



CHAMBER OF MINES
of South Africa

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER **2016**

Making Mining Matter

#MANGANESE #PLATINUM

#RegulatoryCertainty #MiningCharter

#TomorrowsMine

#Diamonds

#MiningCharter

#IllegalMining

#SafetyFirst

#SONA2017

#IfitsnotGrownitsMined

#MiningMatters

#COAL

#MININGINDABA2017

#GOLD

#ItAddsUp

#Mine2030

#SustainableFuture

#IllegalMining

#BeBoldForChange

#feesmustfall

#miningmatters

#fitsnotGrownitsMined



VISION

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

MISSION

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

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**The reports and statements set out below
comprise the consolidated financial
statements presented to the Council:**

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COUNCIL’S RESPONSIBILITIES AND APPROVAL

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

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

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

The consolidated financial statements set out on pages 6 to 27 were approved by the Council on 15 March 2017 and were signed on its behalf by:



Mr R Baxter
Chief Executive

15 March 2017



Mr M Teke
President



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INDEPENDENT AUDITOR'S REPORT

To the members of The Chamber of Mines of South Africa

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of The Chamber of Mines of South Africa and its subsidiary ("the Group") set out on pages 6 to 21, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group as at 31 December 2016, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards for small to medium entities (IFRS for SMEs) and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

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

OTHER INFORMATION

The council is responsible for the other information. The other information comprises the council's responsibility statement. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

National Executive: *LLBam Chief Executive Officer *TMM Jordan Deputy Chief Executive Officer *MJ Jarvis Chief Operating Officer

*GM Pinnock Audit *N Sing Risk Advisory *NB Kader Tax TP Pillay Consulting S Gwala BPaaS *K Black Clients & Industries

*JK Mazzocco Talent & Transformation *MJ Comber Reputation & Risk *TJ Brown Chairman of the Board

A full list of partners and directors is available on request

*Partner and Registered Auditor

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

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

INDEPENDENT AUDITORS' REPORT continued

To the members of The Chamber of Mines of South Africa

RESPONSIBILITIES OF THE COUNCIL FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The council is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards for small to medium entities and the requirements of the Section 98 of the Labour Relations Act No. 66 of 1995, and for such internal control as the council determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

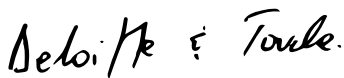
Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,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

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

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Deloitte & Touche, featuring the company name in a stylized, handwritten-style script.

Deloitte & Touche

Registered Auditor

Per: P Ndlovu

Partner

17 March 2017

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2016

		GROUP		COMPANY	
	Note(s)	2016 R	2015 R	2016 R	2015 R
ASSETS					
Non-current assets					
Property, plant and equipment and intangible assets	2	969,590	881,331	969,590	881,331
Intangible assets	3	39,163	74,791	39,163	74,791
Deferred tax	18	–	3,656	–	–
Other investments		235,999	235,999	235,999	235,999
Investments and term deposits	4	34,342,285	29,932,807	36,169,292	32,014,184
		35,587,037	31,128,584	37,414,044	33,206,305
Current assets					
Trade and other receivables	5	19,160,824	24,807,224	19,176,931	24,875,779
Cash and cash equivalents	6	12,594,783	4,798,100	10,719,246	2,565,035
		31,755,607	29,605,324	29,896,177	27,440,814
Total assets		67,342,644	60,733,908	67,310,221	60,647,119
Equity and liabilities					
Capital and reserves					
Project funds	7	38,123,222	33,713,743	38,123,222	33,713,743
Retained income		8,299,050	8,324,755	8,302,624	8,302,624
		46,422,272	42,038,498	46,425,846	42,016,367
LIABILITIES					
Non-current liabilities					
External debt	19	2,675,758	2,885,640	2,675,758	2,885,640
Current liabilities					
Trade and other payables	8	14,795,316	12,941,006	14,759,319	12,876,348
External debt	19	262,248	223,928	262,248	223,928
Loans from related parties	9	3,187,050	2,644,836	3,187,050	2,644,836
		18,244,614	15,809,770	18,208,617	15,745,112
Total liabilities		20,920,372	18,695,410	20,884,375	18,630,752
Total equity and liabilities		67,342,644	60,733,908	67,310,221	60,647,119

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 December 2016

	Note(s)	GROUP		COMPANY	
		2016 R	2015 R	2016 R	2015 R
Revenue	10	100,589,863	98,218,465	100,589,863	98,218,465
Other income	11	2,430,151	3,521,385	2,544,027	3,628,813
Administrative and operating expenditure	12	(103,940,756)	(104,004,619)	(103,803,769)	(102,658,305)
Depreciation and amortisation		(514,269)	(434,381)	(768,639)	(434,381)
Operating loss		(1,435,011)	(2,699,150)	(1,438,518)	(1,245,408)
Interest received		1,712,773	1,482,056	1,694,054	1,466,356
Finance costs		(299,811)	(220,948)	(255,536)	(220,948)
Loss before taxation		(22,049)	(1,438,042)	–	–
Taxation	16	(3,656)	(803)	–	–
Loss for the year		(25,705)	(1,438,845)	–	–
Project income	7	14,910,000	30,048,305	14,910,000	30,048,305
Additional project income	7	6,373,625	6,696,789	6,373,625	6,696,789
Project expenditure	7	(16,874,146)	(22,936,441)	(16,874,146)	(22,936,441)
Increase in project funding		4,409,479	13,808,653	4,409,479	13,808,653
Total comprehensive income for the year		4,383,774	12,369,808	4,409,479	13,808,653

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2016

	Note(s)	Project funds R	Accumulated funds R	Total funds R
GROUP				
Balance at 01 January 2015		19,905,090	9,763,600	29,668,690
Loss for the year		–	(1,438,845)	(1,438,845)
Increase in project funding		–	13,808,653	13,808,653
Total comprehensive loss for the year		–	12,369,808	12,369,808
Transfer (from) to project funds		13,808,653	(13,808,653)	–
Balance at 31 December 2015		33,713,743	8,324,755	42,038,498
Loss for the year		–	(25,705)	(25,705)
Increase in project funding		–	4,409,479	4,409,479
Total comprehensive loss for the year		–	4,383,774	4,383,774
Transfer (from) to project funds		4,409,479	(4,409,479)	–
Balance at 31 December 2016	7	38,123,222	8,299,050	46,422,272

COMPANY				
Balance at 01 January 2015		19,905,090	8,302,624	28,207,714
Increase in project funding		–	13,808,653	13,808,653
Transfer (from) to project funds		13,808,653	(13,808,653)	–
Balance at 31 December 2015		33,713,743	8,302,624	42,016,367
Increase in project funding		–	4,409,479	4,409,479
Transfer (from) to project funds		4,409,479	(4,409,479)	–
Balance at 31 December 2016	7	38,123,222	8,302,624	46,425,846

CONSOLIDATED STATEMENTS OF CASH FLOWS

for the year ended 31 December 2016

		GROUP		COMPANY	
	Note(s)	2016 R	2015 R	2016 R	2015 R
Cash flows from operating activities					
Cash generated from (used in) operations	13	11,531,661	(33,916,000)	11,863,633	(33,170,758)
Finance costs		(299,811)	(220,948)	(255,536)	(220,948)
Tax paid	20	–	(558,405)	–	–
Net cash from operating activities		11,231,850	(34,695,353)	11,608,097	(33,391,706)
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	2	(540,773)	(369,514)	(540,773)	(369,514)
Proceeds on sale of property, plant and equipment and intangible assets	2	–	32,400	–	32,400
Purchase of other intangible assets	3	(26,127)	(50,209)	(26,127)	(50,209)
Increase in investments		(4,409,478)	(13,808,653)	(4,409,478)	(13,808,653)
Interest received		1,712,773	1,482,056	1,694,054	1,466,356
Net cash from investing activities		(3,263,605)	(12,713,920)	(3,282,324)	(12,729,620)
Cash flows from financing activities					
Proceeds from external debt		(171,562)	3,109,568	(171,562)	3,109,568
Net cash from financing activities		(171,562)	3,109,568	(171,562)	3,109,568
Total cash movement for the year		7,796,683	(44,299,705)	8,154,211	(43,011,758)
Cash at the beginning of the year		4,798,100	49,097,805	2,565,035	45,576,793
Total cash at end of the year	6	12,594,783	4,798,100	10,719,246	2,565,035

ACCOUNTING POLICIES

for the year ended 31 December 2016

1. ACCOUNTING POLICIES

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

1.1 Consolidation

Basis of consolidation

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

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

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

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

1.2 Revenue recognition

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

1.3 Administration fees

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

Interest income is accrued on an effective yield basis.

1.4 Project income

Project income represents contributions from members of specific projects.

1.5 Project expenditure

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

1.6 Property, plant and equipment and intangible assets

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

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

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

Item	Average useful life
Furniture and fixtures	5
Motor vehicles	5
Computer equipment	3
Computer software	2

1.7 Financial instruments

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

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

1.8 Impairment of assets

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

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

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

1.9 Interest received

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

1.10 Provisions

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

1.11 Other investments

Other investments consists of gold coins and medallions. These investments are valued at amortised cost.

1.12 Investments

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

1.13 Retirement benefits

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2016

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Group and company	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	1,577,001	(1,066,423)	510,578	1,310,168	(892,214)	417,954
Motor vehicles	143,505	(133,938)	9,567	143,505	(105,237)	38,268
Computer equipment	2,234,273	(1,784,828)	449,445	1,960,333	(1,535,224)	425,109
Total	3,954,779	(2,985,189)	969,590	3,414,006	(2,532,675)	881,331

Reconciliation of property, plant and equipment and intangible assets – 2016 Group and company

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

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

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

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

3. INTANGIBLE ASSETS

Group and company	2016			2015		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	240,986	(201,823)	39,163	214,859	(140,068)	74,791

Reconciliation of intangible assets – 2016 Group and company

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

Reconciliation of intangible assets – 2015 Group and company

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

4. INVESTMENTS AND TERM DEPOSITS

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Investments				
Rand Mutual Assurance Company Ltd				
4 shares @ R20 each (2015: 4 shares @ R20 each)	80	80	80	80
Mining Lekgotla (Pty) Ltd	–	–	1,827,007	2,081,377
Total investments	80	80	1,827,087	2,081,457
Reconciliation of Investment				
Mining Lekgotla				
Opening balance	–	–	2,081,377	2,081,377
Impairment of investment	–	–	(254,370)	–
Closing balance	–	–	1,827,007	2,081,377

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont.

for the year ended 31 December 2016

4. INVESTMENTS AND TERM DEPOSITS continued

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Term deposits:				
State of the Environment	–	19,270	–	19,270
TB & HIV/AIDS Advocacy	110,694	–	110,694	–
Chamber of Mines Certificates	6,616,721	5,740,332	6,616,721	5,740,332
Museum	803,400	803,400	803,400	803,400
Monument	242,001	242,001	242,001	242,001
Improving Representation	–	59,111	–	59,111
Stakeholder Engagement Project	304,811	4,811	304,811	4,811
Epidemiology Study for Former Mine Workers	8,248,295	4,518,335	8,248,295	4,518,335
Creation of Bargaining Council	960,277	960,277	960,277	960,277
Subvention of Salaries	811,613	2,168,714	811,613	2,168,714
Strategic Communication	2,768,278	1,965,966	2,768,278	1,965,966
Chamber Management Information	213,520	213,520	213,520	213,520
International Council on Mining and Metallurgy	204,579	204,579	204,579	204,579
Community Development	1,973,126	1,973,126	1,973,126	1,973,126
Making ODMWA a Working Project	58,117	396,617	58,117	396,617
Legal Expenses	–	730,924	–	730,924
H&S Milestone Analysis and Mining Charter Facilitation	388,791	29,841	388,791	29,841
Development of a Reporting Framework for Water Conservation and Demand Management in the mining sector	216,441	775,000	216,441	775,000
Assessment of the Brand Health of the Chamber of Mines and the South African mining industry	1,472,092	516,812	1,472,092	516,812
Funding the Mining Industry's contribution to the Mining LAB process	5,303,351	7,110,091	5,303,351	7,110,091
Development of Rehabilitation Practices and Methodologies for Sustainable Trade Offs between mining and agriculture	800,000	800,000	800,000	800,000
Development of the Regional Mine Closure Strategies	350,000	700,000	350,000	700,000
Unclaimed Benefits	1,500,508	–	1,500,508	–
Transformation	995,590	–	995,590	–
Total term deposits	34,342,205	29,932,727	34,342,205	29,932,727
Total investments and term deposits	34,342,285	29,932,807	36,169,292	32,014,184

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

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

5. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Trade receivables – members	17,880,350	23,961,223	17,899,149	24,058,588
Trade receivables – non-members	559,165	440,755	559,165	440,755
VAT	528,442	587,584	525,750	558,774
Other receivables	2,180,944	1,870,183	2,180,944	1,870,183
Allowance for doubtful debts	(1,988,077)	(2,052,521)	(1,988,077)	(2,052,521)
	19,160,824	24,807,224	19,176,931	24,875,779

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

Only 71% of trade receivables over 90 days have been provided for as doubtful debts in the current period. The reason being that 95% of trade receivables consists of members contributions invoices which have been approved by the Council members upon acceptance of the yearly budget thus these trade receivables have been committed and pre-approved by the Council members for payment.

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

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Age of receivables that are past due but not impaired				
90 – 120 days	2,442,226	8,866,706	2,442,226	8,866,706

6. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Cash and cash equivalents consist of:				
Cash at bank	20,659,821	16,559,302	18,784,284	14,326,237
Cash on call	26,277,167	18,171,525	26,277,167	18,171,525
Amounts classified under investments and term deposits	(34,342,205)	(29,932,727)	(34,342,205)	(29,932,727)
	12,594,783	4,798,100	10,719,246	2,565,035

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont.

for the year ended 31 December 2016

7. PROJECT FUNDS

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Balance at beginning of period	33,713,743	19,905,090	33,713,743	19,905,090
Project income	14,910,000	30,048,305	14,910,000	30,048,305
Additional project income	6,373,625	6,696,789	6,373,625	6,696,789
Project expenditure	(16,874,146)	(22,936,441)	(16,874,146)	(22,936,441)
Closing balance	38,123,222	33,713,743	38,123,222	33,713,743

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

8. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Trade payables – members	61,424	–	61,424	–
Trade payables – non-members	3,503,449	4,612,293	3,475,429	4,515,234
Accruals	1,189,884	1,140,195	1,181,907	1,172,596
Special projects – members	5,956,660	2,616,228	5,956,660	2,616,228
Accrued leave pay	4,083,899	4,572,290	4,083,899	4,572,290
	14,795,316	12,941,006	14,759,319	12,876,348

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

Accruals

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

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

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

9. LOANS FROM RELATED PARTIES

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Chamber of Mines Building Company Limited	3,187,050	2,644,836	3,187,050	2,644,836

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

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

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

10. REVENUE

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Contribution from members	100,589,863	98,218,465	100,589,863	98,218,465

11. OTHER INCOME

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Profit on sale of assets (insurance proceeds)	–	32,400	–	32,400
Administration fees	1,950,476	2,025,291	2,064,352	2,132,719
Other income	479,675	1,463,694	479,675	1,463,694
	2,430,151	3,521,385	2,544,027	3,628,813

12. ADMINISTRATIVE AND OPERATING EXPENDITURE

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Auditors' remuneration	465,455	549,300	441,055	502,000
Employee related expenses	72,071,455	76,905,282	71,965,037	76,344,916
Impairment of investment	–	–	254,370	–
Operating costs	31,403,846	26,550,037	31,143,307	25,811,389
	103,940,756	104,004,619	103,803,769	102,658,305

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont.

for the year ended 31 December 2016

13. CASH GENERATED FROM (USED IN) OPERATIONS

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Total comprehensive profit for the period before taxation	4,387,430	12,370,611	4,409,479	13,808,653
Adjustments for:				
Depreciation and amortisation	514,269	434,381	514,269	434,381
Profit on sale of assets	–	(32,400)	–	(32,400)
Interest received – investment	(1,712,773)	(1,482,056)	(1,694,054)	(1,466,356)
Finance costs	299,811	220,948	255,536	220,948
Impairment of investment	–	–	254,370	–
Other non-cash items	–	704	–	704
Changes in working capital:				
Trade and other receivables	5,646,400	(6,075,733)	5,698,848	(6,676,304)
Trade and other payables	1,854,310	(39,652,236)	1,882,971	(39,610,668)
Loans from related parties	542,214	299,781	542,214	150,284
	11,531,661	(33,916,000)	11,863,633	(33,170,758)

14. FINANCIAL INSTRUMENTS

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

Currency risk management

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

Categories of financial instruments

The financial assets of the Chamber consists of investments, trade and other receivables and cash and cash equivalents. These are considered loans and receivables for both 2016 and 2015 financial years and carried at amortised cost. The financial liabilities consists of trade and other payables (excluding accruals)and loans from related parties. These are considered financial liabilities at amortised cost for both 2016 and 2015 financial years.

Interest rate risk management

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

Credit risk management

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

14. FINANCIAL INSTRUMENTS continued

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Movement in allowance for doubtful debts				
Balance at the beginning of the year	(2,052,521)	(341,463)	(2,052,521)	(341,463)
Provision raised for the period	(1,747,018)	(2,026,387)	(1,747,018)	(2,026,387)
Provision utilised for the period	1,834,955	344,765	1,834,955	344,765
Provision recovered for the period	(23,493)	(29,436)	(23,493)	(29,436)
Balance at the end of the year	(1,988,077)	(2,052,521)	(1,988,077)	(2,052,521)

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

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

15. EVENTS AFTER THE REPORTING PERIOD

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

16. TAXATION

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Major components of the tax expense				
Current				
Local income tax – current period	–	–	–	–
Deferred				
Originating and reversing temporary differences	3,656	803	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS cont.

for the year ended 31 December 2016

16. TAXATION continued

Reconciliation of the tax expense

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Reconciliation between accounting profit and tax expense				
Accounting loss	(22,049)	(1,438,042)	–	–
Tax at the applicable tax rate of 28% (2015: 28%)	(6,174)	(402,652)	–	–
Tax effect of adjustments on taxable income				
Deferred tax asset not raised (utilised) on estimated tax losses	6,174	403,455	–	–
Deferred tax written off	3,656	–	–	–
	3,656	803	–	–

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

17. SUBSIDIARY

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

18. DEFERRED TAX

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Deferred tax asset				
Tax losses available for set off against future taxable income	–	3,656	–	–
Reconciliation of deferred tax asset				
At beginning of year	3,656	4,459	–	–
(Deductible) temporary difference movement	(3,656)	(803)	–	–
	–	3,656	–	–

19. EXTERNAL DEBT

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
At amortised cost				
IDC loan	2,938,006	3,109,568	2,938,006	3,109,568

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

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Non-current liabilities				
At amortised cost	2,657,758	2,885,640	2,675,758	2,885,640
Current liabilities				
At amortised cost	262,248	223,928	262,248	223,928
	2,938,006	3,109,568	2,938,006	3,109,568

20. TAX PAID

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Balance at beginning of the year	–	(558,405)	–	–
Current tax for the year recognised in profit or loss	–	–	–	–
Balance at end of the year	–	–	–	–
	–	(558,405)	–	–

DETAILED INCOME STATEMENT

for the year ended 31 December 2016

	Note(s)	GROUP		COMPANY	
		2016 R	2015 R	2016 R	2015 R
Revenue					
Contribution from members		100,589,863	98,218,465	100,589,863	98,218,465
Other income					
Administration fees		1,950,476	2,025,291	2,064,352	2,132,719
Sundry revenue		479,675	1,463,694	479,675	1,463,694
Interest received		1,712,773	1,482,056	1,694,054	1,466,356
Gains on disposal of assets		–	32,400	–	32,400
		4,142,924	5,003,441	4,238,081	5,095,169
Expenses (Refer to page 23)		(104,455,025)	(104,439,000)	(104,572,408)	(103,092,686)
Operating profit (loss)		277,762	(1,217,094)	255,536	220,948
Finance costs		(299,811)	(220,948)	(255,536)	(220,948)
Loss before taxation		(22,049)	(1,438,042)	–	–
Taxation	16	(3,656)	(803)	–	–
Loss for the year		(25,705)	(1,438,845)	–	–

Detailed Income Statement continued

	GROUP		COMPANY	
	2016 R	2015 R	2016 R	2015 R
Operating expenses				
Administration and management fees	(163,118)	(192,993)	(163,118)	(192,993)
Advertising	(13,880)	(71,000)	(13,880)	(54,500)
Auditors remuneration	(465,455)	(549,300)	(441,055)	(502,000)
Bad debts	(1,747,018)	(2,026,387)	(1,747,018)	(2,026,387)
Bank charges	(59,505)	(37,398)	(58,035)	(35,968)
Cleaning	(417,928)	(390,055)	(417,928)	(390,055)
Computer expenses	(3,970)	–	(3,970)	–
Consulting and professional fees	(9,198,219)	(6,141,108)	(9,195,722)	(5,491,149)
Depreciation, amortisation and impairments	(514,269)	(434,381)	(768,639)	(434,381)
Employee costs	(72,071,455)	(76,905,282)	(71,965,037)	(76,344,916)
Entertainment	(62,367)	(127,520)	(62,367)	(127,520)
Other expense	(978,103)	(1,651,313)	(978,103)	(1,651,313)
Conferences & Seminars	(861,077)	(860,288)	(859,875)	(822,836)
Committee Expenses	(420,841)	(392,337)	(420,841)	(392,337)
Other Project expenses	(277,250)	(68,809)	(277,250)	(68,809)
Sundry expenses	(203,772)	(226,319)	(203,772)	(226,319)
Flowers	(9,679)	(5,107)	(9,679)	(5,107)
Gifts	(119,467)	(214,125)	(119,467)	(214,125)
Insurance	(545,692)	(430,392)	(545,692)	(425,199)
Lease rentals on operating lease	(1,436,256)	(1,473,560)	(1,436,256)	(1,473,560)
Legal expenses	(301,509)	–	(301,509)	–
Magazines, books and periodicals	(347,208)	(512,727)	(347,208)	(512,727)
Municipal expenses	(1,203,276)	(1,407,126)	(1,203,276)	(1,407,126)
Gas	(707,778)	(655,214)	(707,778)	(655,214)
Placement fees	(1,814,302)	(12,074)	(1,814,302)	(12,074)
Postage	(12,934)	(43,218)	(12,934)	(43,218)
Printing and stationery	(803,710)	(1,200,790)	(803,710)	(1,196,687)
Repairs and maintenance	(4,730,065)	(2,342,438)	(4,730,065)	(2,342,438)
Secretarial fees	(1,000)	(900)	–	–
Security	(592,677)	(629,372)	(592,677)	(629,372)
Subscriptions	(1,962,193)	(1,804,926)	(1,962,193)	(1,804,926)
Telephone and fax	(341,519)	(370,576)	(341,519)	(370,576)
Training	(286,637)	(271,650)	(286,637)	(262,450)
Travel – local	(935,633)	(1,965,758)	(935,633)	(1,951,847)
Travel – overseas	(845,263)	(1,024,557)	(845,263)	(1,024,557)
	(104,455,025)	(104,439,000)	(104,572,408)	(103,092,686)

APPENDIX A

(Refer to Note 7)

		GROUP/ COMPANY	GROUP/ COMPANY
Project funds	R	2016 R	2015 R
State of the Environment		–	19,270
Balance at 31 December 2015	19,270		
Expenditure	(17,544)		
Project written off	(1,726)		
Balance as at 31 December 2016	–		
TB and HIV/AIDS Advocacy		110,694	–
Balance at 31 December 2015	–		
Received	600,000		
Expenditure	(489,306)		
Balance as at 31 December 2016	110,694		
Chamber of Mines Certificates		6,616,721	5,740,332
Balance at 31 December 2015	5,740,332		
Additional Income*	3,430,895		
Expenditure	(2,554,506)		
Balance as at 31 December 2016	6,616,721		
Museum		803,400	803,400
Balance at 31 December 2015	803,400		
Expenditure	–		
Balance as at 31 December 2016	803,400		
Monument		242,001	242,001
Balance at 31 December 2015	242,001		
Expenditure	–		
Balance as at 31 December 2016	242,001		
Improving Representation		–	59,111
Balance at 31 December 2015	59,111		
Expenditure	(59,111)		
Balance as at 31 December 2016	–		
Stakeholder Engagement Project		304,811	4,811
Balance as at 31 December 2015	4,811		
Received	300,000		
Balance as at 31 December 2016	304,811		
Epidemiology Study for Former Mine Workers		8,248,295	4,518,335
Balance at 31 December 2015	4,518,335		
Received	7,500,000		
Expenditure	(3,770,040)		
Balance as at 31 December 2016	8,248,295		

		GROUP/ COMPANY	GROUP/ COMPANY
	R	2016 R	2015 R
Project funds			
Creation of the Bargaining Council		960,277	960,277
Balance as at 31 December 2015	960,277		
Expenditure	–		
Project written off	–		
Balance as at 31 December 2016	960,277		
Subvention of Salaries		811,613	2,168,714
Balance as at 31 December 2015	2,168,714		
Received	–		
Expenditure	(1,357,101)		
Balance as at 31 December 2016	811,613		–
Strategic Communication		2,768,278	1,965,966
Balance as at 31 December 2015	1,965,966		
Received	1,400,000		
Expenditure	(597,688)		
Balance as at 31 December 2016	2,768,278		
Chamber Management Information		213,520	213,520
Balance as at 31 December 2015	213,520		
Received	–		
Expenditure	–		
Balance as at 31 December 2016	213,520		
International Council on Mining and Metallurgy		204,579	204,579
Balance at 31 December 2015	204,579		
Received	–		
Expenditure	–		
Balance as at 31 December 2016	204,579		
Community Development		1,973,126	1,973,126
Balance as at 31 December 2015	1,973,126		
Received	–		
Expenditure	–		
Balance as at 31 December 2016	1,973,126		
Making ODMWA a Working Project		58,117	396,617
Balance as at 31 December 2015	396,617		
Received	–		
Expenditure	(338,500)		
Balance as at 31 December 2016	58,117		
Legal Expenses		–	730,924
Balance as at 31 December 2015	730,924		
Received	1,000,000		
Additional Income*	1,442,730		
Expenditure	(3,173,654)		
Balance as at 31 December 2016	–		

APPENDIX A continued

(Refer to Note 7)

		GROUP/ COMPANY	GROUP/ COMPANY
Project funds	R	2016 R	2015 R
H&S Milestone Analysis and Mining Charter Facilitation		388,791	29,841
Balance as at 31 December 2015	29,841		
Received	360,000		
Expenditure	(1,050)		
Balance as at 31 December 2016	388,791		
Development of a Reporting Framework for Water Conservation		216,441	775,000
Balance at 31 December 2015	775,000		
Expenditure	(558,559)		
Project written off	–		
Balance as at 31 December 2016	216,441		
Assessment of the Brand Health of the Chamber of Mines		1,472,092	516,812
Balance as at 31 December 2015	516,812		
Received	1,600,000		
Expenditure	(644,720)		
Balance as at 31 December 2016	1,472,092		
Contribution to the Mining LAB process		5,303,351	7,110,091
Balance as at 31 December 2015	7,110,091		
Received	–		
Expenditure	(1,806,740)		
Balance as at 31 December 2016	5,303,351		
Development of Rehabilitation Practices		800,000	800,000
Balance at 31 December 2015	800,000		
Expenditure	–		
Balance as at 31 December 2016	800,000		
Development of the Regional Mine Closure Strategies		350,000	700,000
Balance as at 31 December 2015	700,000		
Expenditure	(350,000)		
Project written off	–		
Balance as at 31 December 2016	350,000		
Unclaimed Benefits		1,500,508	–
Balance as at 31 December 2015	–		
Received	350,000		
Additional Income*	1,500,000		
Expenditure	(349,492)		
Balance as at 31 December 2016	1,500,508		
Transformation		995,590	–
Balance as at 31 December 2015	–		
Received	1,000,000		
Expenditure	(4,410)		
Balance as at 31 December 2016	995,590		

		GROUP/ COMPANY	GROUP/ COMPANY
		2016 R	2015 R
Project funds	R		
Project Funding Recovery		3,781,017	3,781,017
Balance as at 31 December 2015	3,781,017		
Severance Bonus Paid	–		
Balance as at 31 December 2016	3,781,017		
This amount primarily relates to the recovery from the Chamber's insurers, of irregular expenditure that occurred in previous financial years.			
This funding will be utilised for future projects.			
		38,123,222	33,713,744
Summary			
Balance at beginning of period		33,713,744	19,905,090
Project income		14,910,000	30,048,305
Additional project income*		6,373,625	6,696,789
Project expenditure		(16,874,147)	(22,936,440)
Balance at end of period		38,123,222	33,713,744

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

CONTACT DETAILS AND ADMINISTRATION

COUNTRY OF INCORPORATION AND DOMICILE

South Africa

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

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

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BANKERS

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AUDITORS

Deloitte & Touche
Chartered Accountants (SA)
Registered Auditors

MEDIA RELATIONS

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REPORTING PERIOD

The Chamber of Mines of South Africa's financial year is from 1 January 2016 to 31 December 2016. These separate financial statements cover noteworthy transactions during this period, and have been prepared combining the Chamber's financials with that of Mining Lekgotla (Pty) Ltd, a 100% subsidiary company.



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