



MINERALS COUNCIL
SOUTH AFRICA

ANNUAL FINANCIAL
STATEMENTS
2023

#MiningMatters



Our mission, purpose, vision and values

Our mission

Our mission is to lead in enabling the South African mining sector to shift from potential to performance through investment, growth, transformation and development in a socially and environmentally responsible manner: we put South Africa first.

Our purpose

The Minerals Council is a mining industry employers' organisation that supports and promotes the South African mining industry. We serve our members and promote their interests by providing strategic support and advisory input.

The Minerals Council facilitates interaction among mining employers to examine policy issues and other matters of mutual concern to determine and articulate industry positions. We promote voluntary consultation, collaboration, learning and support between members. We take care never to encroach on the autonomy of members or breach confidentiality and competition regulations.

The Minerals Council acts as the principal advocate for mining in South Africa in engagements with government, communicating major policies endorsed by its members.

Our vision

Mining Matters for South Africa. We actively position the mining sector as South Africa's foremost industrial sector, in terms of both impact and reputation in the eyes of all stakeholders. We recognise that this happens through our actions, as an industry and the Minerals Council, while acknowledging the sector's legacies in South Africa.

Our activities are focused on creating a conducive and business-friendly environment for the mining sector. Ultimately, these actions strive to encourage higher levels of investment and to increase the contribution of the mining sector to the broader South African economy.

Our role as a respected mining advocacy and lobbying organisation is trust-based and uses constructive and collaborative problem-solving partnerships to deliver positive impacts in and by the mining industry.

Our vision supports and enables South Africa to achieve its National Development Plan (NDP) of improving economic growth, with a developmental and transformation vision for its people.

Our values

Members are obliged to conduct their business according to the Minerals Council Membership Compact, which dictates that we:



Responsible citizenship

Demonstrate responsible citizenship



Trust

Strive to earn the trust of society



Accountability

Be accountable to our stakeholders



Respect

Conduct ourselves towards others with respect



Honesty

Engage stakeholders with honesty and transparency

About this report

The Minerals Council South Africa's financial year is from 1 January 2023 to 31 December 2023.

The separate annual financial statements (AFS) have been prepared in accordance with the IFRS for small and medium-sized entities.



These AFS and the integrated annual review are available on the [new reporting sub site](#).

MINERALS COUNCIL SOUTH AFRICA

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General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To achieve a policy, legislative and governance framework, that is widely supported, and that will allow the mining industry to convert the country's abundant mineral resources into wealth for the benefit of South Africa. Minerals Council South Africa is a non-profit organisation.
Registered office	7th Floor Rosebank Towers 19 Biermann Ave Rosebank
Business address	7th Floor Rosebank Towers 19 Biermann Ave Rosebank
Bankers	ABSA, Nedbank First National Bank
Auditors	Mazars Chartered Accountants (S.A.) Registered Auditors
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the constitution of Minerals Council South Africa and the International Financial Reporting Standard for Small and Medium Sized Enterprises (IFRS for SMEs) accounting framework.
Preparer	The annual financial statements were internally compiled by: Juanita Broderick – Financial Manager under the supervision of Harry Groenewald – Senior Executive - Finance & Administration
Issued	26 April 2024

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The reports and statements set out below comprise the annual financial statements presented to the members:

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Board's responsibilities and approval

The Board of Minerals Council South Africa (hereafter "the Minerals Council" or "Council"), is responsible for the maintenance of adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Council as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities and the Constitution of the Minerals Council South Africa. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Board acknowledges that it is ultimately responsible for the system of internal financial control established by the Council and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Council and all employees are required to maintain the highest ethical standard in ensuring the Council business is conducted in a manner that in all reasonable circumstance is above reproach. The focus of risk management in the Council is on identifying, assessing, managing and monitoring all known forms of risk across the Council. While operating risk cannot be fully eliminated, the Council endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

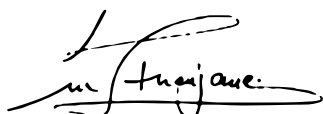
The Board is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Board has reviewed the Council's cash flow forecast for the two years to 31 December 2025 and, in the light of this review and the current financial position, it is satisfied that the Council has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Council's financial statements. The financial statements have been examined by the Council's external auditors and their report is presented on [page 4](#).

The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the members, the Board and committees of the Board. The Board believes that all representations made to the independent auditors during their audit are valid and appropriate.

The annual financial statements set out on [pages 7 to 27](#), which have been prepared on the going concern basis, were approved by the Board on 26 April 2024 and were signed on its behalf by



Mr M Mthenjane
CHIEF EXECUTIVE OFFICER



Ms N Fakude
PRESIDENT

Independent Auditors' report



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Independent auditor's report

31 December 2023

To the members of Minerals Council South Africa

Opinion

We have audited the financial statements of Minerals Council South Africa set out on [pages 7 to 21](#), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Minerals Council South Africa as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs[®] Accounting Standard 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 Financial Statements section of our report. We are independent of the Council 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board is responsible for the other information. The other information comprises the information included in the document titled "Minerals Council South Africa Annual Financial statements for the year ended 31 December 2023", which includes the "Detailed income Statement" and the "Appendix A - Project funds". The other information does not include the financial statements and our auditor's reports thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Registered Auditor - A firm of Chartered Accountants (SA) - IRBA Registration number: 900222

Partners: MV Ni nan (Country Managing Partner), C Abrahamse, SJ Adlam, JPMP Atwood, JM Barnard, AK Batt, T Beukes, WI Blake, HL Burger, MJ Cassan, JC Combrink, JR Comley, GJ de Beer, TVDL De Vries, G Deva, Y Dockrat, OS Dollman, S Doolabh, A Driscoll, M Edel berg, JJ Eloff, T Erasmus, F Esterhuizen, Y Ferreira, MH Fisher, T Gangen, M Groenewald, K Hoosain, MY Ismail, B Jansen, J Kasan, D Keeve, J Marais, N Mayat, B Mbunge, G Molyneux, A Moruck, R Murugan, S Naidoo, MG Odendaal, W Olivier, MV Patel, M Pieterse, E Pretorius, W Rabe, N Ravele, D Resnick, L Roeloffze, M Saayman, E Sibanda, MR Snow, W Sterley, EM Steyn, HH Swanepoel, AL Swartz, OM Tekie, MJA Teuchert, N Thelander, S Truter, PC van der Merwe, R van Molendordff, JC Van Tubbergh, N Volschenk, S Vorster, J Watkins-Baker

Our offices: Bloemfontein, Cape Town, Durban, Gqeberha, Johannesburg, Paarl, Pretoria

Independent Auditors' report continued

Responsibilities of the Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs[®] Accounting Standard and for such internal control as the board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Council'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 Board either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditor's report. This description, which is located on [page 6](#), forms part of our auditor's report.

The logo for Mazars, featuring the word "Mazars" in a stylized, handwritten-style font.

Mazars

Partner: Ephraem Sibanda
Registered auditor
24 April 2024
Pretoria

Auditor's responsibilities for the audit of the financial statements

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

- Identify and assess the risks of material misstatement of the 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board 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 Council'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 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 Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board 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.

Statement of financial position

as at 31 December 2023

	Notes	2023 R	2022 R
Assets			
Non-current assets			
Property, plant and equipment	2	1,139,211	1,136,255
Other financial assets	3	4,865,532	4,314,257
Other investments		223,574	225,274
Investments and term deposits	4	42,333,449	53,410,822
		48,561,766	59,086,608
Current assets			
Trade and other receivables	5	51,931,507	116,856,095
Other financial assets	3	8,956,292	12,265,926
Cash and cash equivalents	6	201,990,406	123,011,786
		262,878,205	252,133,807
Total assets		311,439,971	311,220,415
Equity and Liabilities			
Capital and reserves			
Project funds	7	46,114,386	57,191,758
Retained income		8,302,623	8,302,623
		54,417,009	65,494,381
Liabilities			
Non-current liabilities			
External debt	8	-	993,040
Other financial liability	3	4,865,532	4,314,257
		4,865,532	5,307,297
Current liabilities			
Trade and other payables	9	236,835,268	221,408,959
External debt	8	-	352,889
Loans from related parties	10	6,365,870	6,390,963
Other financial liabilities	3	8,956,292	12,265,926
		252,157,430	240,418,737
Total liabilities		257,022,962	245,726,034
Total equity and liabilities		311,439,971	311,220,415

Statement of comprehensive income

	Notes	2023 R	2022 R
Revenue	11	157,691,539	164,115,991
Other income	12	2,844,071	833,576
Administrative and operating expenditure	13	(174,759,114)	(170,489,074)
Depreciation and amortisation		(328,408)	127,556
Operating deficit	18	(14,551,912)	(5,411,951)
Investment revenue	19	14,622,959	5,505,529
Finance costs	20	(71,047)	(93,578)
Surplus/(deficit) for the year		-	-
Project income	7	60,000,100	65,408,104
Additional project income	7	3,761,022	11,685,625
Project expenditure	7	(74,838,494)	(68,576,932)
(Decrease)/increase in project funding		(11,077,372)	8,516,797
Total comprehensive income for the year		(11,077,372)	8,516,797

Statement of changes in equity

	Project funds R	Accumulated funds R	Total funds R
Balance at 1 January 2022	48,674,962	8,302,623	56,977,585
Increase in project funds	8,516,796	-	8,516,796
Balance at 1 January 2023	57,191,758	8,302,623	65,494,381
Decrease in project funds	(11,077,372)	-	(11,077,372)
Balance at 31 December 2023	46,114,386	8,302,623	54,417,009
Note	7		

Statement of cash flows

	Notes	2023 R	2022 R
Cash flows from operating activities			
Cash generated from operations	14	55,027,020	28,019,989
Finance costs		(71,047)	(93,578)
Net cash from operating activities		54,955,973	27,926,411
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(336,755)	(400,971)
Proceeds on sale of property, plant and equipment		5,000	293,684
Movement in financial assets		2,758,359	(2,950,922)
Decrease/(Increase) in investments and term deposits		11,077,372	(8,516,797)
Interest received		14,622,959	5,505,529
Net cash from investing activities		28,126,935	(6,069,477)
Cash flows from financing activities			
Repayment of external debt		(1,345,929)	(300,906)
Movement in other financial liability		(2,758,359)	2,950,922
Net cash from financing activities		(4,104,288)	2,650,016
Total cash movement for the year		78,978,620	24,506,950
Cash at the beginning of the year		123,011,786	98,504,836
Total cash at end of the year	6	201,990,406	123,011,786

Accounting Policies

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 that are stated at fair value and these policies conform with International Financial Reporting Standards for Small and Medium sized Entities.

1.1 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.

1.2 Administration fees

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

Interest income is accrued on an effective yield basis.

1.3 Project income

Project income represents contributions from members of specific projects.

1.4 Project expenditure

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

1.5 Property, plant and equipment

Property, plant and equipment are 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, which are as follows:

Item	Average useful life (years)
Furniture and fixtures	5-10
Motor vehicles	5
Computer equipment	3-5
Computer software	2

1.6 Financial instruments

Initial recognition and measurement

Basic financial instruments are recognised initially when the Council becomes a party to the contractual provisions of the instruments.

The Council classifies basic financial instruments, or their component parts, on initial recognitions as a basic financial asset, a basic financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Basic financial instruments are measured initially at fair value, including transaction costs for those that are not at fair value through profit or loss.

Basic financial instruments

Cash and cash equivalents.

Trade and other receivables.

Loans receivable.

Other financial liabilities.

Trade and other payables.

Subsequent measurement

Basic financial assets are subsequently measured at amortised cost.

Basic financial liabilities are subsequently measured at amortised cost.

Derecognition

Financial assets are derecognised when the rights to receive the cash flows have expired or have been transferred and the Council has transferred substantially or risks and rewards of ownership. The Council derecognises a financial liability (or a part of a financial liability) when it is extinguished/ i.e. when the obligation specified in the contract is discharged, cancelled or expires.

Trade and other receivables

Trade and other receivables are classified as basic financial assets at amortised cost.

Cash and cash equivalents

Cash and cash equivalents are classified as basic financial assets at amortised cost.

Trade and other payables

Trade and other payables are classified as basic financial liabilities at amortised cost.

Accounting Policies *continued*

1. Accounting policies *continued*

1.7 *Impairment of property, plant and equipment*

At each reporting date the Council assesses 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.

1.8 *Interest received*

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

1.9 *Other investments*

Other investments consist of gold coins and medallions. These investments are carried at cost and are not held for capital appreciation. They were initially held as collectors' items but can be chosen as a long service award by the employees, depending on the year of service.

1.10 *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. Term deposits are held at financial institutions at the most effective rates.

1.11 *Significant judgements and sources of estimation uncertainty*

The preparation of annual financial statements in conformity with IFRS for SMEs requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements in applying accounting policies

Residual value and useful life

The Council depreciates its assets over their estimated useful lives taking into account residual values, which are re-assessed on an annual basis. The actual lives and residual values of these assets can vary depending on a variety of factors

Technological innovation, product life cycles and maintenance programmes all impact the useful lives and residual values of the assets. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value.

Nature of change in estimate of tangible assets-assessment of residual values and useful lives

The basis of these estimates takes into account the following assumptions:

1. The consideration of the average useful lives of the assets including technological obsolescence).
2. Estimated selling values at the end of the asset's useful life.
3. Whether or not there is a second-hand market for the sale of the assets at the end of their useful lives.
4. Planned future capital expenditure and effects on budgets.

No adjustments, for residual values or useful lives, have been made in the 2023 financial year.

Furniture and fixtures

These assets have been in use for 10 years and are still considered to be in good condition and can last another 10 years. The useful life was revised to 20 years with NIL residual values assigned. This is consistent with the prior year.

IT equipment

These assets have been in use for 5 years previously, due to technological obsolescence and ongoing use, the useful lives have been revised to 10 years and minimal amounts have been allocated as residual values for items such as laptops, expected to be realised at the end of their useful lives. This is consistent with the prior year.

Computer software

Computer software is subject to technological obsolescence and is renewed on an annual basis, the maximum period considered to be the useful life is 2 years with no estimates being made for residual values as there is no market for second-hand software. This is consistent with the prior year.

Trade receivables

The Council assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Council makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Accounting Policies *continued*

1. Accounting policies *continued*

1.12 *Related parties*

A related party is related to an entity if any of the following situations apply to it:

Individual control: The party is controlled or significantly influenced by a member of key management personnel or by a person who controls the entity.

Key Management: The party is a member of an entity's or its parent's key management personnel.

The party is an entity that is controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly or any individual referred to in key management above.

1.13 *Borrowing costs*

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.14 *Retirement benefits*

The policy of the Council, subject to the rules of the Momentum Funds At Work Umbrella Fund, is to provide retirement benefits for its employees. Payments to the defined contribution fund are expensed as they fall due.

Notes to the Annual Financial Statements

for the year ended 31 December 2023

2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	736,530	(373,741)	362,789	686,209	(312,815)	373,394
Computer equipment	1,467,425	(691,003)	776,422	1,191,491	(428,630)	762,861
Total	2,203,955	(1,064,744)	1,139,211	1,877,700	(741,445)	1,136,255

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	373,394	60,820	(5,391)	(66,034)	362,789
Computer equipment	762,861	275,935	-	(262,374)	776,422
	1,136,255	336,755	(5,391)	(328,408)	1,139,211

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	726,912	48,071	(623,377)	221,788	373,394
Computer equipment	502,926	352,900	(34,733)	(58,232)	762,861
	1,229,838	400,971	(658,110)	163,556	1,136,255

3. Other financial assets/(liabilities)

Employees participate in a Long-term Incentive Plan (LTIP). The REMCO at its sole discretion decides who will be included in the scheme for each year's awards. The intention is to include Senior Executives, Head and Deputy Heads of Departments, and other key specialists and talent as recommended by the CEO. Participation in the scheme is not guaranteed.

The LTIP consists of shares in two portfolios: Satrix 40 and Satrix RESI shares.

Satrix 40 shares

The Satrix 40 shares are part of a previous LTIP. The awards under this scheme have vested. Shares are liquidated and paid on the request of the employee. The investment shall be disposed of upon demand from employees; hence the classification of both the investment and liability as current.

Satrix RESI shares

The Minerals Council introduced a new LTIP in 2017. The awards vest over a 3-year period starting at the end of the year following the period of review.

A cash value is awarded to participants which is used to purchase Satrix RESI units. On vesting of the awards, the sale of units provides cash for the payment to the participants. The vesting is a forced vesting and the value of any particular year is subject to the performance of that year.

The investment is recognised when shares are purchased and the liability at the time awards are vesting. The liability is expected to vest as follows: Current liability R3,846,184. Non-current liability R4,865,532.

Notes to the Annual Financial Statements *continued*
for the year ended 31 December 2023

3. Other financial assets/(liabilities) *continued*

Money market

The money market investment consist of access amounts held on the above investments.

The following balances relate to the 2023 incentive scheme:

Description	Investment	Non-current assets	Non-current liabilities	Current assets	Current liabilities
Short-term financial assets	Satrix 40	-	-	1,153,666	-
Other liabilities	Satrix 40	-	-	-	(1,153,666)
Other financial assets	Satrix RESI	4,865,532	-	-	-
Other financial liability	Satrix RESI	-	(4,865,532)	-	-
Other financial assets	Satrix RESI	-	-	3,846,184	-
Other financial liability	Satrix RESI	-	-	-	(3,846,184)
Short-term financial assets	Money market	-	-	3,956,442	-
Other liability	Money market	-	-	-	(3,956,442)
		4,865,532	(4,865,532)	8,956,292	(8,956,292)

The following balances relate to the 2022 incentive scheme:

Description	Investment	Non-current assets	Non-current liabilities	Current assets	Current liabilities
Short-term financial assets	Satrix 40	-	-	2,495,953	-
Other liabilities	Satrix 40	-	-	-	(2,495,953)
Other financial assets	Satrix RESI	4,314,257	-	-	-
Other financial liability	Satrix RESI	-	(4,314,257)	-	-
Other financial assets	Satrix RESI	-	-	6,867,465	-
Other financial liability	Satrix RESI	-	-	-	(6,867,465)
Short-term financial assets	Money Market	-	-	2,902,508	-
Other liability	Money Market	-	-	-	(2,902,508)
		4,314,257	(4,314,257)	12,265,926	(12,265,926)

Notes to the Annual Financial Statements *continued*
for the year ended 31 December 2023

	2023 R	2022 R
4. Investments and term deposits		
<i>Investments</i>		
Rand Mutual Assurance Company Ltd 4 shares @ R20 each (2018: 4 shares @ R20 each)	80	80
Term deposits:		
Advocacy for occupational health	534,669	719,542
Mine water management	582,965	941,920
Industry repositioning	1,397,718	1,397,718
Fire prevention peer review	1,011,002	2,600,000
Sustainable trade-offs between mining and agriculture	367,750	1,202,500
Minerals Council certificates	4,205,572	2,698,793
Epidemiology study for former mine workers	-	639,483
Junior and Emerging Miners' Desk	1,170,955	1,430,064
CEO-led Khumbul'ekhaya	2,731,862	3,889,293
Industry alignment for TMM collision management	5,777,994	3,460,969
Women in Mining	1,954,020	1,871,515
Promoting modernisation through communication	922,897	922,897
Strategic communication	905,181	1,748,287
Just transition assessment	-	524,416
Legal expenses	693,823	5,395,614
Minerals Council regional presence	1,561,519	3,176,456
Mining industry performance report on sustainable	2,700,000	-
Bulk use of combustible materials in underground	1,633,787	-
Transformation	1,749,287	1,350,812
Industry reconciliation process	-	-
People-centric collision management	-	-
Modernise data and information	-	222,095
Mining innovation co-investment model	12,432,368	19,218,368
Total term deposits	42,333,369	53,410,742
Total investments and term deposits	42,333,449	53,410,822

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

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

Notes to the Annual Financial Statements continued
for the year ended 31 December 2023

	2023 R	2022 R
5. Trade and other receivables		
Trade receivables - members	37,254,631	108,505,544
Trade receivables - non-members	-	289,847
Deposits	5,304,678	3,509,864
VAT	8,140,150	3,459,031
Other receivables	1,372,032	1,800,892
Allowance for doubtful debts	(139,984)	(709,083)
	51,931,507	116,856,095

The average credit period is 30 days. No interest is charged on trade receivables. The Council has recognised an allowance for doubtful debts of 100% against all receivables over 120 days that are considered to be irrecoverable. Allowance for doubtful debts is recognised against trade receivables between 90 and 120 days based on estimated irrecoverable amounts determined by an analysis of the counterparty's current financial position.

Only 0.60% of trade receivables over 90 days have been provided for as doubtful debts in the current period. The reason being that 99% of trade receivables consist of members contributions invoices that have been approved by the Council members upon acceptance of the yearly budget. These trade receivables have therefore been committed and pre- approved by the Council members for payment and are capable of paying.

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 Council has not recognised an allowance for doubtful debts as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Age of receivables that are past due but not impaired

90 - 120 days	23,698,313	81,180,670
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6. Cash and cash equivalents

Cash and cash equivalents consist of:		
Cash at bank	13,482,014	16,148,359
Cash on call	230,841,761	160,274,169
Amounts classified under investments and term deposits	(42,333,369)	(53,410,742)
	201,990,406	123,011,786

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

7. Project funds

Balance at beginning of period	57,191,758	48,674,962
Project income	60,000,100	65,408,104
Additional project income	3,761,022	11,685,624
Project expenditure	(74,838,494)	(68,576,932)
Closing balance	46,114,386	57,191,758

Refer to Appendix A on [page 24](#) for a detailed breakdown.

Notes to the Annual Financial Statements continued
for the year ended 31 December 2023

8. External debt

	2023 R	2022 R
At amortised cost		
IDC loan	-	1,345,929
<p>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 drawdown 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 drawdown and thereafter on the first day of each and every succeeding month until the loan has been repaid in full. The loan was paid in full in 2023 before the term.</p> <p>The debt was paid in full in the current year.</p>		
Non-current liabilities		
At amortised cost	-	993,040
Current liabilities		
At amortised cost	-	352,889
	-	1,345,929

9. Trade and other payables

Trade payables – members	33,493,945	10,086,689
Trade payables – non-members	7,528,563	8,310,958
Accruals	3,835,904	2,491,571
Special projects – members	167,297,097	173,418,547
Bonuses	13,753,623	15,488,958
Accrued leave pay	10,926,136	11,612,236
	236,835,268	221,408,959

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

10. Loans from related parties

Chamber of Mines Building Company Limited	6,365,870	6,390,963
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The above loans are unsecured, interest free and payable on demand.

The Chamber of Mines Building Company is the registered owner of the building the Minerals Council occupies and is leased for a period of five years. In lieu of rent, the Minerals Council 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 Minerals Council received a loan from the IDC in 2015 which was utilised to offset a portion of the loan with the Building Company. The Chamber of Mines Building Company sold the building in 2023 and the loan will be repaid in 2024.

Notes to the Annual Financial Statements *continued*
for the year ended 31 December 2023

	2023 R	2022 R
11. Revenue		
Contribution from members	157,691,539	164,115,991
12. Other income		
Discount received	129,350	25,462
MQA grants, administrative income and directors fees	2,714,721	808,114
	2,844,071	833,576
13. Administrative and operating expenditure		
Auditors' remuneration - external	684,865	562,832
Auditors' remuneration - internal	310,000	310,000
Employee related expenses	137,917,763	134,371,388
Operating costs	35,846,486	35,244,854
	174,759,114	170,489,074
14. Cash generated from (used in) operations		
Total comprehensive surplus for the year	(11,077,372)	8,516,797
Adjustments for:		
Depreciation and amortisation	328,408	(127,556)
Loss on sale of assets	391	364,423
Interest received - investment	(14,622,959)	(5,505,529)
Finance costs	71,047	93,578
Other investments	1,701	-
Changes in working capital:		
Trade and other receivables	64,924,588	(75,872,891)
Trade and other payables	15,426,309	100,022,808
Loans from related parties	(25,093)	528,359
	55,027,020	28,019,989

15. Financial instruments

The Council's financial instruments consist of cash deposits with banks, trade and other receivables, trade and other payables, loans from related parties, IDC debt, incentive plan investments and investment in Rand Mutual.

Currency risk management

The Council is not exposed to currency risk.

Categories of financial instruments

The financial assets of the Minerals Council consist of investments, trade and other receivables, and cash and cash equivalents. These are considered loans and receivables for both 2023 and 2022 financial years and are carried at amortised cost and fair value. The financial liabilities consist of trade and other payables (excluding accruals) and loans from related parties. These are considered financial liabilities at amortised cost for both 2023 and 2022 financial years.

Interest rate risk management

The Council adopts a policy of regularly reviewing interest rate exposure.

Notes to the Annual Financial Statements *continued*
for the year ended 31 December 2023

	2023 R	2022 R
15. Financial instruments <i>continued</i>		
<i>Credit risk management</i>		
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.		
Movement in allowance for doubtful debts		
Balance at the beginning of the year	(709,083)	(876,197)
Provision decreased/(raised) for the period	(218,374)	(1,011,066)
Provision utilised for the period	350,725	1,178,180
Balance at the end of the year	(139,984)	(709,083)
In determining the recoverability of a trade receivable, the Council 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 Council does not hold any collateral over these balances.		
16. Events after the reporting period		
The Board is not aware of any material event that occurred after the reporting date and up to the date of this report.		
17. Commitments and contingencies		
There is no contingent liability at year end.		
There are no commitments at year end.		
18. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		
<i>Operating lease charges</i>		
Premises		
Contractual amounts	4,205,195	3,566,855
Property, plant and equipment	(391)	(364,426)
Amortisation of intangible assets	-	36,000
Depreciation on property, plant and equipment	328,408	(163,556)
Employee costs	137,917,763	134,371,387
19. Investment revenue		
<i>Interest revenue</i>		
Banks	14,622,959	5,505,529
20. Finance costs		
IDC loan	71,047	93,578

Notes to the Annual Financial Statements continued
for the year ended 31 December 2023

21. Related parties

Relationships

The Chamber of Mines Building Company Ltd

The Chamber of Mines Building Company Ltd Board is constituted entirely by the Minerals Council South Africa. The shareholders of The Chamber of Mines Building Company Ltd are the Minerals Council's gold members. The Chamber of Mines Building Company Ltd is a separate legal entity and is independently audited.

Chief Executive

M Mthenjane and R Baxter

Related party balances and transactions with other related parties

Related party balances

Loan accounts – owing to related parties

Chamber of Mines Building Company Ltd	(6,365,870)	(6,390,963)
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22. Executive's remuneration

Executive

	2023	Emoluments	Bonus	Pension paid	Total
Mr R Baxter		5,516,382	9,064,822	157,749	14,738,953
Mr M Mthenjane		2,422,360	–	167,055	2,589,415
		7,938,742	9,064,822	324,804	17,328,368
	2022	Emoluments	Bonus	Pension paid	Total
Mr R Baxter		6,567,457	5,821,480	145,547	12,534,484

23. Going concern

The Board believes that the Council has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Board has satisfied itself that the Council is in a sound financial position. The Board is not aware of any new material changes that may adversely impact the Council. The Board is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation that may affect the Council.

Detailed Income Statement

	Notes	2023 R	2022 R
Revenue			
Contribution from members		157,691,539	164,115,991
Other income			
Discount received		129,350	25,462
Administration fees		1	1
Sundry revenue		2,714,720	808,113
Interest received	19	14,622,959	5,505,529
		17,467,030	6,339,105
Expenses (refer to page 19)			
		(175,087,522)	(170,361,518)
Operating profit			
	18	71,047	93,578
Finance costs	20	(71,047)	(93,578)

The supplementary information presented does not form part of the annual financial statements and is unaudited.

Detailed Income Statement continued

	2023	2022
	R	R
Operating expenses		
Advertising	-	(4,000)
Auditors remuneration	(994,865)	(872,832)
Bad debts	218,374	(1,011,066)
Bank charges	(81,101)	(75,205)
Cleaning	(105,641)	(197,812)
Consulting and professional fees	(7,974,055)	(7,969,606)
Depreciation, amortisation and impairments	(328,408)	127,556
Employee costs	(137,917,763)	(134,371,387)
Entertainment	(28,954)	(12,256)
Other expenditure	-	(494,800)
Fuel cell maintenance	-	(113,873)
Conferences and Seminars	(2,210,256)	(1,948,146)
Committee expenses	(433,603)	(104,842)
Project expenses	(16,700)	(10,000)
Sundry expenses	(353,851)	(189,418)
Sponsorships	(2,109,320)	(706,484)
Insurance	(635,331)	(912,552)
Office rent	(4,205,195)	(3,566,855)
Legal expenses	(513,960)	(509,075)
Magazines, books and periodicals	(404,880)	(283,644)
Municipal expenses	860,388	(1,884,558)
Catering and functions	(79,799)	-
Gas	-	(95,616)
Placement fees	(811,000)	(409,420)
Postage	(4,593)	(5,785)
Printing and stationery	(552,595)	(329,805)
Profit and loss on sale of assets and liabilities	(391)	(364,426)
Repairs and maintenance	(1,406,126)	(4,255,600)
Security	(216,953)	(1,295,649)
Software expenses	(4,889,849)	(1,376,538)
Subscriptions	(4,106,589)	(3,795,614)
Telephone	(121,989)	(124,805)
Training	(674,766)	(591,557)
Travel - local	(1,920,814)	(1,295,232)
Travel - overseas	(3,066,937)	(1,310,616)
	(175,087,522)	(170,361,518)

The supplementary information presented does not form part of the annual financial statements and is unaudited.

Appendix A

(Refer to Note 7)

Project funds	R	2023	2022
		R	R
Advocacy for occupational health		534,669	719,542
Balance at 31 December 2022	719,542		
Received	4,377,992		
Expenditure	(4,562,865)		
Project closed	-		
Balance as at 31 December 2023	534,669		
Minerals Council certificates		4,205,572	2,698,793
Balance at 31 December 2022	2,698,793		
Additional income*	3,761,022		
Expenditure	(2,254,243)		
Balance as at 31 December 2023	4,205,572		
Mine water management		582,965	941,920
Balance at 31 December 2022	941,920		
Received	-		
Expenditure	(358,955)		
Balance as at 31 December 2023	582,965		
Fire prevention peer review		1,011,002	2,600,000
Balance at 31 December 2022	2,600,000		
Received	-		
Expenditure	(1,588,998)		
Balance as at 31 December 2023	1,011,002		
Mining industry performance report		2,700,000	-
Balance at 31 December 2022	-		
Received	2,700,000		
Project closed	-		
Balance as at 31 December 2023	2,700,000		
Epidemiology study for former mine workers		-	639,483
Balance as at 31 December 2022	639,483		
Expenditure	(44,158)		
Project closed	(595,325)		
Balance as at 31 December 2023	-		
Junior and Emerging Miners Desk		1,170,955	1,430,064
Balance at 31 December 2022	1,430,064		
Expenditure	(259,109)		
Balance as at 31 December 2023	1,170,955		

The supplementary information presented does not form part of the annual financial statements and is unaudited.

Appendix A continued
(Refer to Note 7)

Project funds	R	2023 R	2022 R
CEO-led Khumbul'ekhaya		2,731,862	3,889,293
Balance as at 31 December 2022	3,889,293		
Received	-		
Expenditure	(1,157,431)		
Balance as at 31 December 2023	2,731,862		
Industry alignment for TMM collision management		5,777,994	3,460,969
Balance as at 31 December 2022	3,460,969		
Received	5,103,000		
Expenditure	(2,785,975)		
Balance as at 31 December 2023	5,777,994		
Women in Mining		1,954,020	1,871,515
Balance as at 31 December 2022	1,871,515		
Received	3,588,000		
Expenditure	(3,505,495)		
Balance as at 31 December 2023	1,954,020		
Promoting modernisation through communication		922,897	922,897
Balance as at 31 December 2022	922 897		
Received	-		
Expenditure	-		
Balance as at 31 December 2023	922,897		
Strategic communication		905,181	1,748,287
Balance as at 31 December 2022	1,748,287		
Received	-		
Expenditure	(843,106)		
Balance as at 31 December 2023	905,181		
Just transition assessment		-	524,416
Balance as at 31 December 2022	524,416		
Received	288,084		
Expenditure	(812,500)		
Balance as at 31 December 2023	-		
Legal expenses		693,823	5,395,614
Balance as at 31 December 2022	5,395,614		
Expenditure	(9,801,791)		
Received	5,100,000		
Additional Income	-		
Balance as at 31 December 2023	693,823		

The supplementary information presented does not form part of the annual financial statements and is unaudited.

Appendix A continued
(Refer to Note 7)

Project funds	R	2023	2022
		R	R
Minerals Council regional presence		1,561,519	3,176,456
Balance as at 31 December 2022	3,176,456		
Received	2,000,000		
Expenditure	(3,614,937)		
Balance as at 31 December 2023	1,561,519		
Bulk use of combustible materials in underground mines		1,633,787	-
Balance as at 31 December 2022	-		
Received	2,600,000		
Expenditure	(966,213)		
Balance as at 31 December 2023	1,633,787		
Industry repositioning		1,397,718	1,397,718
Balance at 31 December 2022	1,397,718		
Received	-		
Expenditure	-		
Balance as at 31 December 2023	1,397,718		
Transformation		1,749,287	1,350,812
Balance as at 31 December 2022	1,350,812		
Additional Income	2,400,000		
Expenditure	(2,001,525)		
Balance as at 31 December 2023	1,749,287		
Modernise data and information		-	222,095
Balance as at 31 December 2022	222,095		
Received	58,013		
Expenditure	(280,108)		
Balance as at 31 December 2023	-		
Mining innovation co-investment model		12,432,368	19,218,368
Balance as at 31 December 2022	19,218,368		
Received	27,096,108		
Expenditure	(33,882,108)		
Income transferred	-		
Project closed	-		
Balance as at 31 December 2023	12,432,368		
Strategic partnership for people-centred modernisation		-	-
Balance as at 31 December 2022	-		
Received	5,035,000		
Expenditure	(5,047,621)		
Income	-		
Project closed	12,621		
Balance as at 31 December 2023	-		

The supplementary information presented does not form part of the annual financial statements and is unaudited.

Appendix A continued
(Refer to Note 7)

Project funds	R	2023 R	2022 R
Trade-offs between mining and agriculture		367,750	1,202,500
Balance as at 31 December 2022	1,202,500		
Received	-		
Expenditure	(834,750)		
Balance as at 31 December 2023	367,750		
Project funding recovery		3,781,017	3,781,017
Balance as at 31 December 2022	3,781,017		
Severance Bonus Paid	-		
Balance as at 31 December 2023	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.			
		46,114,386	57,191,759
Summary			
Balance at beginning of period		57,191,759	48,674,962
Project income		60,000,100	65,408,104
Additional project income*		3,761,022	11,685,624
Project expenditure		(74,838,495)	(68,576,931)
Project transferred		-	-
Balance at end of period		46,114,386	57,191,759

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



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