



CHAMBER OF MINES
of South Africa

CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER **2015**

REPOSITIONING THE
SOUTH AFRICAN MINING INDUSTRY



VISION

THE VISION OF THE CHAMBER

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

MISSION

THE MISSION OF THE CHAMBER

The Chamber 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 mining sector in South Africa. 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.

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comprise the consolidated financial
statements presented to the Council:**

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does not form part of the consolidated
financial statements and is unaudited:**

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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 unqualified 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 financial statements set out on pages 4 to 26 were approved by the Council on 16 March 2016 and were signed on its behalf by:



Mr M Teke
President

16 March 2016



Mr R Baxter
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CHAMBER OF MINES OF SOUTH AFRICA

We have audited the consolidated and separate financial statements of The Chamber of Mines of South Africa and its subsidiary as set out on pages 4 to 19, which comprise the consolidated and separate statements of financial position as at 31 December 2015, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

THE COUNCIL'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Chamber's Council is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and as required by Section 98 of the Labour Relations Act No. 66 of 1995 and for such internal control as the council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial positions of The Chamber of Mines of South Africa and its subsidiary as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small to Medium Entities and as required by Section 98 of the Labour Relations Act No. 66 of 1995.

Deloitte & Touche

Deloitte & Touche

Registered Auditors

Per N Dlamini

Partner

16 March 2016

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

as at 31 December 2015

	Note(s)	Group		Company	
		2015 R	2014 R	2015 R	2014 R
ASSETS					
Non-current assets					
Property, plant and equipment and intangible assets	2	881,331	856,159	881,331	856,159
Intangible assets	3	74,791	114,621	74,791	114,621
Other investments		235,999	236,703	235,999	236,703
Deferred tax	18	3,656	4,459	–	–
Investments and term deposits	4	29,932,807	16,124,154	32,014,184	18,205,531
		31,128,584	17,336,096	33,206,305	19,413,014
Current assets					
Trade and other receivables	5	24,807,224	18,731,491	24,875,779	18,199,475
Cash and cash equivalents	6	4,798,100	49,097,805	2,565,035	45,576,793
		29,605,324	67,829,296	27,440,814	63,776,268
Total assets		60,733,908	85,165,392	60,647,119	83,189,282
Equity and liabilities					
Capital and reserves					
Project funds	7	33,713,743	19,905,090	33,713,743	19,905,090
Retained income		8,324,755	9,763,600	8,302,624	8,302,624
		42,038,498	29,668,690	42,016,367	28,207,714
LIABILITIES					
Non-current liabilities					
External debt	19	2,885,640	–	2,885,640	–
Current liabilities					
External debt	19	223,928	–	223,928	–
Trade and other payables	8	12,941,006	52,593,242	12,876,348	52,487,016
Current tax payable		–	558,405	–	–
Loans from related parties	9	2,644,836	2,345,055	2,644,836	2,494,552
		15,809,770	55,496,702	15,745,112	54,981,568
Total liabilities		18,695,410	55,496,702	18,630,752	54,981,568
Total equity and liabilities		60,733,908	85,165,392	60,647,119	83,189,282

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 December 2015

	Note(s)	Group		Company	
		2015 R	2014 R	2015 R	2014 R
Revenue	10	98,218,465	94,855,050	98,218,465	85,388,243
Other income	11	3,521,385	1,569,656	3,628,813	2,498,088
Administrative and operating expenditure	12	(104,004,619)	(94,392,786)	(102,658,305)	(89,391,705)
Depreciation and amortisation		(434,381)	(307,584)	(434,381)	(307,584)
Operating (loss) profit		(2,699,150)	1,724,336	(1,245,408)	(1,812,958)
Interest received		1,482,056	1,822,587	1,466,356	1,812,958
Finance costs		(220,948)	–	(220,948)	–
(Loss) profit before taxation		(1,438,042)	3,546,923	–	–
Taxation	16	(803)	(563,048)	–	–
(Loss) profit for the year		(1,438,845)	2,983,875	–	–
Project income	7	30,048,305	14,525,000	30,048,305	14,525,000
Additional project income	7	6,696,789	4,105,017	6,696,789	4,105,017
Project expenditure	7	(22,936,441)	(20,028,874)	(22,936,441)	(20,028,874)
Increase (decrease) in project funding		13,808,653	(1,398,857)	13,808,653	(1,398,857)
Total comprehensive income/(loss) for the year		12,369,808	1,585,018	13,808,653	(1,398,857)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2015

	Note(s)	Project funds R	Accumulated funds R	Total funds R
GROUP				
Balance at 01 January 2014		21,303,947	6,779,725	28,083,672
Profit for the year		–	2,983,875	2,983,875
Decrease in total comprehensive income for the year		–	(1,398,857)	(1,398,857)
Total comprehensive income for the year		–	1,585,018	1,585,018
Transfer (from) to project funds		(1,398,857)	1,398,857	–
Balance at 01 January 2015		19,905,090	9,763,600	29,668,690
Loss for the year		–	(1,438,845)	(1,438,845)
Increase in total comprehensive income for the year		–	13,808,653	13,808,653
Total comprehensive loss for the year		–	12,369,808	12,369,808
Transfer (from) to project funds		13,808,653	(13,808,653)	–
Balance at 31 December 2015		33,713,743	8,324,755	42,038,498

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COMPANY				
Balance at 01 January 2014		21,303,947	8,302,624	29,606,571
Decrease in total comprehensive income for the year		–	(1,398,857)	(1,398,857)
Transfer (from) to project funds		(1,398,857)	1,398,857	–
Balance at 01 January 2015		19,905,090	8,302,624	28,207,714
Increase in total comprehensive income for the period		–	13,808,653	13,808,653
Transfer (from) to project funds		13,808,653	(13,808,653)	–
Balance at 31 December 2015		33,713,743	8,302,624	42,016,367

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CONSOLIDATED STATEMENTS OF CASH FLOWS

for the year ended 31 December 2015

	Note(s)	Group		Company	
		2015 R	2014 R	2015 R	2014 R
Cash flows from operating activities					
Cash (used in) generated from operations	13	(33,916,000)	22,799,379	(33,170,758)	19,762,451
Finance costs		(220,948)	–	(220,948)	–
Tax paid	20	(558,405)	–	–	–
Net cash from operating activities		(34,695,353)	22,799,379	(33,391,706)	19,762,451
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	2	(369,514)	(531,812)	(369,514)	(531,812)
Sale of property, plant and equipment and intangible assets	2	32,400	–	32,400	–
Purchase of other intangible assets	3	(50,209)	(164,650)	(50,209)	(164,650)
(Increase)/decrease in investments		(13,808,653)	1,398,855	(13,808,653)	1,398,855
Interest received		1,482,056	1,822,587	1,466,356	1,812,958
Net cash from investing activities		(12,713,920)	2,524,980	(12,729,620)	2,515,351
Cash flows from financing activities					
Proceeds from external debt		3,109,568	–	3,109,568	–
Net cash from financing activities		3,109,568	–	3,109,568	–
Total cash movement for the year		(44,299,705)	25,324,359	(43,011,758)	22,277,802
Cash at the beginning of the year		49,097,805	23,773,446	45,576,793	23,298,991
Total cash at end of the year	6	4,798,100	49,097,805	2,565,035	45,576,793

ACCOUNTING POLICIES

for the year ended 31 December 2015

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 inline 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 and intangible assets

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

Intangible assets are 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 and intangible assets, which are as follows:

Item	Average useful life
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 of 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 valued at amortised cost.

1.12 Investments

Unlisted investments comprise shares in related companies and are stated at cost. Other investments comprise of 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2015

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Group and company	2015			2014		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	1,310,168	(892,214)	417,954	1,143,476	(754,578)	388,898
Motor vehicles	143,505	(105,237)	38,268	592,327	(525,357)	66,970
Computer equipment	1,960,333	(1,535,224)	425,109	1,757,513	(1,357,222)	400,291
Total	3,414,006	(2,532,675)	881,331	3,493,316	(2,637,157)	856,159

Reconciliation of property, plant and equipment – 2015 Group and company

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	388,898	166,692	(137,636)	417,954
Motor vehicles	66,970	–	(28,702)	38,268
Computer equipment	400,291	202,822	(178,004)	425,109
	856,159	369,514	(344,342)	881,331

Reconciliation of property, plant and equipment – 2014 Group and company

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	363,807	151,832	(126,741)	388,898
Motor vehicles	95,671	–	(28,701)	66,970
Computer equipment	122,424	379,980	(102,113)	400,291
	581,902	531,812	(257,555)	856,159

Two motor vehicles, previously fully depreciated, were scrapped during the period. Insurance proceeds arising from these disposals amounted to R32,400.

3. INTANGIBLE ASSETS

Group and company	2015			2014		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	214,859	(140,068)	74,791	164,650	(50,029)	114,621

Reconciliation of intangible assets – 2015 Group and company

	Opening balance	Additions	Amortisation	Total
Computer software	114,621	50,209	(90,039)	74,791

Reconciliation of intangible assets – 2014 Group and company

	Opening balance	Additions	Amortisation	Total
Computer software	–	164,650	(50,029)	114,621

4. INVESTMENTS AND TERM DEPOSITS

	Group		Company	
	2015 R	2014 R	2015 R	2014 R
Investments				
Rand Mutual Assurance Company Ltd				
4 shares @ R20 each (2013: 4 shares @ R20 each)	80	80	80	80
Mining Lekgotla (Pty) Ltd	–	–	2,081,377	2,081,377
	80	80	2,081,457	2,081,457

Business combinations

Subsidiaries acquired	Date of acquisition	Proportion of voting interests acquired	Initial consideration transferred
Mining Lekgotla (Pty) Ltd	2013/07/02	100%	300,000

The principal activity of Mining Lekgotla is the holding of annual events and developing scenarios for mining.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont.

for the year ended 31 December 2015

4. INVESTMENTS AND TERM DEPOSITS continued

	Group		Company	
	2015 R	2014 R	2015 R	2014 R
Term deposits:				
Marikana	–	421,879	–	421,879
State of the Environment	19,270	19,270	19,270	19,270
Amendments to the MPRDA	–	25,486	–	25,486
TB & HIV / AIDS Advocacy	–	259,256	–	259,256
Chamber of Mines Certificates	5,740,332	4,544,957	5,740,332	4,544,957
Museum	803,400	803,400	803,400	803,400
Monument	242,001	242,001	242,001	242,001
Improving Representation	59,111	367,749	59,111	367,749
Setting of Water Conservation and Demand Management Targets for the mining sector	–	938,463	–	938,463
Stakeholder Engagement Project	4,811	79,811	4,811	79,811
Health & Safety: Implementation of Mining Charter	–	15,840	–	15,840
Epidemiology Study for Former Mine Workers	4,518,335	2,609,432	4,518,335	2,609,432
Creation of Bargaining Council	960,277	960,277	960,277	960,277
Subvention of Salaries	2,168,714	1,481,331	2,168,714	1,481,331
Strategic Communication	1,965,966	476,363	1,965,966	476,363
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
Information Pack on Mining Sensitive/Protected Areas	–	34,066	–	34,066
Management of Acid Mine Drainage	–	293,991	–	293,991
Community Development	1,973,126	411,458	1,973,126	411,458
Making ODMWA a Working Project	396,617	481,384	396,617	481,384
Ownership Element of Mining	–	19,186	–	19,186
Legal Expenses	730,924	439,815	730,924	439,815
Mentoring of new Head of the Chamber's Legal Dept	–	445,000	–	445,000
H&S Milestone Analysis and Mining Charter Facilitation	29,841	335,560	29,841	335,560
Development of a Reporting Framework for Water Conservation and Demand Management in the mining sector	775,000	–	775,000	–
Assessment of the Brand Health of the Chamber of Mines and the South African mining industry	516,812	–	516,812	–
Funding the Mining Industry's contribution to the Mining LAB process	7,110,091	–	7,110,091	–
Development of Rehabilitation Practices and Methodologies for Sustainable Trade-offs between mining and agriculture	800,000	–	800,000	–
Development of the Regional Mine Closure Strategies	700,000	–	700,000	–
Total term deposits	29,932,727	16,124,074	29,932,727	16,124,074
Total investments and term deposits	29,932,807	16,124,154	32,014,184	18,205,531

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.

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	
	2015 R	2014 R	2015 R	2014 R
Trade receivables – members	23,961,223	14,252,411	24,058,588	14,252,411
Trade receivables – non-members	440,755	1,047,085	440,755	1,104,845
VAT	587,584	2,300,857	558,774	2,149,417
Other receivables	1,870,183	1,472,601	1,870,183	1,034,265
Allowance for doubtful debts	(2,052,521)	(341,463)	(2,052,521)	(341,463)
	24,807,224	18,731,491	24,875,779	18,199,475

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 is recognised against trade receivables between 60 and 120 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Only 19% of trade receivables over 90 days have been provided for as doubtful debts in the current period. The rationale for this is that 95% of trade receivables is made up of member contribution invoices, as approved by Council members upon acceptance of the annual budget. Given that these trade receivables have been committed and pre-approved, they are not viewed as impaired or irrecoverable for the Chamber.

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	
	2015 R	2014 R	2015 R	2014 R
Age of receivables that are past due but not impaired				
90 – 120 days	8,866,706	1,840,100	8,866,706	1,840,100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont.

for the year ended 31 December 2015

6. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015 R	2014 R	2015 R	2014 R
Cash and cash equivalents consist of:				
Cash at bank	16,559,302	9,314,090	14,326,237	5,793,078
Cash on call	18,171,525	29,028,849	18,171,525	29,028,849
World Platinum Investment Council	–	26,878,940	–	26,878,940
Amounts classified under investments and term deposits	(29,932,727)	(16,124,074)	(29,932,727)	(16,124,074)
	4,798,100	49,097,805	2,565,035	45,576,793

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	
	2015 R	2014 R	2015 R	2014 R
Balance at beginning of period	19,905,090	21,303,947	19,905,090	21,303,947
Project income	30,048,305	14,525,000	30,048,305	14,525,000
Additional project income	6,696,789	4,105,017	6,696,789	4,105,017
Project expenditure	(22,936,441)	(20,028,874)	(22,936,441)	(20,028,874)
Closing balance	33,713,743	19,905,090	33,713,743	19,905,090

Refer to Appendix A on page 22 for a detailed breakdown.

8. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 R	2014 R	2015 R	2014 R
Trade payables – members	–	98,615	–	98,615
Trade payables – non-members	11,800,811	19,013,718	11,703,752	18,907,493
Accruals	1,140,195	1,979,666	1,172,596	1,979,665
World Platinum Investment Council	–	31,501,243	–	31,501,243
	12,941,006	52,593,242	12,876,348	52,487,016

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

Accruals

Accruals 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	
	2015 R	2014 R	2015 R	2014 R
Chamber of Mines Building Company Limited	2,644,836	2,345,055	2,644,836	2,345,055
Mining Lekgotla (Pty) Ltd	–	–	–	149,497
	2,644,836	2,345,055	2,644,836	2,494,552

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

The Chamber of Mines Building Company is the registered owner of the building occupied by the Chamber of Mines, which 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.

In 2014, a fuel cell was installed in the Chamber of Mines building and it was successfully commissioned in the first quarter of 2015. As part financing of the fuel cell, the Chamber received a loan from the Industrial Development Corporation (IDC) in 2015 which is utilised to offset a portion of the loan with the Building Company.

10. REVENUE

	Group		Company	
	2015 R	2014 R	2015 R	2014 R
Contribution from members	98,218,465	85,388,243	98,218,465	85,388,243
Revenue from Mining Lekgotla	–	9,466,807	–	–
	98,218,465	94,855,050	98,218,465	85,388,243

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont.

for the year ended 31 December 2015

11. OTHER INCOME

	Group		Company	
	2015 R	2014 R	2015 R	2014 R
Profit on sale of assets (insurance proceeds)	32,400	–	32,400	–
Administration fees	2,025,291	1,029,559	2,132,719	1,957,991
Other income	1,463,694	540,097	1,463,694	540,097
	3,521,385	1,569,656	3,628,813	2,498,088

12. ADMINISTRATIVE AND OPERATING EXPENDITURE

	Group		Company	
	2015 R	2014 R	2015 R	2014 R
Auditors' remuneration	549,300	735,606	502,000	645,306
Employee related expenses	76,905,282	68,006,385	76,344,916	67,525,012
Operating costs	26,550,037	25,650,795	25,811,389	21,221,387
	104,004,619	94,392,786	102,658,305	89,391,705

13. CASH (USED IN) GENERATED FROM OPERATIONS

	Group		Company	
	2015 R	2014 R	2015 R	2014 R
Total comprehensive profit/(loss) for the period before taxation	12,370,611	2,148,066	13,808,653	(1,398,857)
Adjustments for:				
Depreciation and amortisation	434,381	307,584	434,381	307,584
Profit on sale of assets	(32,400)	–	(32,400)	–
Interest received – investment	(1,482,056)	(1,822,587)	(1,466,356)	(1,812,958)
Finance costs	220,948	–	220,948	–
Other non-cash items	704	32,029	704	32,029
Changes in working capital:				
Trade and other receivables	(6,075,733)	(6,097,373)	(6,676,304)	(5,508,570)
Trade and other payables	(39,652,236)	36,296,266	(39,610,668)	36,214,914
Loans from related parties	299,781	(8,064,606)	150,284	(8,071,691)
	(33,916,000)	22,799,379	(33,170,758)	19,762,451

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 consist of investments, trade and other receivables and cash and cash equivalents. These are considered loans and receivables for both 2015 and 2014 financial years and carried at amortised cost. The financial liabilities consist of trade and other payables (excluding accruals) and loans from related parties. These are considered financial liabilities at amortised cost for both 2015 and 2014 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	
	2015 R	2014 R	2015 R	2014 R
Movement in allowance for doubtful debts				
Balance at the beginning of the year	(341,463)	(248,017)	(341,463)	(248,017)
Provision raised for the period	(2,026,387)	(86,387)	(2,026,387)	(86,387)
Provision utilised for the period	344,765	84,941	344,765	84,941
Provision recovered for the period	(29,436)	(92,000)	(29,436)	(92,000)
Balance at the end of the year	(2,052,521)	(341,463)	(2,052,521)	(341,463)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont.

for the year ended 31 December 2015

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 of in the annual financial statements.

16. TAXATION

	Group		Company	
	2015 R	2014 R	2015 R	2014 R
Major components of the tax expense				
Current				
Local income tax – current period	–	558,405	–	–
Deferred				
Originating and reversing temporary differences	803	4,643	–	–
	803	563,048	–	–

Reconciliation of the tax expense

	Group		Company	
	2015 R	2014 R	2015 R	2014 R
Reconciliation between accounting profit and tax expense				
Accounting (loss)/profit	(1,438,042)	3,546,923	–	–
Tax at the applicable tax rate of 28% (2014: 28%)	(402,652)	993,138	–	–
Tax effect of adjustments on taxable income				
Deferred tax asset not raised (utilised) on estimated tax losses	403,455	–	–	–
Other permanent differences	–	31,336	–	–
Tax losses carried forward	–	(461,426)	–	–
	803	563,048	–	–

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%

18. DEFERRED TAX

	Group		Company	
	2015 R	2014 R	2015 R	2014 R
Deferred tax asset				
Tax losses available for set off against future taxable income	3,656	4,459	–	–
Reconciliation of deferred tax asset				
At beginning of year	4,459	9,102	–	–
(Deductible) temporary difference movement	(803)	(4,643)	–	–
	3,656	4,459	–	–

19. EXTERNAL DEBT

	Group		Company	
	2015 R	2014 R	2015 R	2014 R
At amortised cost				
IDC loan	3,109,568	–	3,109,568	–

The loan shall be 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	
	2015 R	2014 R	2015 R	2014 R
Non-current liabilities				
At amortised cost	2,885,640	–	2,885,640	–
Current liabilities				
At amortised cost	223,928	–	223,928	–
	3,109,568	–	3,109,568	–

20. TAX PAID

	Group		Company	
	2015 R	2014 R	2015 R	2014 R
Balance at beginning of the year	(558,405)	–	–	–
Current tax for the year recognised in profit or loss	–	(558,405)	–	–
Balance at end of the year	–	558,405	–	–
	(558,405)	–	–	–

DETAILED INCOME STATEMENT

for the year ended 31 December 2015

	Note(s)	Group		Company	
		2015 R	2014 R	2015 R	2014 R
Revenue					
Contribution from members		98,218,465	85,388,243	98,218,465	85,388,243
Revenue – Mining Lekgotla		–	9,466,807	–	–
	10	98,218,465	94,855,050	98,218,465	85,388,243
Other income					
Administration fees		2,025,291	1,029,559	2,132,719	1,957,991
Sundry revenue		1,463,694	540,097	1,463,694	540,097
Interest received		1,482,056	1,822,587	1,466,356	1,812,958
Gains on disposal of assets		32,400	–	32,400	–
		5,003,441	3,392,243	5,095,169	4,311,046
Expenses (Refer to page 21)		(104,439,000)	(94,700,370)	(103,092,686)	(89,699,289)
Operating (loss) profit		(1,217,094)	3,546,923	220,948	–
Finance costs		(220,948)	–	(220,948)	–
(Loss) profit before taxation		(1,438,042)	3,546,923	–	–
Taxation	16	(803)	(563,048)	–	–
(Loss) profit for the year		(1,438,845)	2,983,875	–	–

Detailed Income Statement continued

	Group		Company	
	2015 R	2014 R	2015 R	2014 R
Operating expenses				
Administration and management fees	(192,993)	(142,500)	(192,993)	(142,500)
Advertising	(71,000)	(284,078)	(54,500)	(161,788)
Auditors remuneration	(549,300)	(735,606)	(502,000)	(645,306)
Bad debts	(2,026,387)	(121,387)	(2,026,387)	(86,387)
Bank charges	(37,398)	(45,481)	(35,968)	(40,726)
Cleaning	(390,055)	(395,224)	(390,055)	(395,224)
Computer expenses	–	(230,004)	–	(230,004)
Consulting and professional fees	(6,141,108)	(4,168,467)	(5,491,149)	(3,290,585)
Depreciation, amortisation and impairments	(434,381)	(307,584)	(434,381)	(307,584)
Employee costs	(76,905,282)	(68,006,385)	(76,344,916)	(67,525,012)
Entertainment	(127,520)	(17,444)	(127,520)	(17,444)
Other expense	(1,651,313)	(1,359,431)	(1,651,313)	(1,359,431)
Freelance contributors	–	(50,844)	–	(50,844)
Conferences and seminars	(860,288)	(4,160,613)	(822,836)	(932,953)
Committee expenses	(392,337)	(470,211)	(392,337)	(470,211)
Other project expenses	(68,809)	(239,128)	(68,809)	(239,128)
Sundry expenses	(226,319)	(106,359)	(226,319)	(106,359)
Flowers	(5,107)	(13,539)	(5,107)	(13,039)
Gifts	(214,125)	(364,460)	(214,125)	(256,960)
Insurance	(430,392)	(394,445)	(425,199)	(384,033)
Lease rentals on operating lease	(1,473,560)	(1,570,963)	(1,473,560)	(1,570,963)
Magazines, books and periodicals	(512,727)	(336,215)	(512,727)	(336,215)
Municipal expenses	(1,407,126)	(1,878,458)	(1,407,126)	(1,878,458)
Gas	(655,214)	–	(655,214)	–
Placement fees	(12,074)	(6,000)	(12,074)	(6,000)
Postage	(43,218)	(24,433)	(43,218)	(24,433)
Printing and stationery	(1,200,790)	(1,070,772)	(1,196,687)	(1,068,926)
Repairs and maintenance	(2,342,438)	(2,669,575)	(2,342,438)	(2,669,575)
Secretarial fees	(900)	(5,390)	–	–
Security	(629,372)	(630,563)	(629,372)	(630,563)
Subscriptions	(1,804,926)	(1,896,416)	(1,804,926)	(1,896,416)
Telephone and fax	(370,576)	(355,756)	(370,576)	(355,756)
Training	(271,650)	(319,390)	(262,450)	(304,358)
Travel – local	(1,965,758)	(1,869,904)	(1,951,847)	(1,853,114)
Travel – overseas	(1,024,557)	(453,345)	(1,024,557)	(448,994)
	(104,439,000)	(94,700,370)	(103,092,686)	(89,699,289)

APPENDIX A

(Refer to Note 7)

Project funds	R	Group/ Company	Group/ Company
		2015 R	2014 R
Marikana			
Balance at 31 December 2014	421,879		421,879
Received	–		
Project written off	(421,879)		
Balance as at 31 December 2015	–		
State of the Environment		19,270	19,270
Balance at 31 December 2014	19,270		
Received	–		
Expenditure	–		
Balance as at 31 December 2015	19,270		
Amendments to the MPRDA			25,486
Balance at 31 December 2014	25,486		
Funds transferred	–		
Project written off	(25,486)		
Balance as at 31 December 2015	–		
TB and HIV/AIDS Advocacy			259,256
Balance at 31 December 2014	259,256		
Expenditure	(259,256)		
Balance as at 31 December 2015	–		
Chamber of Mines Certificates		5,740,331	4,544,956
Balance at 31 December 2014	4,544,956		
Additional Income*	3,786,189		
Expenditure	(2,590,814)		
Balance as at 31 December 2015	5,740,331		
Museum		803,400	803,400
Balance at 31 December 2014	803,400		
Expenditure	–		
Balance as at 31 December 2015	803,400		
Monument		242,001	242,001
Balance as at 31 December 2014	242,001		
Expenditure	–		
Balance as at 31 December 2015	242,001		
Improving Representation		59,111	367,749
Balance at 31 December 2014	367,749		
Expenditure	(308,638)		
Balance as at 31 December 2015	59,111		
Setting of Water Conservation and Demand Management Targets			938,463
Balance as at 31 December 2014	938,463		
Expenditure	(1,034,026)		
Project written off	95,563		
Balance as at 31 December 2015	–		

Project funds	R	Group/ Company	Group/ Company
		2015 R	2014 R
Stakeholder Engagement Project		4,811	79,811
Balance as at 31 December 2014	79,811		
Received	–		
Expenditure	(75,000)		
Balance as at 31 December 2015	4,811		
Health & Safety: Implementation of Mining Charter		–	15,840
Balance as at 31 December 2014	15,840		
Expenditure	(18,701)		
Project written off	2,861		
Balance as at 31 December 2015	–		
Epidemiology Study for Former Mine Workers		4,518,335	2,609,432
Balance as at 31 December 2014	2,609,432		
Received	8,200,000		
Expenditure	(6,291,097)		
Balance as at 31 December 2015	4,518,335		
Creation of the Bargaining Council		960,277	960,277
Balance at 31 December 2014	960,277		
Received	–		
Expenditure	–		
Balance as at 31 December 2015	960,277		
Subvention of Salaries		2,168,714	1,481,331
Balance as at 31 December 2014	1,481,331		
Received	1,800,000		
Expenditure	(1,112,617)		
Balance as at 31 December 2015	2,168,714		
Strategic Communication		1,965,966	476,363
Balance as at 31 December 2014	476,363		
Received	2,523,637		
Transfer from Community Radio Campaign	410,600		
Expenditure	(1,444,634)		
Balance as at 31 December 2015	1,965,966		
Chamber Management Information		213,520	213,520
Balance as at 31 December 2014	213,520		
Received	–		
Expenditure	–		
Balance as at 31 December 2015	213,520		
International Council on Mining and Metallurgy		204,579	204,579
Balance as at 31 December 2014	204,579		
Received	–		
Expenditure	–		
Balance as at 31 December 2015	204,579		

APPENDIX A continued

(Refer to Note 7)

Project funds	R	Group/ Company	Group/ Company
		2015 R	2014 R
Information Pack on Mining Sensitive/Protected Areas			
Balance at 31 December 2014	34,066	–	34,066
Expenditure	(33,250)		
Project written off	(816)		
Balance as at 31 December 2015	–		
Management of Acid Mine Drainage			
Balance as at 31 December 2014	293,991	–	293,991
Expenditure	(291,890)		
Project written off	(2,101)		
Balance as at 31 December 2015	–		
Community Development		1,973,126	411,458
Balance as at 31 December 2014	411,458		
Received	1,564,668		
Expenditure	(3,000)		
Balance as at 31 December 2015	1,973,126		
Making ODMWA a Working Project		396,617	481,384
Balance at 31 December 2014	481,384		
Expenditure	(84,767)		
Balance as at 31 December 2015	396,617		
Ownership Element of Mining			19,186
Balance as at 31 December 2014	19,186	–	
Expenditure	(70,800)		
Project written off	51,614		
Balance as at 31 December 2015	–		
Legal Expenses		730,924	439,815
Balance as at 31 December 2014	439,815		
Received	1,000,000		
Additional Income*	2,499,999		
Expenditure	(3,208,890)		
Balance as at 31 December 2015	730,924		
Mentoring of new Head of the Chamber's Legal Dept			445,000
Balance as at 31 December 2014	445,000	–	
Received	–		
Expenditure	(445,000)		
Balance as at 31 December 2015	–		
H&S Milestone Analysis and Mining Charter Facilitation		29,841	335,560
Balance as at 31 December 2014	335,560		
Received	–		
Expenditure	(305,719)		
Balance as at 31 December 2015	29,841		

Project funds	R	Group/ Company	Group/ Company
		2015 R	2014 R
Development of a Reporting Framework for Water Conservation		775,000	–
Balance as at 31 December 2014	–		
Received	800,000		
Expenditure	(25,000)		
Balance as at 31 December 2015	775,000		
Assessment of the Brand Health of the Chamber of Mines		516,812	–
Balance as at 31 December 2014	–		
Received	2,000,000		
Expenditure	(1,483,188)		
Balance as at 31 December 2015	516,812		
Contribution to the Mining LAB process		7,110,091	–
Balance as at 31 December 2014	–		
Received	10,000,000		
Expenditure	(2,889,909)		
Balance as at 31 December 2015	7,110,091		
Development of Rehabilitation Practices		800,000	–
Balance as at 31 December 2014	–		
Received	800,000		
Expenditure	–		
Balance as at 31 December 2015	800,000		
Development of the Regional Mine Closure Strategies		700,000	–
Balance as at 31 December 2014	–		
Received	700,000		
Expenditure	–		
Balance as at 31 December 2015	700,000		
Project Funding Recovery		3,781,017	3,781,017
Balance as at 31 December 2014	3,781,017		
Severance Bonus Paid	–		
Balance as at 31 December 2015	3,781,017		
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.			
		33,713,743	19,905,090
Summary			
Balance at beginning of period		19,905,090	21,303,947
Project income		30,048,305	14,525,000
Additional project income*		6,696,789	4,105,017
Project expenditure		(22,936,441)	(20,028,874)
Balance at end of period		33,713,743	19,905,090

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

CONTACT DETAILS AND ADMINISTRATION

COUNTRY OF INCORPORATION AND DOMICILE

South Africa

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

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

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BUSINESS ADDRESS

PO Box 61809
Marshalltown 2107

BANKERS

ABSA Bank Limited
First National Bank of South Africa Limited

AUDITORS

Deloitte & Touche
Chartered Accountants (SA)
Registered Auditors

REPORTING PERIOD

The Chamber of Mines of South Africa's financial year is from 1 January 2015 to 31 December 2015 and thus includes transactions for this period. The financial reporting period of Mining Lekgotla (Pty) Ltd is from 1 March 2015 to 31 December 2015.

PRIOR PERIOD COMPARATIVES

Mining Lekgotla (Pty) Ltd changed its year-end from 28 February to 31 December in the current financial year. The current year figures cover the 10 months ended 31 December 2015.



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