

Zimplats

ARBN: 083 463 058/30 June 2006

Holdings Limited | Annual Financial Report

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DIRECTORS' DECLARATION

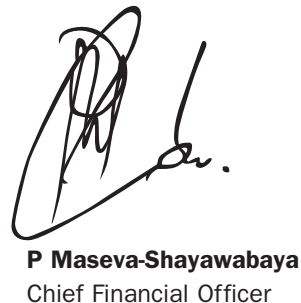
IN THE OPINION OF THE DIRECTORS OF ZIMPLATS HOLDINGS LIMITED:

1. the financial statements and notes, set out on pages 3 to 26, have been prepared in accordance with The Companies (Guernsey) Law 1994, including:
 - giving a true and fair view of the financial position of the Company and Group as at 30 June 2006 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
 - complying with International Financial Reporting Standards; and
2. there are reasonable grounds to believe that the Company and its subsidiaries will be able to meet any obligations or liabilities to which they are or may become subject.

Signed in accordance with a resolution of the Directors:



G Sebborn
Chief Executive Officer



P Maseva-Shayawabaya
Chief Financial Officer

Harare
Zimbabwe
4 August 2006



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ZIMPLATS HOLDINGS LIMITED

We have audited the financial statements of Zimplats Holdings Limited and Group for the year ended 30 June 2006, set out on pages 3 to 27. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on them based on our audit.

We conducted our audit in accordance with International Standards on Auditing, which require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the Company and Group as at 31 March 2006, and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies (Guernsey) Law 1994.

A handwritten signature in black ink, appearing to be 'KPMG', is written over a white background.

KPMG Chartered Accountants (Zimbabwe)

Harare

4 August 2006

BALANCE SHEETS AS AT 30 JUNE 2006

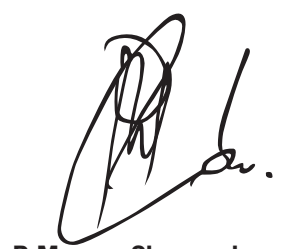
	Notes	Group		Company	
		As at	As at	As at	As at
		Jun-06	Jun-05	Jun-06	Jun-05
		US\$ 000	US\$ 000	US\$ 000	US\$ 000
ASSETS					
Non-current assets					
Property, plant and equipment	1	185 794	155 536	6 376	6 301
Investments	2	-	-	72 015	72 023
Long term receivables	3	-	-	28 818	28 681
Total non-current assets		185 794	155 536	107 209	107 005
Current assets					
Inventories	4	16 469	13 049	-	-
Trade and other receivables	5	38 699	28 803	6 861	1 424
Cash and cash equivalents	6	52 897	20 408	16 822	4 062
Total current assets		108 065	62 260	23 683	5 486
Total assets		293 859	217 796	130 892	112 491
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and share premium	7	99 929	99 929	99 929	99 929
Reserves	8	130 772	84 005	29 793	11 508
Total equity		230 701	183 934	129 722	111 437
Non-current liabilities					
Interest bearing loans and borrowings	12	1 575	250	-	-
Deferred taxation	10	14 511	10 529	-	-
Mine rehabilitation provision	11	14 495	3 626	-	-
Total non-current liabilities		30 581	14 405	-	-
Current liabilities					
Interest bearing loans and borrowings	12	1 575	250	-	-
Trade and other payables	13	25 511	18 231	1 170	1 054
Taxation		5 491	976	-	-
Total current liabilities		32 577	19 457	1 170	1 054
Total equity and liabilities		293 859	217 796	130 892	112 491

The notes on pages 16 to 27 are an integral part of these consolidated financial statements



G Sebborn
Chief Executive Officer

4 August 2006



P Maseva-Shayawabaya
Chief Financial Officer

INCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	Notes	Group		Company	
		Year to	Year to	Year to	Year to
		Jun-06	Jun-05	Jun-06	Jun-05
		US\$ 000	US\$ 000	US\$ 000	US\$ 000
Sales	14	162 446	112 484	-	-
Cost of sales	15	(88 852)	(80 742)	-	-
Gross profit		73 594	31 742	-	-
Other net (expense)/income	16	(444)	9 720	19 880	371
Operating costs	17	(13 680)	(15 893)	(1 751)	(2 964)
Profit/(loss) from operations		59 470	25 569	18 129	(2 593)
Mining claims and evaluating expenditure written-off	1	(2 705)	-	(56)	-
		56 765	25 569	18 073	25 569
Net finance income/(costs)		488	(121)	212	77
Interest expense		(1 527)	(934)	-	-
Interest income		2 015	813	212	77
Profit/(loss) before taxation		57 253	25 448	18 285	(2 516)
Taxation	18	(9 516)	(4 221)	-	-
Net profit/(loss) for the year		47 737	21 227	18 285	(2 516)
Attributable to:					
Equity holders of the company		47 737	18 799	-	-
Minority interests	9	-	2 428	-	-
Net profit/(loss) for the year		47 737	21 227	18 285	(2 516)
Basic earnings per share (cents)	23	44.35	20.23		
Diluted earnings per share (cents)	23	39.44	18.06		

The notes on pages 16 to 27 are an integral part of these consolidated financial statements

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006

	Share capital	Share premium	Foreign currency translation reserve	Acquisition equity reserve	Revaluation reserve	Accumulated profit	Minority interests	Total
	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
GROUP								
Balances at 30 June 2004	9 276	47 144	(16 131)	-	52 012	39 452	31 037	162 790
Issue of share capital	1 487	42 022	-	-	-	-	-	43 509
Foreign currency translation reserve	-	-	(82)	-	-	-	-	(82)
Capital reserve release through depreciation	-	-	-	-	(3 863)	3 863	-	-
Acquisition of minority interests	-	-	-	(10 045)	-	-	(33 465)	(43 510)
Net profit for the year	-	-	-	-	-	18 799	2 428	21 227
Balances at 30 June 2005	10 763	89 166	(16 213)	(10 045)	48 149	62 114	-	183 934
Foreign currency translation reserve	-	-	(970)	-	-	-	-	(970)
Capital reserve release through depreciation	-	-	-	-	(2 261)	2 261	-	-
Net profit for the year	-	-	-	-	-	47 737	-	47 737
Balances at 30 June 2006	10 763	89 166	(17 183)	(10 045)	45 888	112 112	-	230 701
COMPANY								
Balances at 30 June 2004	9 276	47 144	-	-	-	14 024	-	70 444
Issue of share capital	1 487	42 022	-	-	-	-	-	43 509
Net loss for the year	-	-	-	-	-	(2 516)	-	(2 516)
Balances at 30 June 2005	10 763	89 166	-	-	-	11 508	-	111 437
Net profit for the year	-	-	-	-	-	18 285	-	18 285
Balances at 30 June 2006	10 763	89 166	-	-	-	29 793	-	129 722

CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	Notes	Group		Company	
		Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000
Operating activities					
Cash generated from/(used in) operations	20	61 730	31 647	(6 927)	(3 883)
Interest received		2 015	813	212	77
Dividends received		-	-	19 713	-
Exchange (losses)/gains realised	16	(67)	188	(67)	188
Interest paid		(1 527)	(934)	-	-
Income tax and withholding taxation paid		(1 019)	(550)	-	-
Cash in/(out) flows from operating activities		61 132	31 164	12 931	(3 618)
Investing activities					
Proceeds from sale of property, plant and equipment		13	5	-	-
Acquisition of property, plant and equipment excluding movement in the rehabilitation asset		(31 310)	(26 961)	(175)	(759)
Proceeds on disposal of subsidiary		4	-	4	-
Cash out flows from investing activities		(31 293)	(26 956)	(171)	(759)
Financing activities					
Proceeds of interest bearing loans and borrowings		3 150	-	-	-
Repayments of interest bearing loans and borrowings		(500)	(7 820)	-	-
Cash in/(out) flows from financing activities		2 650	(7 820)	-	-
Increase/(decrease) in cash and cash equivalents		32 489	(3 612)	12 760	(4 377)
Movement in cash and cash equivalents					
Cash and cash equivalents at beginning of the year		20 408	24 020	4 062	8 439
Increase/(decrease) in cash and cash equivalents		32 489	(3 612)	12 760	(4 377)
Cash and cash equivalents at end of the year	6	52 897	20 408	16 822	4 062

ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2006

Zimplats Holdings Limited is a company domiciled in Guernsey, Channel Islands. The consolidated financial statements of the Group for the year ended 30 June 2006 comprise the Company and its subsidiaries (together referred to as the Group). The financial statements were authorised for issue by the Directors on 4 August 2006.

A) STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board (IASB) and applicable Guernsey law. International Financial Reporting Standards (IFRS's) include standards and interpretations approved by the IASB as well as International Accounting Standards (IAS's) and SIC interpretations issued under previous constitutions.

B) BASIS OF PREPARATION

The financial statements are presented in United States dollars. They are prepared on the historical cost basis with the exception of certain fixed property which is shown at valuation. Financial assets and financial liabilities are shown at fair value through the income statement or the statement of changes in equity. The accounting policies have been consistently applied by the Group and are consistent with those of the previous year, unless otherwise stated.

C) CHANGES IN ACCOUNTING POLICIES

The Group has adopted the following accounting standards and interpretations of standards (IFRIC) as at 1 July 2005:

IAS 16 - Property, Plant and Equipment (revised) - impact described below.

IAS 21 - The Effects of Changes in Foreign Exchange Rates (revised) - no impact.

IAS 39 - Financial Instruments: Recognition and Measurement (revised) - no impact.

IFRS 4 - Insurance Contracts - no impact.

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - no impact.

IFRIC 6 - Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment - no impact.

IFRIC 7 - Applying the Restatement Approach under IAS 29 (Financial Reporting in Hyperinflationary Economies) - no impact.

IFRIC 9 - Reassessment of Embedded Derivatives - no impact.

IAS 16 (Property, Plant and Equipment)

The adoption of IAS 16 (revised) requires the Group to reassess the remaining useful lives and residual values of tangible assets at least at each financial year end. Any reassessment performed is applied prospectively and requires the depreciation charge to be amended for current and future periods only. The Group changed the fixed period amortisation for certain assets to the remaining useful lives as the bases for amortisation. The rehabilitation assets have been included in determining the cost of tangible assets.

The effect of the adoption of this standard was to decrease current Group depreciation expense by \$2 425 644.

The following accounting standards, which are not yet effective, are being assessed prior to adoption by the Group:

IAS 1 Amendment - Capital Disclosures (January 2007)

IAS 19 Amendment - Actuarial Gains and Losses. Group Plans and Disclosures (January 2006)

IFRS 7 - Financial Instruments: Disclosures (January 2007)

D) BASIS OF CONSOLIDATION

The consolidated financial statements include those of Zimplats Holdings Limited, its subsidiaries and special purpose entities.

ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2006

Subsidiaries

Subsidiary undertakings are those companies (including special purpose entities) in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has the power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement (see Note G).

Inter company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Subsidiary undertakings are accounted for at cost in the Company.

E) FOREIGN CURRENCY TRANSLATION

i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated financial statements are presented in United States dollars, which is the functional and presentation currency of Zimplats Holdings Limited.

ii) Group companies

Income statements of foreign subsidiaries, associates and joint ventures are translated into United States dollars at average exchange rates for the year and the assets and liabilities are translated at rates ruling at the balance sheet date. The exchange differences arising on translation of assets and liabilities of foreign subsidiaries and associates are transferred directly to other reserves. On disposal of the foreign entity such translation differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

iii) Transactions and balances

Foreign currency transactions are accounted for at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated at year-end exchange rates. Gains and losses arising on settlement of such transactions and from the translation of foreign currency monetary assets and liabilities are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

F) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment assets are recorded at cost less accumulated amortisation and less any accumulated impairment losses. Pre-production expenditure, including evaluation costs, incurred to establish or expand productive capacity, to support and maintain that productive capacity incurred on mines is capitalised to property, plant and equipment. The recognition of costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management. Any net income earned while the item is not yet capable of operating as intended reduces the capitalised amount. Interest on borrowings, specifically to finance the establishment of mining assets, is capitalised during the construction phase.

The cost model is applied to value changes in the existing environmental rehabilitation obligation resulting from changes in the estimated timing or amount of the outflow of economic benefits or changes in the discount rate which is capitalised to the cost of the related asset during the current period. Any decrease in the cost of the asset is limited to its carrying amount and an increase to the cost of an asset is tested for impairment when there is an indication of improvement. These assets are depreciated over its useful life.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Assets are not depreciated while the residual value equals or exceeds the carrying value of the asset. Amortisation is calculated on net of cost less residual value. Amortisation methods and amortisation rates are applied consistently within each asset class except where significant individual assets have been identified which have different amortisation patterns. Residual values are reviewed at least annually. Amortisation is not adjusted retrospectively for changes in the residual amount.

Original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is classified as research and written off immediately. The application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use is classified as development and capitalised if the technical feasibility of the project has been determined.

Other assets consist of furniture and fittings, information technology equipment, software development and vehicles.

i) Shafts, mining development and infrastructure

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

ii) Metallurgical assets

Metallurgical and refining assets are amortised using the units of production method based on the expected estimated economically recoverable proved and probable mineral reserves to be concentrated or refined by that asset.

iii) Land and buildings and infrastructure (Incl housing and mineral rights)

Land is not depreciated. Buildings, mineral rights and houses are depreciated over life of mine using units of production method and the economically recoverable proved and probable mineral reserves.

ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2006

iv) Other assets

These assets are depreciated using the straight line method over the useful life of the asset as follows:

<i>Asset Type</i>	<i>Estimated Useful Life</i>
- Furniture fittings and office equipment	5 years
- Information Technology	3 years
- Vehicles	5 & 10 years
- Other assets (including Company vehicles)	5 years

v) Mining exploration

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

G) INTANGIBLE ASSETS

i) Goodwill

Goodwill arising on an acquisition represents the excess of the cost of the acquisition over the fair value of the net identifiable assets acquired. Goodwill is stated at cost less impairment losses (see note I). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate. Any amounts arising from further acquisitions after control is already obtained representing the excess of the cost of acquisition over the fair value of the net identifiable assets acquired, is debited directly to equity.

ii) Negative goodwill

Negative goodwill arising on an acquisition represents the excess of the fair value of the net identifiable assets acquired over the cost of acquisition. Negative goodwill is taken to the income statement on recognition.

H) INVENTORIES

i) Consumable inventories

Consumable inventories are stated at the lower of cost (on a weighted average basis) and net realisable value. The cost of consumable inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

ii) Ore, concentrate and matte inventories

Platinum and palladium are considered as the main products and other platinum group and base metals produced are by-products. Ore, concentrate and matte inventories are valued at the lower of average cost of production and estimated net realisable value. The average cost of production is taken as the total costs incurred on mining, transportation of ore and processing of concentrate and matte. Net realisable value is based on the lower of average cost of production and fair value less cost to complete and sell.

I) IMPAIRMENT

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets are considered to be impaired when the higher of the asset's fair value, less cost to sell, and its fair value in use is less than the carrying amount.

The recoverability of the long-lived assets is reviewed by management on a regular basis, based on estimates of future discounted cash flows. These estimates are subject to risks and uncertainties including future metal prices and exchange rates. It is therefore possible that changes could occur which may affect the recoverability of the mining assets. The recoverable amounts of the non mining assets are determined by reference to market values.

Where the recoverable amount is less than the carrying value, the impairment is charged against income to reduce the carrying value to the recoverable amount of the asset. The revised carrying amounts are amortised over the remaining lives of such affected assets. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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

J) EMPLOYEE BENEFITS

i) Defined contribution retirement plans

The Group participates in defined contribution retirement plans for certain of its employees. The pension plans are funded by payments from the employees and by the relevant Group companies and contributions to these are expensed as incurred. The assets of the funds are held by independently managed funds and are governed by Zimbabwe law. The deemed benefit plans are multi employer plans, where sufficient information is not available to account for them as defined benefit plans, and they are in substance accounted for as defined contribution plans. Defined benefit plans are subject to actuarial valuations at intervals of no more than three years.

ii) Long term service benefits

The Group net obligation in respect of long term service leave is the present value of expected payments to be made in respect of services provided by employees up to the reporting date.

iii) Equity and equity-related compensation benefits

The share option programme allows Group directors and employees to acquire shares of the Company. The option exercise price equals the market price of the underlying shares at the date of the grant and no compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received.

iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

v) Bonus plans

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

K) PROVISIONS

A provision is recognised in the balance sheet where the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are not recognised for future operating losses.

ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2006

L) ENVIRONMENTAL REHABILITATION OBLIGATIONS

In accordance with the Group environmental policy and applicable legal requirements, a provision for environmental rehabilitation is recognised when the land is disturbed as a result of mining activities.

i) Rehabilitation costs

The net present value of future rehabilitation cost estimates as at year end are recognised and provided for in full in the financial statements. The estimates are reviewed annually to take into account the effects of inflation and changes in the estimates. Discount rates that reflect the time value of money are utilised in calculating the present value. A change in the measurement of the liability, apart from unwinding the discount, is recognised in the income statement as a finance cost and is capitalised to the environmental rehabilitation asset.

ii) Ongoing rehabilitation costs

The cost of the ongoing current programmes to prevent and control pollution is charged against income as incurred.

M) REVENUE AND EXPENSES

i) Sale of matte

Sales are recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Sales are determined as the gross invoiced price of the product.

ii) Government assistance

Government assistance is accounted for by applying the income approach and recognised through profit and loss on an accrual basis in as far as the conditions attached to such assistance have been or are expected to be met.

iii) Interest and dividend income

Interest income is recognised on a time-proportion basis using the effective interest method. Interest income on impaired loans is recognised as cash is collected or on a cost recovery basis as conditions warrant. Dividend income is recognised when the shareholders' right to receive payment is established.

iv) Net financing costs

Net financing costs comprise interest payable on borrowings, interest receivable on funds invested and dividend income. All interest and other costs incurred in connection with borrowings are expensed when incurred as part of net financing costs.

N) INCOME TAX

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit, and

differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

O) FINANCIAL INSTRUMENTS

The Group's financial instruments consist primarily of cash and cash equivalents, trade and other receivables, borrowings and trade and other payables. The Group does not hold or issue derivative financial instruments for trading purposes.

Financial instruments are recognised initially at cost. Subsequent to initial recognition these instruments are measured as set out below.

i) Trade and other receivables

Trade and other receivables are held at cost less impairment losses.

ii) Cash and cash equivalents

Cash and cash equivalents comprises bank and cash balances and call deposits. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts. The carrying amounts of cash and cash equivalents approximates their fair value.

iii) Borrowings

Long-term borrowings are recorded at cost less payments made to reflect the value of the anticipated economic outflow of resources. Any subsequent change in value is included in the determination of net profit or loss for the period.

iv) Trade and other payables

Accounts payable are stated at cost adjusted for payments made to reflect the value of the anticipated economic outflow of resources.

v) Financial assets

Financial assets are recognised when the Group has rights or other access to economic benefits. Such assets consist of cash, equity instruments, a contractual right to receive cash or another financial asset, or a contractual right to exchange financial instruments with another entity on potentially favourable terms.

vi) Derivative financial instruments

The Group does not use derivative financial instruments to manage its exposure to foreign exchange risk.

P) INVESTMENTS

The Group classifies its investments in the following categories: financial assets held for trading at fair value through profit and loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification is dependent on the purpose for which the investments were acquired. Management determines the classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. Purchases and sales of investments are recognised on the trade date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Investments

ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2006

are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

i) Financial assets held for trading at fair value through profit and loss

Financial assets held for trading at fair value through profit and loss Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as financial assets held for trading at fair value through profit and loss and are included in current assets.

ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet. Loans and receivables are subsequently carried at amortised cost using the effective interest method less any accumulated impairment loss.

iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, and are included in non-current assets, except for those with maturities within 12 months from the balance sheet date which are classified as current assets. Held to maturity investments are subsequently carried at amortised cost using the effective interest method less any accumulated impairment loss.

iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair values of listed investments are based on current closing market prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are reversed through the income statement.

Q) LEASES

Leases where the lessee assumes substantially all of the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the lower of the estimated present value of the underlying lease payments

and the fair value of the asset. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term and short-term payables respectively. The interest element is expensed to the income statement, as a finance charge, over the lease period.

The property, plant and equipment acquired under finance leasing contracts is amortised in terms of the Group accounting policy limited to the lease contract term.

Leases of assets under which substantially all the benefits and risks of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement in the period in which they occur. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

R) RISK MANAGEMENT

i) Credit risk

Financial assets which potentially subject the Group to concentrations of credit risk, consist principally of cash equivalents and trade receivables. The Group's cash equivalents are placed with high credit quality institutions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

ii) Market risk

The principle amounts of monetary financial assets and liabilities are fixed and not subject to market related value adjustments

iii) Currency risk

The Group is exposed to foreign currency risk in entering contracts of supply in currencies other than the United States dollar. The Group does not use forward exchange contracts to hedge its foreign currency risk.

S) SEGMENT REPORTING

The Group operates within the mining industry. The activities of the Group are entirely related to the development and mining of platinum group metals in Zimbabwe. The risks and rewards associated with the individual operations are not sufficiently dissimilar to warrant identification of separate geographical segments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

1 Property, plant and equipment

	Land, buildings & mining claims	Mining assets	Metallurgical assets	Vehicles	Information technology	Office equipment	Services & environ- mental assets	Assets under construction	TOTAL
GROUP	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Cost/Valuation									
Opening balances									
1 July 2005	35 981	19 347	68 770	7 024	751	133	31 596	16 003	179 605
Additions	4 811	21 177	2 330	5 486	3 572	-	7 397	-	44 773
Foreign currency translation	(388)	-	-	(22)	(2)	(1)	-	-	(413)
Transfers	-	-	-	-	-	-	-	(2 594)	(2 594)
Disposals	-	-	-	(311)	(8)	(3)	-	-	(322)
Mining claims written-off	(2 705)	-	-	-	-	-	-	-	(2 705)
Balances at 30 June 2006	37 699	40 524	71 100	12 177	4 313	129	38 993	13 409	218 334
Accumulated depreciation									
Opening balances									
1 July 2005	1 152	3 709	11 565	1 574	683	40	5 346	-	24 069
Depreciation charge	106	3 665	1 914	2 197	263	46	545	-	8 736
Foreign currency translation	(2)	-	-	(5)	(1)	-	-	-	(8)
Disposals	-	-	-	(242)	(4)	(1)	-	-	(247)
Balances at 30 June 2006	1 256	7 374	13 479	3 524	941	85	5 891	-	32 550
Net book amount 2006	36 443	33 150	57 621	8 653	3 372	44	33 102	13 409	185 794
Net book amount 2005	34 829	15 638	57 205	5 450	68	93	26 250	16 003	155 536

Assets under construction consists mainly of capital expenditure on the Ngezi Portal 2 Underground mine project.

	Mining claims	Information technology	Office equipment	Vehicles	TOTAL
COMPANY	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Cost					
Opening balances					
1 July 2005	6 138	20	13	218	6 389
Additions	175	-	-	-	175
Disposals	-	(7)	(3)	(20)	(30)
Mining claims written-off	(56)	-	-	-	(56)
Balance as at 30 June 2006	6 257	13	10	198	6 478
Accumulated depreciation					
Opening balances					
1 July 2005	-	15	2	71	88
Depreciation charge	-	1	1	28	30
Disposals	-	(4)	(1)	(11)	(16)
Balances at 30 June 2006	-	12	2	88	102
Net book amount 2006	6 257	1	8	110	6 376
Net book amount 2005	6 138	5	11	147	6 301

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

1 Property, plant and equipment (continued)

The last independent valuation of the mining claims assets was completed in June 2004. The valuation is significantly higher than the values disclosed, and the directors are of the opinion that no adjustments are required in these financial statements.

On 31 May 2006, the Group announced an agreement reached with the government of Zimbabwe relating to the release of mining claims comprising 36% of Zimplats' resource base, with a market value of \$153 million, in exchange for empowerment credits amounting to \$102 million and a future payment of \$51 million in cash or an equity stake in a joint venture. The carrying value of the mining claims transferred has been written-off in the income statement.

	Group		Company	
	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000
2 Investments				
Investment in the Ngezi/SMC Project	-	-	25 730	25 730
Investment in Mhondoro Holdings Limited (UK)	-	-	2 666	2 666
Interest in property companies a)	-	-	-	8
Investment in Zimbabwe Platinum Mines (Private) Limited	-	-	43 619	43 619
Total investments	-	-	72 015	72 023
a) As part of the restructuring of the Group, the remaining property company was disposed of (see note 21).				
3 Long term receivables				
Loans due from subsidiaries	-	-	28 818	28 681
These loans are unsecured, interest free and have no fixed terms of repayment.				
4 Inventories				
Ore, concentrate and matte stocks	7 887	5 187	-	-
Consumables	8 582	7 862	-	-
	16 469	13 049	-	-

	Group		Company	
	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000
5 Trade and other receivables				
Impala Refining Services Limited (refer note 25)	28 285	17 266	-	-
Other receivables	10 414	11 537	6 861	1 424
	38 689	28 803	6 861	1 424
6 Cash and cash equivalents				
Bank balances	3 127	18 896	1 677	2 550
Call deposits	49 770	1 512	15 145	1 512
	52 897	20 408	16 822	4 062
7 Share capital and share premium				
a) Authorised				
500 000 000 ordinary shares of 10 cents each	50 000	50 000	50 000	50 000
b) Issued and fully paid				
92 764 489 (2005: 92 764 489) ordinary shares of 10 cents each	10 763	9 276	10 763	9 276
14 873 160 (2005: 14 873 160) ordinary shares of 10 cents each	-	1 487	-	1 487
	10 763	10 763	10 763	10 763
c) Share premium				
At the end of the year	89 166	89 166	89 166	89 166
	99 929	99 929	99 929	99 929

86 594 482 shares were issued at premium of 52 cents per share on 27/28 July 1998, giving rise to a share premium of \$45 029 131. On 28 July 1998, a bonus issue of 1 767 236 shares was effected utilising \$176 724 of the share premium reserve. The premium on shares issued to 30 June 2003, in terms of the employee share option scheme, was \$228 565. The premium on employee share options sold as a result of the Impala offer was \$2 062 991. On 18 March 2005, a further 14 873 160 shares were issued to Impala at a premium of \$2.83 per share resulting in a share premium of \$42 022 254.

d) The unissued shares are under the control of the directors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	Group		Company	
	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000
8 Reserves				
Foreign currency translation reserve	a) (17 183)	(16 213)	-	-
Asset revaluation reserve	b) 45 888	48 149	-	-
Acquisition equity reserve	c) (10 045)	(10 045)	-	-
Accumulated profits	d) 112 112	62 114	29 793	11 508
	130 772	84 005	29 793	11 508

- a) This comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the Group.
- b) This reserve arises from the revaluation of property, plant and equipment and, in the opinion of the directors, reflects the fair value of the assets of the Group at 30 June 2006.
- c) On 5 November 2004 shareholders approved the acquisition of Implats 30% interest in Zimbabwe Platinum Mines (Private) Limited (formerly Makwiro Platinum Mines (Private) Limited) in exchange for 14 873 160 shares in Zimplats Holdings Limited at an issue price of AU\$3.75 each. The effective premium on the share purchase was \$10 044 750.
- d) Represents accumulated profits to 30 June 2006.

9 Minority interests

At the beginning of the year	-	31 037	-	-
Share of net profit of subsidiaries	-	2 428	-	-
Shares issued for acquisition of minority interest	-	(43 510)	-	-
Acquisition equity adjustment	-	10 045	-	-
At the end of the year	-	-	-	-

On 3 September 2001, Impala Platinum (Zimbabwe) Pty Limited acquired a 30% interest in Zimbabwe Platinum Mines (Private) Limited (formerly known as Makwiro Platinum Mines (Private) Limited) for US\$30 000 000 of which US\$29 953 013 represented the premium paid on acquisition of these shares.

In terms of a scheme of arrangement approved by shareholders on 5 November 2004, the Company acquired Implats 30% interest in Zimbabwe Platinum Mines (Private) Limited in exchange for 14 873 160 shares at an issue price of AU\$3.75 each.

	Group		Company	
	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000
10 Deferred taxation				
Recognised deferred tax assets and liabilities are attributable to the following items:				
Property, plant and equipment	13 849	9 941	-	-
Prepayments	662	588	-	-
	14 511	10 529	-	-
The movement on the deferred taxation account is as follows:				
	Opening Balance	Recognised income statement	Recognised in equity	Closing Balance
	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Property, plant and equipment	9 941	3 908	-	13 849
Prepayments	588	74	-	662
	10 529	3 982	-	14 511
Unrecognised deferred tax assets: Deferred tax assets have not been recognised in respect of the following items:				
Deductible temporary differences	8 783	8 909	-	-

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items due to the uncertainty as to whether future taxable profit will be available against which the Group can utilise the benefits therefrom.

11 Mine rehabilitation provision

Rehabilitation obligation:				
At the beginning of the year	3 626	600	-	-
Current year provision	10 724	3 026	-	-
Charge to the income statement	145	-	-	-
	14 495	3 626	-	-
Less: utilised during year	-	-	-	-
At the end of the year	14 495	3 626	-	-

The present value of the future rehabilitation obligation was calculated by inflating the current rehabilitation cost over 3 to 40 years for mining operations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	Group		Company	
	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000
12 Interest bearing loans and borrowings				
Current				
Absa Bank Limited	1 575	250	-	-
Non-current				
Absa Bank Limited	1 575	250	-	-
Total Borrowings	3 150	500	-	-

The Absa Bank Limited loan was obtained to finance the Ngezi Phase 2 Project and is payable in bi-annual payments. The loan will be repaid by December 2007. The loan bears interest at LIBOR plus 3.25% per annum. The average interest rate during the year was 8.3% (2005: 8.75%). A political risk guarantee in favour of Absa Bank Limited for the facility made available to Zimbabwe Platinum Mines (Pvt) Limited is provided by Impala Platinum Holdings Limited.

13 Trade and other payables

Trade payables	15 150	11 905	-	-
Other payables	10 361	6 326	1 170	1 054
	25 511	18 231	1 170	1 054

14 Sales

Sales of matte to Impala Refining Services Limited	162 446	112 484	-	-
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15 Cost of sales

Mining	64 398	55 270	-	-
Processing	14 675	15 722	-	-
Stock movement	(2 587)	(1 642)	-	-
Staff costs	4 303	4 633	-	-
Depreciation of property, plant and equipment	5 702	3 674	-	-
Other	2 361	3 085	-	-
Total cost of sales	88 852	80 742	-	-

16 Other net (expense)/income

Loss on disposal of plant and equipment	(62)	(12)	(14)	-
Loss on disposal of subsidiaries	(4)	-	(4)	-
Foreign exchange (losses)/gains	(67)	188	(67)	188
Dividends received	-	-	19 713	-
Export incentive	(396)	8 722	-	-
Other	85	822	252	183
Total other net (expense)/income	(444)	9 720	19 880	371

Export incentives are Government grants paid to exporters for complying with the regulatory authorities export procedures. The export incentive scheme was discontinued in May 2005. This resulted in the reversal of part of the accruals accounted for in the year to 30 June 2005.

During the year, Zimbabwe Platinum Mines (Private) Limited declared and paid dividends amounting to \$19 712 684.

	Group		Company	
	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000
17 Operating costs				
Audit fees	46	49	17	20
Depreciation of property, plant and equipment	3 034	4 978	30	41
Charge for the year	8 736	8 652	30	41
Amount allocated to cost of sales	(5 702)	(3 674)	-	-
Directors remuneration	485	525	358	364
Fees	80	70	80	70
Emoluments	405	455	278	294
Staff costs	3 615	2 939	561	535
Other operating costs	6 500	7 402	785	2 004
Total operating costs	13 680	15 893	1 751	2 964
Average number of employees during the year	870	629	6	6
18 Taxation				
Current income tax charge	5 331	534	-	-
Deferred tax charge	3 982	3 579	-	-
Withholding tax charge on interest earned	203	108	-	-
Taxation provided	9 516	4 221	-	-
Reconciliation				
Notional tax on profit for the year	8 587	3 817	-	-
Permanent differences	726	296	-	-
Withholding tax charge on interest earned	203	108	-	-
Taxation provided	9 516	4 221	-	-
Expenditure incurred to be claimed against future taxable income (refer note 10)	8 783	8 909		
Company tax rate	15%	15%		
19 Employee benefit expenses				
Wages and salaries	7 918	7 572	561	535
Pension costs - defined contribution plans	129	154	-	-
	8 047	7 726	561	535

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	Group		Company	
	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000
20 Cash generated from/(used in) operations				
Reconciliation of profit before taxation to cash generated from/(used in) operations:				
Profit/(loss) before taxation	57 253	25 448	18 285	(2 516)
Adjustments for:	10 513	7 906	(19 754)	(224)
Depreciation of property, plant and equipment	8 736	8 652	30	41
Net finance (income)/costs	(488)	121	(212)	(77)
Foreign exchange losses/(gains)	67	(188)	67	(188)
Loss on disposal of subsidiary	4	-	4	-
Dividends received	-	-	(19 713)	-
Exchange rate movements	397	(609)	-	-
Foreign currency translation reserve	(970)	(82)	-	-
Mining claims written-off	2 705	-	56	-
Loss on disposal of property, plant and equipment	62	12	14	-
Changes in working capital	(6 036)	(1 707)	(5 458)	(1 143)
Trade and other receivables	(9 896)	(5 611)	(5 574)	(1 189)
Inventories	(3 420)	(2 996)	-	-
Trade and other payables	7 280	6 900	116	46
Cash generated from/(used in) operations	61 730	31 647	(6 927)	(3 883)

Major non cash flow items in 2005 include the issue of 14 873 160 shares to the holding company in exchange for the acquisition of an additional 30% in Zimbabwe Platinum Mines (Pvt) Ltd.

21 Disposal of subsidiary

As part of the restructuring of the Group, the wholly owned subsidiary Acroyd Investments (Private) Limited was disposed of during the year.

Proceeds on disposal	4
Investment at cost	(8)
Loss on disposal	(4)

		Group	
		Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000
22 Capital commitments			
The Group has entered into contracts for the following and is committed to incur capital expenditure in respect thereof:			
	Contract Length Months		
General capital replacement	6	5 413	5 504
Ngezi expansion - Portal 2	6	5 144	-
Ngezi expansion Phase 1	6	5 395	-
		15 952	5 504

The board has authorised a total of \$258 million to be incurred on the Ngezi Expansion Phase 1 project over the period to 2010.

The capital commitments will be financed from internal resources and borrowings, if necessary.

23 Earnings per share

Basic earnings per share

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

Profit attributable to equity holders of the Company	47 737	18 799
Weighted average number of ordinary shares in issue	107 638	92 930
Basic earnings per share US\$(cents)	44.35	20.23

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares as a result of shares available to the Government of Zimbabwe nominated empowerment partner. A calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to the outstanding shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the empowerment shares had been taken up.

The empowerment agreement signed with the Government of Zimbabwe in September 2003 will result in the issue of 13 390 423 ordinary shares once the requisite funding is available.

Profit attributable to equity holders of the Company	47 737	18 799
Weighted average number of ordinary shares in issue	107 638	92 930
Adjustments for empowerment shares	13 390	11 187
Weighted average number of ordinary shares for diluted earnings per share	121 028	104 117
Diluted earnings per share US\$(cents)	39.44	18.06

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	Group	
	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000
24 Pension obligations		
<i>Mining Industry Pension Fund</i>		
Pensions for certain employees are provided for through the Mining Industry Pension Fund in Zimbabwe. This is a defined contribution retirement fund. Contributions to the fund are 5% of pensionable remuneration. The Group's contributions for the year amounted to :	123	132
 <i>National Social Security Scheme</i>		
This scheme was promulgated under the National Social Security Authority Act 1989. Contributions by all Zimbabwe employees are 3% of pensionable remuneration up to a maximum of ZW\$750 000 per month per employee. The Group's contributions for the year amounted to:	6	22
	129	154

25 Related parties

25.1 RELATED PARTY RELATIONSHIPS

a) Controlling entities

The immediate holding company is Impala Platinum (Zimbabwe) (Proprietary) Limited (incorporated in South Africa) which directly holds a 41.91% equity interest in Zimplats Holdings Limited (Guernsey). The ultimate holding company is Impala Platinum Holdings Limited (incorporated in South Africa) which directly holds 100% equity interest in Impala Platinum (Zimbabwe) (Proprietary) Limited, and 45.09% directly in Zimplats Holdings Limited.

b) Directors

The directors named in the directors' report held office as directors of the Company during the years ended 30 June 2006 and 2005 apart from Mr. M. Teke who was appointed on 9 January 2006.

25.2 RELATED PARTY TRANSACTIONS

a) Revenue

Sales of matte are made to Impala Refining Services Limited, a fellow subsidiary. All transactions are done at arms length.

b) Transactions with directors and executive officers

In addition to their salaries, the Group also provides non cash benefits to directors and executive officers.

25.3 BALANCES

The Group had outstanding balances as at 30 June 2006 with one of its fellow subsidiary (refer note 5).

	Country of incorporation	Ownership interest	
		2006 %	2005 %
26 Group enterprises			
Subsidiaries			
Hartley Platinum Mines Limited	United Kingdom	100	100
Mhondoro Holdings Limited	United Kingdom	100	100
Acroyd Investments (Private) Limited (refer note 21)	Zimbabwe	-	100
Always Investments (Private) Limited	Zimbabwe	100	100
Zimbabwe Platinum Mines (Private) Limited	Zimbabwe	100	100
Matreb Investments (Private) Limited	Zimbabwe	100	100
Mhondoro Mining Company Limited	Zimbabwe	100	100
Mhondoro Platinum Holdings Limited	Zimbabwe	100	100
Ngezi Platinum Limited	Zimbabwe	100	100
Selous Platinum (Private) Limited	Zimbabwe	100	100
Zimplats Corporate Services (Private) Limited	Zimbabwe	100	100
Zimplats Timber Holdings (Private) Limited	Zimbabwe	100	100

		Group		Company	
		Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000	Year to Jun-06 US\$ 000	Year to Jun-05 US\$ 000
26 Contingent liabilities					
Guarantees	a)	1	1	-	-
Withholding tax on dividends	b)	8 928	2 400	-	-
		8 929	2 401	-	-

a) Guarantees are in respect of lease and power obligations.

b) In terms of the agreement between the Government of Zimbabwe and the Company, dividends paid by Zimbabwe Platinum Mines (Private) Limited (formerly Makwiro Platinum Mines (Private) Limited) are exempt from Non-Resident Shareholders' Tax (NRST). At the time of signature of the agreement, the Government undertook to enact the necessary legislation to give effect to the exemption. To date, this has not been done.

The Zimbabwe Revenue Authority has advised that notwithstanding the provisions of the agreement, NRST on dividends paid to date is due and payable as the exemption legislation is not yet in place.

The matter has been referred to the Ministry of Mines to initiate the enactment of the legislation, which is currently in progress.

In the event that the legislation is not passed, the NRST payable on dividends paid to date amounts to US\$8.9 million.