 2017</b> | <b>337,616</b>   |           |
| <b>Chamber of Mines certificates</b>  | <b>7,147,410</b> | 6,616,721 |
| Balance at 31 December 2016           | 6,616,721        |           |
| Additional income*                    | 3,309,668        |           |
| Expenditure                           | (2,778,979)      |           |
| <b>Balance as at 31 December 2017</b> | <b>7,147,410</b> |           |
| <b>Museum</b>                         | <b>803,400</b>   | 803,400   |
| Balance at 31 December 2016           | 803,400          |           |
| Expenditure                           | –                |           |
| <b>Balance as at 31 December 2017</b> | <b>803,400</b>   |           |
| <b>Monument</b>                       | <b>242,001</b>   | 242,001   |
| Balance at 31 December 2016           | 242,001          |           |
| Expenditure                           | –                |           |
| <b>Balance as at 31 December 2017</b> | <b>242 001</b>   |           |
| <b>Improving representation</b>       | <b>95,659</b>    | –         |
| Balance at 31 December 2016           | –                |           |
| Received                              | 480,000          |           |
| Expenditure                           | (384,341)        |           |
| <b>Balance as at 31 December 2017</b> | <b>95,659</b>    |           |
| <b>Impact of carbon tax</b>           | <b>160,000</b>   | –         |
| Balance at 31 December 2016           | –                |           |
| Received                              | 900,000          |           |
| Expenditure                           | (740,000)        |           |
| <b>Balance as at 31 December 2017</b> | <b>160,000</b>   |           |
| <b>Stakeholder Engagement Project</b> | <b>270,711</b>   | 304,811   |
| Balance as at 31 December 2016        | 304,811          |           |
| Expenditure                           | (34,100)         |           |
| <b>Balance as at 31 December 2017</b> | <b>270,711</b>   |           |

| Project funds                                    | Group/Company    |           |
|--|------------------|-----------|
|  | 2017<br>R        | 2016<br>R |
| <b>Non Sec 21 emission factors</b>               | <b>500,000</b>   | –         |
| Balance as at 31 December 2016                   | –                |           |
| Received   | 500,000          |           |
| Expenditure                                      | –                |           |
| <b>Balance as at 31 December 2017</b>            | <b>500,000</b>   |           |
| <b>Epidemiology study for former mineworkers</b> | <b>8,209,053</b> | 8,248,295 |
| Balance as at 31 December 2016                   | 8,248,295        |           |
| Received   | 5,000,000        |           |
| Expenditure                                      | (5,039,242)      |           |
| <b>Balance as at 31 December 2017</b>            | <b>8,209,053</b> |           |
| <b>Occupational health reporting system</b>      | <b>1,767</b>     | –         |
| Balance as at 31 December 2016                   | –                |           |
| Received   | 300,000          |           |
| Expenditure                                      | (298,233)        |           |
| <b>Balance as at 31 December 2017</b>            | <b>1,767</b>     |           |
| <b>Impact of NHI on mining industry</b>          | <b>86,200</b>    | –         |
| Balance as at 31 December 2016                   | –                |           |
| Received   | 500,000          |           |
| Expenditure                                      | (413,800)        |           |
| <b>Balance as at 31 December 2017</b>            | <b>86,200</b>    |           |
| <b>Ex-mineworkers records of service</b>         | <b>460,000</b>   | –         |
| Balance as at 31 December 2016                   | –                |           |
| Received   | 460,000          |           |
| Expenditure                                      | –                |           |
| <b>Balance as at 31 December 2017</b>            | <b>460,000</b>   |           |
| <b>Creation of Bargaining Council</b>            | <b>960,277</b>   | 960,277   |
| Balance at 31 December 2016                      | 960,277          |           |
| Received   | –                |           |
| Expenditure                                      | –                |           |
| <b>Balance as at 31 December 2017</b>            | <b>960,277</b>   |           |
| <b>Subvention of salaries</b>                    | <b>84,898</b>    | 811,613   |
| Balance as at 31 December 2016                   | 811,613          |           |
| Received   | 2,000,000        |           |
| Expenditure                                      | (2,726,715)      |           |
| <b>Balance as at 31 December 2017</b>            | <b>84,898</b>    |           |

**APPENDIX A** continued

(Refer to Note 7)

| Project funds                                     | Group/Company    |           |
|---|------------------|-----------|
|   | 2017<br>R        | 2016<br>R |
| <b>Implementation on 2024 milestones</b>          |                  |           |
| Balance as at 31 December 2016                    | –                | –         |
| Received  | 360,000          |           |
| Expenditure                                       | (18,596)         |           |
| <b>Balance as at 31 December 2017</b>             | <b>341,404</b>   |           |
| <b>Strategic communication</b>                    | <b>603,012</b>   | 2,768,278 |
| Balance as at 31 December 2016                    | 2,768,278        |           |
| Received  | –                |           |
| Expenditure                                       | (2,165,266)      |           |
| <b>Balance as at 31 December 2017</b>             | <b>603,012</b>   |           |
| <b>Chamber management information</b>             | <b>213,520</b>   | 213,520   |
| Balance as at 31 December 2016                    | 213,520          |           |
| Received  | –                |           |
| Expenditure                                       | –                |           |
| <b>Balance as at 31 December 2017</b>             | <b>213,520</b>   |           |
| <b>International Council on Mining and Metals</b> | <b>204,579</b>   | 204,579   |
| Balance at 31 December 2016                       | 204,579          |           |
| Expenditure                                       | –                |           |
| Project written off                               | –                |           |
| <b>Balance as at 31 December 2017</b>             | <b>204,579</b>   |           |
| <b>Just Transition assessment</b>                 | <b>2,000,000</b> | –         |
| Balance as at 31 December 2016                    | –                |           |
| Received  | 2,000,000        |           |
| Expenditure                                       | –                |           |
| <b>Balance as at 31 December 2017</b>             | <b>2,000,000</b> |           |
| <b>Legal expenses</b>                             | <b>1,898,021</b> | –         |
| Balance as at 31 December 2016                    | –                |           |
| Received  | 5,000,000        |           |
| Additional Income*                                | 10,000,000       |           |
| Expenditure                                       | (13,101,979)     |           |
| <b>Balance as at 31 December 2017</b>             | <b>1,898,021</b> |           |

| Project funds   | Group/Company  |                |
|---|----------------|----------------|
|   | 2017<br>R      | 2016<br>R      |
| <b>Community development</b>                                      |                |                |
| Balance at 31 December 2016                                       | 1,973,126      | 1,973,126      |
| Expenditure   | (1,998,000)    |                |
| Project closed  | 24,874         |                |
| <b>Balance as at 31 December 2017</b>                             | <b>–</b>       |                |
| <b>Making ODMWA a working project</b>                             |                |                |
| Balance as at 31 December 2016                                    | 58,117         | 58,117         |
| Expenditure   | –              |                |
| Project closed  | (58,117)       |                |
| <b>Balance as at 31 December 2017</b>                             | <b>–</b>       |                |
| <b>Develop funding and governance models</b>                      | <b>328,408</b> | <b>–</b>       |
| Balance as at 31 December 2016                                    | –              |                |
| Received  | 1,000,000      |                |
| Expenditure   | (671,592)      |                |
| <b>Balance as at 31 December 2017</b>                             | <b>328,408</b> |                |
| <b>Mapping the mining innovation ecosystem</b>                    | <b>223,474</b> | <b>–</b>       |
| Balance as at 31 December 2016                                    | –              |                |
| Received  | 2,100,000      |                |
| Expenditure   | (1,876,526)    |                |
| <b>Balance as at 31 December 2017</b>                             | <b>223,474</b> |                |
| <b>Chamber regional presence</b>                                  | <b>673,441</b> | <b>–</b>       |
| Balance as at 31 December 2016                                    | –              |                |
| Received  | 2,340,000      |                |
| Expenditure   | (1,666,559)    |                |
| <b>Balance as at 31 December 2017</b>                             | <b>673,441</b> |                |
| <b>H&amp;S milestone analysis and mining charter facilitation</b> | <b>383,062</b> | <b>388,791</b> |
| Balance as at 31 December 2016                                    | 388,791        | 388,791        |
| Received  | –              |                |
| Expenditure   | (5,729)        |                |
| <b>Balance as at 31 December 2017</b>                             | <b>383,062</b> |                |

**APPENDIX A** continued

| Project funds  | Group/Company    |           |
|--|------------------|-----------|
|  | 2017<br>R        | 2016<br>R |
| <b>Development of a reporting framework for water conservation</b>   | <b>1,956,036</b> | 216,441   |
| Balance as at 31 December 2016                                       | 216,441          |           |
| Received   | 2,583,000        |           |
| Expenditure  | (843,405)        |           |
| <b>Balance as at 31 December 2017</b>                                | <b>1,956,036</b> |           |
| <b>Assessment of the brand health of the Chamber</b>                 | <b>1,142,878</b> | 1,472,092 |
| Balance as at 31 December 2016                                       | 1,472,092        |           |
| Received   | 2,000,000        |           |
| Expenditure  | (2,329,214)      |           |
| <b>Balance as at 31 December 2017</b>                                | <b>1,142,878</b> |           |
| <b>Funding the mining industry's contribution to the LAB process</b> | <b>3,393,695</b> | 5,303,351 |
| Balance as at 31 December 2016                                       | 5,303,351        |           |
| Received   | –                |           |
| Expenditure  | (1,909,656)      |           |
| <b>Balance as at 31 December 2017</b>                                | <b>3,393,695</b> |           |
| <b>Development of rehabilitation practices</b>                       | <b>800,000</b>   | 800,000   |
| Balance as at 31 December 2016                                       | 800,000          |           |
| Received   | –                |           |
| Expenditure  | –                |           |
| <b>Balance as at 31 December 2017</b>                                | <b>800,000</b>   |           |
| <b>Development of the regional mine closure strategies</b>           | <b>350,000</b>   | 350,000   |
| Balance as at 31 December 2016                                       | 350,000          |           |
| Received   | –                |           |
| Expenditure  | –                |           |
| <b>Balance as at 31 December 2017</b>                                | <b>350,000</b>   |           |
| <b>Unclaimed benefits</b>  | <b>1,262,838</b> | 1,500,508 |
| Balance as at 31 December 2016                                       | 1,500,508        |           |
| Received   | –                |           |
| Expenditure  | (237,670)        |           |
| <b>Balance as at 31 December 2017</b>                                | <b>1,262,838</b> |           |

| Project funds   | Group/Company       |              |
|---|---------------------|--------------|
|   | 2017<br>R           | 2016<br>R    |
| <b>Transformation</b>   | <b>508,935</b>      | 995,590      |
| Balance as at 31 December 2016  | 995,590             |              |
| Expenditure   | (486,655)           |              |
| <b>Balance as at 31 December 2017</b>   | <b>508,935</b>      |              |
| <b>Develop 2030 mining roadmap</b>  | <b>–</b>            | <b>–</b>     |
| Balance as at 31 December 2016  | –                   |              |
| Received  | 1,427,000           |              |
| Expenditure   | (1,427,315)         |              |
| Project closed  | 315                 |              |
| <b>Balance as at 31 December 2017</b>   | <b>–</b>            |              |
| <b>Consultancy for development of health data repository system</b>   | <b>–</b>            | <b>–</b>     |
| Balance as at 31 December 2016  | –                   |              |
| Received  | 350,000             |              |
| Project closed  | (350,000)           |              |
| <b>Balance as at 31 December 2017</b>   | <b>–</b>            |              |
| <b>Project funding recovery</b>   | <b>3,781,017</b>    | 3,781,017    |
| Balance as at 31 December 2016  | 3,781,017           |              |
| Severance Bonus Paid  | –                   |              |
| <b>Balance as at 31 December 2016</b>   | <b>3,781,017</b>    |              |
| This amount primarily relates to the recovery from the Chamber's insurers, of irregular expenditure that occurred in previous financial years. This funding will be utilised for future projects. |                     |              |
|   | <b>39,423,312</b>   | 38,123,222   |
| <b>Summary</b>  |                     |              |
| Balance at beginning of period  | <b>38,123,222</b>   | 33,713,744   |
| Project income  | <b>30,100,000</b>   | 14,910,000   |
| Additional project income*  | <b>13,309,668</b>   | 6,373,625    |
| Project expenditure   | <b>(42,109,578)</b> | (16,874,147) |
| <b>Balance at end of period</b>   | <b>39,423,312</b>   | 38,123,222   |

\* Additional income related to income from other sources, over and above the approved budget for the period recovered from members.

**NOTES**

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## CONTACT DETAILS AND ADMINISTRATION

### COUNTRY OF INCORPORATION AND DOMICILE

South Africa

### NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

A voluntary employers' organisation tasked with lobbying and advocacy to achieve a policy, legislative and governance framework, which is widely supported and which will allow the mining industry to convert the country's abundant mineral resources into wealth for the benefit of South Africa.

### REGISTERED OFFICE

5 Hollard Street  
Marshalltown  
Johannesburg 2107

### BUSINESS ADDRESS

PO Box 61809  
Marshalltown 2107

### BANKERS

ABSA Bank Limited  
First National Bank  
of South Africa Limited  
Nedbank

### AUDITORS

Deloitte & Touche  
Chartered Accountants (SA)  
Registered Auditors

### MEDIA RELATIONS

R&A Strategic Communications  
Charmane Russell  
+27 11 880 3924  
chamber@rasc.co.za



### REPORTING PERIOD

The Chamber of Mines of South Africa's financial year is from 1 January 2017 to 31 December 2017. These separate financial statements cover noteworthy transactions during this period, and have been prepared combining the Chamber's financials with that of Mining Lekgotla (Pty) Ltd, a 100% subsidiary company. These are available online at:



<http://www.chamberofmines.org.za/industry-news/publications/annual-reports>





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