

Simmer and Jack Mines, Proprietary Limited
Annual financial statements
for the year ended 30 June 2013

Simmer and Jack Mines, Proprietary Limited

(Registration number 1924/007778/07)

Annual Financial Statements for the year ended 30 June 2013

General Information

Country of incorporation and domicile	South Africa
Directors	D Watson G Rees J Watson K Wakeford M Ndlovu
Registered office	357 Rivonia Boulevard Rivonia 2191
Postal address	Postnet Suite 120 Private Bag X51 Rivonia 2128
Bankers	ABSA Bank Limited
Auditors	Grant Thornton Chartered Accountants (S.A.) Registered Auditors A South African member firm of Grant Thornton International
Secretary	iThemba Governance and Statutory Solutions Proprietary Limited
Company registration number	1924/007778/07
Level of assurance	Audit
Preparer	The annual financial statements were prepared under the supervision of: D Watson (CFO)

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

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Grant Thornton

Independent Auditor's Report To the shareholders of Simmer & Jack Mines, Limited

We have audited the financial statements of Simmer & Jack Mines, Limited set out on pages 7 to 22, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Simmer & Jack Mines, Limited as at 30 June 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 30 June 2013, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. This report is the responsibility of the respective preparers. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

GRANT THORNTON
Chartered Accountants (SA)
Registered Auditors

J Barradas
Partner
Chartered Accountant (SA)
Registered Auditor

29 January 2014

Grant Thornton Office Park
137 Daisy Street
Sandown, 2196

Simmer and Jack Mines, Proprietary Limited

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Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual 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 company 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 30 June 2014 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 3.

The annual financial statements set out on pages 7 to 21, which have been prepared on the going concern basis and the Directors' report on page 5 to 6, were approved by the board of directors on 29 January 2014 and were signed on its behalf by:



Director



Director

Johannesburg

29 January 2014

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Directors' Report

The directors submit their report for the year ended 30 June 2013.

1. Review of activities

Main business and operations

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Simmers and Jack Mines, Proprietary Limited (Simmers) is a holdings company whose main asset is cash.

2. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

3. Directors' beneficial interest in shares

The number of shares held by directors in the issued capital of the company as at 30 June 2013 was as follows:

Name of director	Number of shares held as at 30 June 2013	Number of shares held as at 30 June 2012
K Wakeford (Direct and indirect)	-	14 400 000
M Ndlovu (Indirect)	-	4 776 917
	-	<u>19 176 917</u>

Mr DJ Watson is a beneficiary of the JDV Family Trust which owns 27% in Vulisango which in turn is a substantial shareholder in the company.

4. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the year under review.

5. Share incentive trust and share option scheme

The Simmer and Jack Mines Limited Share Incentive Trust, which was approved by the members on 4 October 2000, has been wound up.

6. Dividends

No dividends were declared or paid to shareholders during the year.

7. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Changes
D Watson	
G Rees	
J Watson	Appointed 1 October 2013
K Wakeford	
M Ndlovu	
P Smith	Resigned 29 October 2012

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Directors' Report

8. Secretary

The secretary of the company is iThemba Governance and Statutory Solutions Proprietary Limited of:

Business address

79 Steenbok Avenue
Monument Park
Republic of South Africa
0105

Postal address

PO Box 25160
Monument Park
0105

9. Interest in subsidiaries

Name of subsidiary	Net income (loss) after tax
Bobsat Investment Proprietary Limited	R Nil
Caledonian Mining and Exploration Company Proprietary Limited	R Nil

No group accounts have been prepared as both subsidiaries are dormant and in the process of being deregistered.

Details of the company's investment in subsidiaries are set out in note 3.

10. Auditors

Grant Thornton will continue in office in accordance with section 90 of the Companies Act of South Africa.

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Statement of Financial Position

Figures in Rand thousand	Note(s)	2013	2012
Assets			
Non-Current Assets			
Property, plant and equipment	2	56	77
Current Assets			
Financial assets	4	10 634	15 697
Trade and other receivables	6	448	711
Cash and cash equivalents	7	34 976	41 416
		46 058	57 824
Total Assets		46 114	57 901
Equity and Liabilities			
Equity			
Share capital	8	617 422	617 422
Reserves		240 866	240 866
Accumulated loss		(812 241)	(800 703)
		46 047	57 585
Liabilities			
Current Liabilities			
Trade and other payables	9	67	316
Total Equity and Liabilities		46 114	57 901

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Statement of Comprehensive Income

Figures in Rand thousand	Note(s)	2013	2012
Other income	11	323	2 364
Operating expenses		(6 850)	(4 579)
Operating loss	12	(6 527)	(2 215)
Finance income		1 765	997
Impairment of loan		(2 448)	-
Loss on revaluation		(4 321)	-
Reversal of impairment		-	15 698
(Loss) profit before taxation		(11 531)	14 480
Taxation	13	(7)	-
(Loss) profit from continuing operations		(11 538)	14 480
Discontinued operations			
Profit from disposal of assets and subsidiaries		-	24 960
Total comprehensive (loss) income		(11 538)	39 440

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Statement of Changes in Equity

	Share capital	Share premium	Share based payment reserve	Accumulated loss	Total equity
Figures in Rand thousand					
Balance at 1 July 2011	25 217	592 205	240 866	(840 143)	18 145
Changes in equity					
Total comprehensive income for the year	-	-	-	39 440	39 440
Total changes	-	-	-	39 440	39 440
Balance at 1 July 2012	25 217	592 205	240 866	(800 703)	57 585
Changes in equity					
Total comprehensive loss for the year	-	-	-	(11 538)	(11 538)
Total changes	-	-	-	(11 538)	(11 538)
Balance at 30 June 2013	25 217	592 205	240 866	(812 241)	46 047
Note(s)	8	8			

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Statement of Cash Flows

Figures in Rand thousand	Note(s)	2013	2012
Cash flows from operating activities			
Cash used in operations	14	(13 261)	8 338
Finance income		1 718	997
Dividends received		47	-
Tax paid	15	(7)	-
Net cash from operating activities		(11 503)	9 335
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(86)
Decrease / (increase) in financial assets		(10 034)	(12 833)
Proceeds on disposal of assets held for sale		15 697	25 000
Net cash from investing activities		5 063	12 081
Cash flows from financing activities			
Total cash movement for the year		(6 440)	21 416
Cash at the beginning of the year		41 416	20 000
Total cash at end of the year	7	34 976	41 416

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Accounting Policies

1. Presentation of Annual Financial Statements

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS), the AC 500 standards as issued by the Accounting Practices Board or its successor, requirements of the Companies Act of South Africa. The financial statements have been prepared in the going concern basis, unless otherwise stated.

These accounting policies are consistent with the previous year. The fact that the financial statements have prepared on the going concern basis in the prior year, has no material impact on the 30 June 2013 statement of financial position.

1.1 Significant judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. These accounting policies set below have been applied consist by all entities in the group to all periods presented in these financial statements.

The preparation of the financial statements in conformity with IFRS requires the company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to reasonable under the circumstances.

The estimates and assumptions that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Trade receivables and Loans and receivables

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

The impairment for trade receivables and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Estimate of taxation

Significant judgements is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the income tax and deferred tax provisions in the period in which such determination is made.

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

The useful lives of items of property, plant and equipment have been assessed as follows:

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Accounting Policies

1.2 Property, plant and equipment (continued)

Item	Average useful life
Furniture and fixtures	6 years
Computer equipment	3 years
Computer software	2 years

1.3 Investments in subsidiaries

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

1.4 Financial instruments

Initial recognition

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

Financial assets and financial liabilities are recognised on the company's statements of financial position when the company becomes party to the contractual provisions of the instrument.

Financial instruments designated as at fair value as held for trading

Financial instruments such as equity shares are classified as held for trading if they have been acquired principally for the purpose of selling and repurchasing in the near term, or if they form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking.

These financial instruments are disclosed in the statement of financial position as 'Trading portfolio assets or liabilities'. Subsequent to initial recognition, their fair values are remeasured, and all gains and losses from changes therein are recognised in the profit and loss component of the statement of comprehensive income in 'Gains and losses from trading activities' as they arise.

Loans and receivables

These financial are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in profit or loss when there is objective evidence that an asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related at the date the impairment is reversed shall no exceed what the amortised cost would have been had the impairment no been recognised.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Trade and other receivables are measure at original invoice amount when the effect of discounting is immaterial.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Trade and other payables are measure at original invoice amount when the effect of discounting is immaterial.

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Accounting Policies

1.4 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Profit or loss from discontinued operations

A discontinued operation is a component of the entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line business or geographical area of operations
- is part of a single co-ordinated plan to dispose of separate major line of business or geographical area of operations:
or
- a subsidiary acquired exclusively with a view to resell.

Profit or loss from discontinued operations, are presented in a single amount in the statement of comprehensive income. This amount, which the post-tax profit or loss of discontinued operations and the post-tax gain or loss, resulting from the remeasurement of assets classified as held for sale.

The disclosures for discontinued operations in the prior year relate to all operation that have been discontinued by the reporting date for the latest period presented.

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Accounting Policies

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Assets classified as held for sale are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such financial assets or deferred assets, continue being measure in accordance with company's accounting policy for those assets. No assets classified as held for sale are subject to depreciation or amortisation subsequent to their classification as held for sale

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.10 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Rental income arising from operating leases is recognised on a straight-line basis over the lease terms on a ongoing leases.

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Notes to the Annual Financial Statements

2. Property, plant and equipment

	2013			2012		
	Cost	Accumulated depreciation and Impairments	Carrying value	Cost	Accumulated depreciation and Impairments	Carrying value
Computer equipment	22	(10)	12	22	(2)	20
Computer software	8	(5)	3	8	(2)	6
Furniture and fixtures	56	(15)	41	56	(5)	51
Total	86	(30)	56	86	(9)	77

Reconciliation of property, plant and equipment - 2013

	Opening balance	Depreciation	Total
Computer equipment	20	(8)	12
Computer software	6	(3)	3
Furniture and fixtures	51	(10)	41
	77	(21)	56

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Depreciation	Total
Computer equipment	-	22	(2)	20
Computer software	-	8	(2)	6
Furniture and fixtures	-	56	(5)	51
	-	86	(9)	77

3. Investments in subsidiaries

Name of company	% holding 2013	% holding 2012	Carrying amount 2013	Carrying amount 2012
Bobsat Investments Proprietary Limited:	100 %	100 %	-	-
- Shares	- %	- %	10 631	10 631
- Equity loan	- %	- %	10	10
Caledonian Mining and Exploration Company Proprietary Limited	100 %	100 %	8 298	8 298
			18 939	18 939
Impairment			(18 939)	(18 939)
			-	-

Both subsidiaries are dormant and in the process of being deregistered.

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Figures in Rand thousand	2013	2012
4. Financial assets		
At fair value through profit or loss - held for trading		
Sasfin Investment Portfolio	7 750	-
Loans and receivables		
Simmer and Jack Mines, Limited Share Trust The above loan is secured by a pledge of shares of the company and is interest free. There is no fixed date of repayment.	13 861	29 558
Village Main Reef Limited The above loan has been indemnified by Village and is interest free.	2 884	-
Impairment	16 745 (13 861)	29 558 (13 861)
Total other financial assets	2 884	15 697
Total other financial assets	10 634	15 697
Current assets		
At fair value through profit or loss - held for trading	7 750	-
Loans and receivables	2 884	15 697
	10 634	15 697
Fair value hierarchy of financial assets at fair value through profit or loss		
For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.		
Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.		
Level 1		
Sasfin Investment Portfolio	7 750	-
5. Financial assets by category		
The carrying amounts presented in the Statement of Financial Position relate to the following categories of assets as follows:		
Loans and receivables		
Cash and cash equivalents	34 976	41 416
Financial assets	2 884	15 697
Trade and other receivables	448	711
	38 308	57 824
Fair value through profit or loss - held for trading		
Financial assets	7 750	-

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Figures in Rand thousand	2013	2012
6. Trade and other receivables		
Deposits	55	55
Trade receivables	10	-
VAT	383	656
	448	711
<p>All amounts disclosed above are short term. The carrying value of trade receivables is considered a reasonable approximation of fair value.</p> <p>None of the trade receivables are past due or impaired.</p>		
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	1	1
Bank balances	34 975	41 415
	34 976	41 416
8. Share capital		
Authorised		
1 900 000 000 Ordinary shares of 2 cents each	38 000	38 000
Issued		
Ordinary shares	25 217	25 217
Share premium	620 603	620 603
Share issue costs written off against share premium	(28 398)	(28 398)
	617 422	617 422
9. Trade and other payables		
Trade payables	67	316
<p>All amounts of trade and other payables are short term. The carrying values are considered to be a reasonable approximation of fair value.</p>		
10. Financial liabilities by category		
The carrying amounts presented in the Statement of Financial Position relate to the following categories of liability as follows:		
Financial liability measured at amortised cost		
Trade and other payables	67	316
11. Other income		
Rental income	120	50
Sundry Income	203	-
	323	50

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Figures in Rand thousand	2013	2012
12. Operating loss		
Operating loss for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	369	203
Depreciation on property, plant and equipment	21	9
Employee costs	2 526	827
Loss/(profit) from disposal of assets and subsidiaries	-	(24 960)
13. Taxation		
Major components of the tax expense		
Current		
Secondary tax on companies	5	-
Foreign income tax or withholding tax - current period	2	-
	<u>7</u>	<u>-</u>
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(11 531)	23 742
Tax at the applicable tax rate of 28%	(3 344)	(6 648)
Tax effect of adjustments on taxable income		
Non-deductible expenses	-	(4 314)
Deferred tax asset not recognised	3 351	10 962
	<u>7</u>	<u>-</u>
No provision has been made for 2013 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R 128,3 million (2012: R122,9 million).		
14. Cash used in operations		
Comprehensive loss before income tax	(11 531)	39 440
Adjustments for:		
Depreciation	21	9
Profit from disposal of assets and subsidiaries	-	(24 959)
Dividends received	(47)	-
Finance income	(1 718)	(997)
Changes in working capital:		
Trade and other receivables	263	(711)
Trade and other payables	(249)	(4 444)
	<u>(13 261)</u>	<u>8 338</u>
15. Tax paid		
Current tax for the year recognised in profit or loss	(7)	-

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16. Commitments

Operating leases – as lessee (expense)

Minimum lease payments under non-cancellable operating leases for each of the following periods amount to:

- Not later than 1 year	153	272
- Later than 1 year and not later than 5 years	-	142
	153	414

The lease pertains to office rentals.

17. Contingencies

Simmers is involved in civil litigation action involving former mineworkers who died as a result of silicosis. As this case is on - going, the financial implication cannot be determined.

18. Related parties

Relationships

Subsidiaries

Bobsat Investments Proprietary Limited
Caledonian Mining and Exploration Company Proprietary Limited
Simmer and Jack Mines Limited Share Trust
Transvaal Gold Mining Estates Limited (Sold)
Vanaxe Share Block Proprietary Limited (Sold)

BEE Partner

Xelexwa Investments Holdings Proprietary Limited
Vulisango Holdings Proprietary Limited

Members of key management

Directors (Refer to directors' report)

Related party balances

Loan accounts - Owing (to) by related parties

Bobsat Investments Proprietary Limited	10	10
Caledonian Mining and Exploration Company Proprietary Limited	-	8 298
Simmer and Jack Mines Limited Share Trust	13 861	29 558
	13 871	37 866

Related party transactions

Interest paid to related party

First Uranium Proprietary Limited	-	100
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Rent received from related party

Vulisango Holdings Proprietary Limited	120	50
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Consulting fees paid to related party

Wakeford Enterprises	150	-
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18. Related parties (continued)

Compensation to director and other key management

Short-term employee benefits	-	693
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19. Directors' emoluments

Executive

2013

	Board and committee fees	Salary	Total
D Watson	140 000	870 000	1 010 000

2012

	Board and committee fees	Salary	Total
D Watson	5 000	388 000	393 000

Non-executive

2013

	Board and committee fees	Salary	Total
M Ndlovu	70 000	-	70 000
K Wakeford	25 000	350 000	375 000
G Rees	70 000	-	70 000
	165 000	350 000	515 000

2012

	Board and committee fees	Salary	Total
M Ndlovu	40 000	-	40 000
G Rees	40 000	-	40 000
V Watson	-	20 417	20 417
K Wakeford	20 000	170 000	190 000
	100 000	190 417	290 417

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20. Risk management

Capital risk management

The group's risk management approach consistent and systematic risk assessment and reporting procedures across the group's operations. The board, via the audit committee, is ultimately responsible for the overall system of risk management and oversees measures to understand the change environment within which the group operates and the identification and mitigation of new and existing risks on an ongoing basis.

Interest rate risk

The group does not hedge its exposure to interest rate risk. Deposits and all other investments attract interest at 4.75% per annum.

Cash and cash equivalents are primarily invested in short-term investments, therefore the group is only exposed to cash flow interest risk.

The group policy is to manage interest rate risk so that fluctuations in various rates do not have a material impact on profit/(loss).

Credit risk

Credit risk arises from the risk that counterparty may default or not meet its obligation timeously.

Credit risk consists mainly of cash and cash equivalents and other receivables.

The group limits its counterparty exposures from its money market investment operation by dealing only with well-established financial institutions with a credit standing of a high quality.