ZIMBABWE PLATINUM MINES LIMITED

ARBN: 083 463 058

Annual Financial Report

30 June 2003

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DIRECTORS' DECLARATION

In the opinion of the Directors of Zimbabwe Platinum Mines Limited:

1. the financial statements and notes, set out on pages 3 to 28, 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 the consolidated entity as at 30 June 2003 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 Board; 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:

R A Pitchford
Chief Executive Officer

G Sebborn
Chief Financial Officer

Harare,
Zimbabwe
26 August 2003

Chartered Accountants (Zimbabwe)

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

We have audited the consolidated and company financial statements of Zimbabwe Platinum Mines Limited for the year ended 30 June 2003, set out on pages 3 to 28.

Respective responsibilities of directors and auditors
These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on them based on our audit.

Basis of opinion
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 included assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement and presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion
In our opinion, the financial statements are properly drawn up in accordance with the provisions of The Companies (Guernsey) Law 1994 and in conformity with International Financial Reporting Standards promulgated by the International Accounting Standards Board, so as to give a true and fair view of the financial position of the Group and Company as at 30 June 2003 and the results of the operations and cash flows for the year then ended.

KPMG

KPMG
Harare
26 August 2003

ZIMBABWE PLATINUM MINES LIMITED
INCOME STATEMENTS
for the year ended 30 June 2003

	Notes	Group		Company	
			Restated		Restated
		2003	2002	2003	2002
		$ 000	$ 000	$ 000	$ 000
Revenue	2	71 464	16 534	-	-
Cost of sales	3	(42 465)	(11 535)	-	-
Gross profit		28 999	4 999	-	-
Other income	4	644	176	4 598	252
Operating costs	5	(11 646)	(3 311)	(1 233)	(1 108)
Profit/(loss) from operations		17 997	1 864	3 365	(856)
Net finance costs	6	(1 675)	(452)	-	(40)
Profit/(loss) before taxation		16 322	1 412	3 365	(896)
Taxation	7	(4 577)	(618)	-	-
Profit/(loss) after taxation		11 745	794	3 365	(896)
Minority interests	18	(3 844)	(580)	-	-
Net profit/(loss) for the year		7 901	214	3 365	(896)
Basic earnings per share (cents)	25	8.93	0.24		
Diluted earnings per share (cents)	25	8.76	0.24		

ZIMBABWE PLATINUM MINES LIMITED
BALANCE SHEETS
30 June 2003

		Group		Company	
			Restated		
	Notes	**2003**	**2002**	**2003**	**2002**
		$ 000	$ 000	$ 000	$ 000
ASSETS					
Non-current assets					
Property, plant and equipment	8	109 607	113 416	71	79
Mining interests	9	22 835	22 253	4 095	3 316
Investments	10	-	-	28 519	28 540
Long term receivables	11	-	-	25 559	24 388
Total non-current assets		132 442	135 669	58 244	56 323
Current assets					
Inventories	12	6 594	4 549	-	-
Trade debtors	13	11 740	11 450	-	-
Other receivables	14	5 087	4 755	31	193
Cash and cash equivalents	15	18 717	6 552	4 583	2 860
Total current assets		42 138	27 306	4 614	3 053
Total assets		174 580	162 975	62 858	59 376
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	16	8 929	8 836	8 929	8 836
Reserves	17	102 167	94 501	53 661	50 068
Total capital and reserves		111 096	103 337	62 590	58 904
Minority interests	18	25 267	23 223	-	-
Non-current liabilities					
Deferred taxation	19	5 144	655	-	-
Interest bearing loans and borrowings	20	8 337	21 828	-	-
Total non-current liabilities		13 481	22 483	-	-
Current liabilities					
Interest bearing loans and borrowings	20	15 802	7 276	-	-
Other payables	21	8 934	6 656	268	472
Total current liabilities		24 736	13 932	268	472
Total equity and liabilities		174 580	162 975	62 858	59 376

R A Pitchford
Chief Executive Officer

G Sebborn
Chief Financial Officer

ZIMBABWE PLATINUM MINES LIMITED
STATEMENTS OF CHANGES IN EQUITY
year ended 30 June 2003

	Share capital	Share premium reserve	Foreign currency translation reserve	Revaluation reserve	Accumulated (loss)/profit	Total
	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
GROUP						
Balances at 30 June 2001	8 836	44 853	(13 852)	59 158	(3 870)	95 125
Revaluation	-	-	-	1 917	-	1 917
Foreign currency translation reserve	-	-	(1 276)	-	-	(1 276)
Capital reserve release through depreciation (note 34)	-	-	-	(966)	966	-
Transfer from minority interests (note 18)	-	-	-	-	7 357	7 357
Net profit for the year	-	-	-	-	214	214
Balances at 30 June 2002	8 836	44 853	(15 128)	60 109	4 667	103 337
Issue of share capital (note 16)	93	228	-	-	-	321
Revaluation	-	-	-	18	-	18
Foreign currency translation reserve	-	-	(481)	-	-	(481)
Capital reserve release through depreciation (note 34)	-	-	-	(3 865)	3 865	-
Disposal of subsidiaries	-	-	(141)	(361)	502	-
Net profit for the year	-	-	-	-	7 901	7 901
Balances at 30 June 2003	8 929	45 081	(15 750)	55 901	16 935	111 096
COMPANY						
Balances at 30 June 2001	8 836	44 853	-	-	6 111	59 800
Net loss for the year	-	-	-	-	(896)	(896)
Balances at 30 June 2002	8 836	44 853	-	-	5 215	58 904
Issue of share capital (note 16)	93	228	-	-	-	321
Net profit for the year	-	-	-	-	3 365	3 365
Balances at 30 June 2003	8 929	45 081	-	-	8 580	62 590

ZIMBABWE PLATINUM MINES LIMITED
CASH FLOW STATEMENTS
for the year ended 30 June 2003

	Notes	Group 2003 $ 000	Group 2002 $ 000	Company 2003 $ 000	Company 2002 $ 000
Operating activities					
Cash generated from/(used in) operations	22	23 404	(14 324)	(2 086)	1 354
Financial income		803	186	-	3
Dividends received		-	-	4 200	-
Exchange gain realised		508	-	13	-
Dividend paid to minority interests	18	(1 800)	-	-	-
Interest paid		(2 478)	(638)	-	(43)
Withholding taxation paid		(93)	-	-	-
Cash in/(out) flows from operating activities		20 344	(14 776)	2 127	1 314
Investing activities					
Proceeds from sale of property, plant and equipment		31	-	-	-
Acquisition of property, plant and equipment	8	(2 960)	(30 046)	(8)	(43)
Transfer of property, plant and equipment		-	374	-	24
Acquisition of mining interests		(582)	(1 011)	(782)	(2)
Proceeds on disposal of subsidiaries	23	65	-	65	-
Expenditure on timber plantation assets		(89)	(31)	-	-
Acquisition of other investments		-	-	-	(100)
Cash out flows from investing activities		(3 535)	(30 714)	(725)	(121)
Financing activities					
Proceeds of share issue in Zimbabwe Platinum Mines Limited		321	-	321	-
Proceeds of share issue in Makwiro Platinum Mines (Private) Limited		-	30 000	-	-
Proceeds from long term borrowings		-	29 104	-	-
Repayments of long term borrowings		(4 965)	-	-	-
Conversion of short term loans to equity		-	(8 788)	-	-
Cash (out)/in flows from financing activities		(4 644)	50 316	321	-
Increase in cash and cash equivalents		12 165	4 826	1 723	1 193
Movement in cash and cash equivalents					
Cash on hand at beginning of year		6 552	1 726	2 860	1 667
Increase		12 165	4 826	1 723	1 193
Cash on hand at end of year	15	18 717	6 552	4 583	2 860

Zimbabwe Platinum Mines Limited is a company domiciled in Guernsey, Channel Islands. The consolidated financial statements of the Group for the year ended 30 June 2003 comprise the Company and its subsidiaries (together referred to as the Group). The financial statements were authorised for issue by the Directors on 26 September 2003.

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board (IASB). International Financial Reporting Standards (IFR'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, rounded to the nearest thousand. They are prepared on the historical cost basis with the exception of certain fixed property which is shown at valuation. The accounting policies have been consistently applied by the Group and are consistent with those of the previous year.

c) Basis of consolidation

i) Subsidiaries

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

d) Reporting currency

IAS 21 (Foreign Currency) requires companies to report in the currency of the country they are incorporated and operating in unless their functional currency, in terms of IAS 21, is not that currency.

The Group's and Company's functional currency, in terms of IAS 21, is United States dollars. There are immaterial transactions in Zimbabwe dollars, relating to the Zimbabwe subsidiary companies, which have not been inflation-adjusted before converting to United States dollars.

e) Foreign currency

i) Foreign currency transactions

Transactions in foreign currencies are translated to United States dollars at the foreign exchange rate ruling at the date of the transaction. Monetary and non-monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to United States dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

e) Foreign currency - continued

ii) Financial statements of foreign operations

The revenues and expenses of foreign operations are translated to United States dollars at the average rates ruling during the period. Foreign exchange differences arising on translation are recognised directly in equity.

f) Property, plant and equipment

i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (refer accounting policy (k)). The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Where items of property, plant and equipment comprise major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

ii) Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul costs, is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the income statement as an expense when incurred.

iii) Depreciation

Land is not depreciated. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of items of property, plant and equipment. The estimated useful lives are as follows:

- Buildings 20 - 67 years
- Roads 20 years
- Crusher station 20 years
- SMC surface plant 20 years
- Plant and equipment 10 years
- Fixtures and fittings 10 years
- Motor vehicles 5 years
- Computer equipment 3 years

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 accumulated amortisation and impairment losses (refer accounting policy (k)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

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.

To the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, it is recognised in the income statement when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the income statement over the weighted average of the fair values of the non-monetary assets acquired.

iii) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets.

h) Inventories

i) Consumable inventories

Consumable inventories are stated at the lower of cost 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 estimated value of platinum and palladium in the inventories.

i) Mining interests

Exploration, evaluation and development expenditure, including related administrative expenditure, is accumulated for each separate area of interest. An area of interest comprises a project area which consists of one or more related mine tenements or claims on an individual geological area.

i) Mining interests - continued

i) Exploration and evaluation

Costs accumulated comprise acquisition costs, direct exploration and evaluation costs and an appropriate portion of related overhead expenditure. They do not include general overheads or administrative expenditure not specifically connected with a particular area of interest.

Revenue received from the sale or disposal of product, materials or services during the exploration and evaluation phases of operations is offset against the expenditure in respect of the area of interest or mineral resource concerned. Expenditure is carried forward in respect of those areas of interest in which the rights of tenure are current and:

Either the exploration and evaluation procedures are not sufficiently progressed to permit reasonable assessment of the existence or otherwise of reserves, and active and significant operations in the area of interest are continuing;

Or such expenditure is expected to be recouped by successful development and exploration or by its sale. This expenditure is capitalised up to commencement of operations at which time it is amortised in accordance with the policy stated in (j), Amortisation of mining interests, below.

Exploration and evaluation expenditure in respect of areas which do not satisfy the above criteria, is written off as incurred or in the year in which such a decision is made.

ii) Development expenditure

Development expenditure incurred prior to the commencement of commercial levels of production, including borrowing costs, is carried forward to the extent to which recoupment out of revenue, following the commissioning of the mine, is reasonably assured. No amortisation is provided in respect of development properties until they are commissioned. Thereafter, such amounts are amortised in accordance with the policy stated in (j) below.

iii) Care and maintenance

Projects transferred to care and maintenance are carried forward to the extent to which recoupment out of future revenue following the return to production or sale of the mine is reasonably assured. Amortisation is provided in respect of properties in accordance with the policy stated in (j) below.

iv) Deferred mine stripping expenditure

Open-cast mine stripping expenditure is charged against revenue in the year it is incurred. Where the waste to ore ratio exceeds the estimated ratio for the life of the mine, a pro rata portion of the stripping expenditure is capitalised. The deferred stripping expenditure is amortised over the life of the mine whenever the waste to ore ratio falls below the average expected ratio for the life of the mine.

j) Amortisation of mining interests

Amortisation of mining interests in the production phase is provided on the production output basis so as to write off each area of interest over the assessed production life of that area. The directors regularly review the assessed production life of each area of interest and after considering the physical and economic factors relating to reserves, adjustments will be made to amortisation rates as necessary.

k) Impairment

The carrying amounts of the Group assets, other than inventories (refer accounting policy (h)), exploration and evaluation expenditure (refer accounting policy (i) (i)) and deferred tax assets (refer accounting policy (p)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

i) Calculation of recoverable amount

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

ii) Reversals of impairment

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is only reversed to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

l) Employee benefits

i) Defined contribution plans

Contributions to defined contribution pension plans are recognised as an expense on the income statement as incurred.

l) Employment benefits - continued

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.

m) Provisions

A provision is recognised in the balance sheet when 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.

n) Site restoration

In accordance with the Group environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land is recognised when the land is contaminated.

i) Future restoration costs

The net present value of future restoration cost estimates 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 are discounted using rates that reflect the time value of money.

ii) Ongoing restoration costs

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

o) Revenue and expenses

i) Goods sold and services rendered

Revenue from the sale of product is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is determined at the gross invoiced price of the product.

ii) Interest and dividend income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset. Dividend income is recognised in the income statement on the date that the dividend is declared.

iii) 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.

p) 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 probably that the related tax benefits will be realised.

q) Financial instruments

The Group's financial instruments consist primarily of cash and cash equivalents, trade and other receivables, borrowings, 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 receivables are carried at anticipated realisable value taking into account metal prices at the balance sheet date. Other receivables are stated at their cost less allowances for doubtful debts.

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.

q) Financial instruments - continued

iii) Borrowings

Long-term borrowings are recorded at cost and 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.

1 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.

	Group		Company	
	2003	**2002**	**2003**	**2002**
	$ 000	$ 000	$ 000	$ 000
2 Revenue				
Revenue comprises concentrate and matte sales to Impala Refining Services Limited	71 464	16 534	-	-
3 Cost of sales				
Staff costs	1 024	237	-	-
Depreciation	1 980	899	-	-
Exchange (gains)/losses	(437)	139	-	-
Other	39 898	10 260	-	-
Total cost of sales	42 465	11 535	-	-
4 Other income				
Profit on disposal of plant and equipment	30	10	-	9
Profit on disposal of shares	-	-	43	-
Profit on disposal of subsidiaries (note 23)	5	-	-	-
Foreign exchange gains	71	-	13	-
Dividends received	-	-	4 200	-
Other	538	166	342	243
Total other income	644	176	4 598	252
5 Operating costs				
Audit fees	39	31	17	-
Depreciation of property, plant and equipment	4 426	991	16	21
Charge for the year	6 406	1 890	16	21
Amount allocated to cost of sales	(1 980)	(899)	-	-
Directors remuneration	402	471	311	376
Fees	60	80	60	75
Emoluments	342	391	251	301
Write down of timber plantation assets	89	31	-	-
Write down of property, plant and equipment	282	-	-	-
Foreign exchange losses	-	173	-	-
Staff costs	682	816	175	137
Other operating expenses	5 726	798	714	574
Total operating expenses	11 646	3 311	1 233	1 108
Average number of employees during the year	444	315	6	6

	Group		Company	
	2003	2002	2003	2002
	$ 000	$ 000	$ 000	$ 000
6 Net interest expense				
Interest expense	2 478	638	-	43
Interest income	(803)	(186)	-	(3)
Net interest expense	1 675	452	-	40
7 Taxation				
Deferred tax charge	4 484	618	-	-
Withholding tax charge on interest earned	93	-	-	-
Taxation provided	4 577	618		
Reconciliation				
Notional tax on profit for the year	4 081	462	-	-
Permanent differences	(1 811)	156	-	-
Withholding tax charge on interest earned	93	-	-	-
Assessed losses utilised	2 214	-	-	-
Taxation provided	4 577	618	-	-
Expenditure incurred to be claimed against future taxable income (refer note 19)	6 471	5 889	-	-

The Group has unutilised assessable tax losses of approximately $23 081 000 (2002:$39 904 000)

8 Property, plant and equipment

		Land and buildings	Roads	SMC surface plant	Plant and equipment	Computer equipment	Furniture and office equipment	Motor vehicles	Capitalise pre-production expenditure	Deferred stripping expenditure	Work in progress	Total
		$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
8.1	**GROUP**											
	Cost/Valuation											
	Opening balances 1 July 2002	5 951	18 996	73 480	853	584	130	744	6 371	8 223	29	115 361
	Additions	207	-	-	1 085	121	5	531	378	-	633	2 960
	Revaluation a)	22	-	-	-	-	-	-	-	-	-	22
	Write downs b)	-	(218)	-	(51)	(13)	-	-	-	-	-	(282)
	Transfers	-	-	-	29	-	-	-	-	-	(29)	-
	Foreign currency translation	(72)	-	-	(8)	(3)	(17)	(34)	-	-	-	(134)
	Disposals	(99)	-	-	(1)	-	-	(2)	-	-	-	(102)
	Balances at 30 June 2003	6 009	18 778	73 480	1 907	689	118	1 239	6 749	8 223	633	117 825
	Accumulated depreciation											
	Opening balances 1 July 2002	153	500	966	25	91	14	117	79	-	-	1 945
	Depreciation	304	983	3 865	52	214	14	188	399	387	-	6 406
	Foreign currency translation	(2)	-	-	(2)	(2)	(5)	(17)	-	-	-	(28)
	Disposals	(99)	-	-	(1)	-	(4)	(1)	-	-	-	(105)
	Balances at 30 June 2003	356	1 483	4 831	74	303	19	287	478	387	-	8 218
	Net book amount 2003	5 653	17 295	68 649	1 833	386	99	952	6 271	7 836	633	109 607
	Net book amount 2002	5 798	18 496	72 514	828	493	116	627	6 292	8 223	29	113 416

a) An independent valuation of certain subsidiary company land and building was carried out in December 2002 on the basis of Open Market Value. In the opinion of the directors the assets are stated at their fair value.

b) Certain items of property, plant and equipment of Makwiro Platinum Mines (Private) Limited, were previously capitalised on the basis of estimates of final values. The carrying amounts of these assets have now been adjusted to reflect completed contracts costs.

8 Property, plant and equipment - continued	Computer equipment	Furniture and office equipment	Motor vehicles	Total
	$ 000	$ 000	$ 000	$ 000
8.2 COMPANY				
Cost				
Opening balances 1 July 2002	15	5	99	119
Additions	5	3	-	8
Balances at 30 June 2003	20	8	99	127
Accumulated depreciation				
Opening balances 1 July 2002	10	-	30	40
Depreciation	2	-	14	16
Balances at 30 June 2003	12	-	44	56
Net book amount 2003	8	8	55	71
Net book amount 2002	5	5	69	79

	Group		Company	
	2003	**2002**	**2003**	**2002**
	$ 000	$ 000	$ 000	$ 000
9 Mining interests				
Interests under exploration or evaluation phase:				
Interest in Mhondoro mining claims and accumulated prospecting expenditure	3 410	3 410	-	-
Interest in Ngezi mining claims	9 854	9 854	1 323	1 323
Accumulated prospecting expenditure	6 380	5 798	2 768	1 989
Interest in Selous mining claims	3 100	3 100	-	-
Accumulated prospecting expenditure	91	91	4	4
Total mining interests	22 835	22 253	4 095	3 316

An independent valuation of the above mining interests was completed in June 2003. The valuation is significantly higher than the carrying values disclosed, and the directors are of the opinion that no adjustments are required in these financial statements.

			Group		Company	
			2003	2002	2003	2002
			$ 000	$ 000	$ 000	$ 000
10	**Investments**					
	Timber assets and accumulated forestry expenditure:					
	Accumulated forestry expenditure		468	379	-	-
	Accumulated impairment	(a)	(138)	(120)	-	-
	Devaluation on translation of income statements	(b)	(330)	(259)	-	-
			-	-	-	-
	Other 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		-	-	14	35
	Investment in Makwiro Platinum Mines (Private) Limited		-	-	109	109
			-	-	28 519	28 540
	Total investments		-	-	28 519	28 540

a) The carrying value of the timber assets has been written off in full due to the uncertainty of the requirement to use the timber for underground mining in the near future.

b) This arises from translation of Zimbabwe dollars to United States dollars and has effectively been written off in the foreign currency translation reserve.

		Group 2003	Group 2002	Company 2003	Company 2002
11	**Long term receivables**				
	Loans due from subsidiaries	-	-	25 559	24 388

These loans are unsecured, interest free and have no fixed terms of prepayment.

		Group 2003	Group 2002	Company 2003	Company 2002
12	**Inventories**				
	Ore concentrate and matte stocks	3 161	2 505	-	-
	Consumables	3 433	2 044	-	-
		6 594	4 549	-	-
13	**Trade debtors**				
	Impala Refining Services Limited	11 740	11 450	-	-
14	**Other receivables**				
	Loans to directors	-	181	-	180
	Impala Platinum Holdings Limited	2	-	-	-
	Other trade receivables	5 085	4 574	31	13
		5 087	4 755	31	193

			Group		Company	
			2003	2002	2003	2002
			$ 000	$ 000	$ 000	$ 000
15	**Cash and cash equivalents**					
	Bank balances		14 494	3 747	360	55
	Call deposits		4 223	2 805	4 223	2 805
			18 717	6 552	4 583	2 860
16	**Share capital**					
	a) Authorised					
	500 000 000 ordinary shares of 10 cents each		50 000	50 000	50 000	50 000
	b) Issued and fully paid					
	88 361 820 ordinary shares of 10 cents each		8 836	8 836	8 836	8 836
	923 540 ordinary shares of 10 cents each		93	-	93	-
			8 929	8 836	8 929	8 836

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

In terms of the Zimplats Employee Share Option Scheme, options to purchase 990 000 and 3 463 000 shares have been granted to directors and employees, respectively. Up to 30 June 2003, 923 540 of these options have been exercised. (Refer note 27).

17	**Reserves**					
	Share premium reserve	a)	45 081	44 853	45 081	44 853
	Foreign currency translation reserve	b)	(15 750)	(15 128)	-	-
	Revaluation reserve	c)	55 901	60 109	-	-
	Accumulated profits/(losses)	d)	16 935	4 667	8 580	5 215
			102 167	94 501	53 661	50 068

a) 86 594 482 ordinary shares were issued at a premium of 52 cents per share on 27/28 July 1998, giving rise to a share premium of $45 029 000. 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 in 2003 in terms of the employee share option scheme is $228 565.

b) 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.

c) This reserve arises from the valuation 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 2003.

d) This represents accumulated profits and losses to 30 June 2003.

		Group		Company	
		2003	2002	2003	2002
		$ 000	$ 000	$ 000	$ 000
18	**Minority interests**				
	At the beginning of the year (restated)	23 223	-	-	-
	30% interest in subsidiary	-	30 000	-	-
	Transfer to retained earnings	-	(7 357)	-	-
	Share of net profit of subsidiaries	3 844	580	-	-
	Dividends paid by subsidiaries	(1 800)	-	-	-
	At the end of the year	25 267	23 223	-	-

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

A prior year transfer of $7 356 708 has been made to retained earnings which represents the difference between the amount paid for the 30% shareholding and the attributable reserves at the date the shares were acquired. Comparatives have been adjusted accordingly.

19 Deferred taxation

Recognised deferred tax assets and liabilities are attributable to the following items:

	Group 2003	Group 2002	Company 2003	Company 2002
Property, plant and equipment	10 076	8 306	-	-
Prepayments	835	330	-	-
Assessable tax losses carried forward	(5 767)	(7 981)	-	-
	5 144	655	-	-

The movement on the deferred taxation account is as follows:

	Opening Balance	Recognised during the year		Closing Balance
		Profit	Equity	
Property, plant and equipment	8 306	1 765	5	10 076
Prepayments	330	505	-	835
Assessed tax losses carried forward	(7 981)	2 214	-	(5 767)
	655	4 484	5	5 144

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group 2003	Group 2002	Company 2003	Company 2002
Deductible temporary differences	6 471	5 889	-	-

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.

		Group		Company	
		2003	**2002**	**2003**	**2002**
		$ 000	$ 000	$ 000	$ 000
20 Interest bearing loans and borrowings					
Non-current liabilities					
Absa Bank Limited	a)	8 337	21 828	-	-
Current liabilities					
Absa Bank Limited	a)	15 802	7 276	-	-

a) The loan was obtained to finance the Ngezi/SMC Project and is payable over two years commencing in March 2003. The loan bears interest at LIBOR plus 5 per cent per annum. The average interest rate during the year was 7.25 per cent. The debt is secured against revenue arising from the sale of product to Impala Refining Services Limited, inter-company receivables, guarantees by Impala Platinum Holdings Limited, the company and other related parties and by pledges of shares in the following companies:

- Makwiro Platinum Mines (Private) Limited 70%
- Hartley Minerals Zimbabwe Proprietary Limited 100%
- Hartley Platinum Mines (Private) Limited 100%

as well as the pledge and cession of the Special Mining Lease No. 1 mining agreement and mineral rights pertaining to the Ngezi South Claims.

	Group		Company	
	2003	**2002**	**2003**	**2002**
	$ 000	$ 000	$ 000	$ 000
21 Other payables				
Trade creditors	7 623	4 428	-	-
Other	1 311	2 228	268	472
	8 934	6 656	268	472

	Group		Company	
	2003	2002	2003	2002
	$ 000	$ 000	$ 000	$ 000

22 Cash generated from/(used in) operations

Reconciliation of profit/(loss) before taxation to cash generated from/(used in) operations:

	Group 2003 $ 000	Group 2002 $ 000	Company 2003 $ 000	Company 2002 $ 000
Profit/(loss) before taxation	16 322	1 412	3 365	(896)
Adjustments for:	7 471	2 525	(4 240)	52
Depreciation	6 406	2 431	16	21
Amortisation of timber plantation assets	89	31	-	-
Net finance expense	1 675	452	-	40
Write down of assets	282	-	-	-
Foreign exchange gain	(508)	-	(13)	-
Profit on disposal of subsidiaries	(5)	-	-	-
Profit on disposal of shares	-	-	(43)	-
Foreign exchange loss on investments	(439)	(379)	-	-
Dividends received	-	-	(4 200)	-
Profit on disposal of property, plant and equipment	(29)	(10)	-	(9)
Changes in working capital	(389)	(18 261)	(1 211)	2 198
Trade and other receivables	(622)	(16 175)	(1 007)	5 782
Inventories	(2 045)	(4 440)	-	-
Trade and other payables	2 278	2 354	(204)	(3 584)
Cash generated from/(used in) operations	23 404	(14 324)	(2 086)	1 354

23 Disposal of subsidiaries

On 30 November 2002, the Group disposed of two wholly owned subsidiary companies to a non-executive director of the Company. The sale was in terms of a contract of employment entered into when the non-executive director was formerly employed as Chief Executive of the Company. The fair value of the net assets disposed are as follows:

	Velpet Investments (Private) Limited	Wasbister Investments (Private) Limited	Total
Disposal consideration	78	27	105
Loans ceded to Zimbabwe Platinum Mines Limited	(28)	(12)	(40)
Net proceeds on disposal	50	15	65
Net asset value	(48)	(12)	(60)
Profit on disposal	2	3	5

24 Capital commitments

The Group has entered into contracts for the following and is committed to incur capital expenditure in respect thereof:

	Contract Length Months	2003 Group	2002 Group
		$ 000	$ 000
Third box cut for Ngezi Platinum Mines	12	1 464	1 848
Replacement plant and equipment	12	2 420	1 609
Buses for transport of staff	1	-	450
Exploration drilling	12	454	-
Furnace transformer	2	1 000	-
Refractory lining	2	750	-
		6 088	3 907

The capital commitment will be financed from internal resources and borrowings.

25 Earnings per share

Basic earnings per share

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

	2003	2002
Net profit attributable to ordinary shareholders in US$000	7 901	214
Weighted average number of ordinary shares in 000's	88 461	88 362
Basic earnings per share US$(cents)	8.93	0.24

Diluted earnings per share

With regard to diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all share options exercisable by employees.

	2003	2002
Weighted average number of ordinary shares in issue	88 461	88 362
Adjustments for exercisable share options	1 740	78
Weighted average number of diluted ordinary shares	90 201	88 440
Diluted earnings per share US$(cents)	8.76	0.24

	Group	
	2003	**2002**
	$ 000	$ 000
26 Pension obligations		
Mining Industry Pension Fund		
Pensions for certain employees are provided for by the employer 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:	34	9
National Social Security Scheme		
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$360 per employee with effect from January 2003. The Group's contributions for the year amounted to:	1	1
	35	10

27 Employee benefits

Equity compensation benefits

	2003	2002
Options outstanding at the beginning of the year	3 191 000	1 561 000
Add: Options granted during the year to:		
• Directors	275 000	305 000
• Employees	1 160 000	1 375 000
Less: Options exercised during the year	(924 000)	-
Options forfeited during the year	(173 000)	(50 000)
Options outstanding at the end of the year	3 529 000	3 191 000

Total share options granted constitute 3.99% (2002: 3.61%) of the issued share capital of the Company.

All officers and employees of the Company are eligible to participate in the Employee Share Option Scheme.

Each option subscribes for one fully paid ordinary share in the Company and will lapse on the fifth anniversary of its date of issue.

28 Related parties

28.1 Related party relationships

a) Controlling entities

The immediate holding company is Impala Platinum (Zimbabwe) (Proprietary) Limited (incorporated in South Africa) which directly holds a 50.53% equity interest in Zimbabwe Platinum Mines Limited (Guernsey). The ultimate holding company is Impala Platinum Holdings Limited (incorporated in South Africa) which directly holds 70.62% equity interest in Impala Platinum (Zimbabwe) (Proprietary) Limited.

b) Directors

The directors named in the directors' report held office as directors of the company during the years ended 30 June 2003 and 2002 except for Ms E Chitiga and Mr L Paton who were appointed on 20 November 2002 and 15 January 2003, respectively. Messrs L Rozman and P Vanderspuy held office as directors until their resignation on 22 August 2002 and 13 November 2002, respectively.

c) Other

The Group has a related party relationship with Absa Bank Limited (incorporated in South Africa), a shareholder in Impala Platinum (Zimbabwe) (Proprietary) Limited, which held a direct equity interest of 50.53% at the end of the financial year and Impala Refining Services Limited, which is a controlled subsidiary of Impala Platinum Holdings Limited. On 30 June 2003, Absa Bank Limited sold its 29.38% shareholding in Impala Platinum (Zimbabwe) (Proprietary) Limited to Impala Platinum Holdings Limited. Absa Bank Limited no longer has any direct or indirect shareholding in Zimbabwe Platinum Mines Limited.

28.2 Related party transactions

a) Revenue

Sales of matte and concentrate are made to Impala Refining Services Limited. All transactions are done at arms length.

b) Transactions with directors and executive officers

Directors of the Company and their immediate relatives control approximately 0.17 percent of the voting shares of the Company.

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

Executive officers participate in the Group's share option scheme (refer note 27).

28.3 Balances

The Group had outstanding balances as at 30 June 2003 with two of its shareholders (refer notes 13 and 14).

29 Group enterprises

Significant subsidiaries

	Country of incorporation	Ownership interest 2003	2002
Zimbabwe Platinum Mines Limited	United Kingdom	100	100
Zimplats Limited	United Kingdom	100	100
Hartley Platinum Mines Limited	United Kingdom	100	100
Mhondoro Holdings Limited	United Kingdom	100	100
Zimbabwe Platinum (Private) Limited	Zimbabwe	100	100
Ngezi Platinum Limited	Zimbabwe	100	100
Acroyd Investments (Private) Limited	Zimbabwe	100	100
Agglethorpe Investments (Private) Limited	Zimbabwe	100	100
Boreham Investments (Private) Limited	Zimbabwe	100	100
Velpet Investments (Private) Limited (refer note 23)	Zimbabwe	-	100
Wasbister Investments (Private) Limited (refer note 23)	Zimbabwe	-	100
Zimplats Timber Holdings (Private) Limited	Zimbabwe	100	100
Makwiro Platinum Mines (Private) Limited	Zimbabwe	70	70
Hartley Minerals Zimbabwe Pty Ltd	Australia	100	100
Hartley Platinum Mines (Private) Limited	Zimbabwe	100	100
Zimplats (Private) Limited	Zimbabwe	100	100
Mhondoro Mining Company Limited	Zimbabwe	100	100
Mhondoro Platinum Holdings Limited	Zimbabwe	100	100

30 Risk management

The Group operates in an environment which is subject to both world market prices and exchange rate fluctuations. Exposure to credit, market and currency risk arises in the normal course of the Group's business. Group policy adopts a non-speculative approach to manage risk while maximising profits.

a) 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.

b) Market risk

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

c) 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.

	Group		Company	
	2003	2002	2003	2002
	$ 000	$ 000	$ 000	$ 000
31 Contingent liabilities				
Guarantees	2	4	-	-
Legal claims	-	-	-	-
	2	4	-	-

Guarantees are in respect of lease and power obligations.

32 Post balance sheet event

On 30 July 2003, Impala Platinum Holdings Limited made an offer to purchase all shares held by the minority shareholders of Zimbabwe Platinum Mines Limited at an offer price of A$4.08 per share. Prior to this offer being made, Impala Platinum Holdings Limited indirectly held 50.53% of the equity of Zimbabwe Platinum Mines Limited.

Zimbabwe Platinum Mines Limited has been advised of a possible alternative offer from an interested party. However, as at the date of signing these accounts, no formal offer document had been received.

33 Exchange rate

The exchange rate used in the financial statements to translate the Zimbabwe subsidiaries to United States dollars is US$1 to ZW$1 350 (2002: US$1 to ZW$550).

34 Comparative information

a) A prior year adjustment of $966 000 was effected in respect of depreciation on the SMC Surface Plant. A transfer of the depreciation expense has been made from retained earnings to the revaluation reserve whereas previously the transfer was netted off against the depreciation expense in the income statement. Comparative information has been restated in line with IAS 16 (Property, Plant and Equipment).

b) Information presented on the face of the income statement together with the corresponding notes has been adjusted to more correctly reflect the presentation and disclosure requirements of IAS 1 (Preparation and Presentation of Financial Statements). Comparative information has been restated accordingly.