

Annual financial statements contents

Group financial statements		Company financial statements	
Income statement	128	Income statement	220
Balance sheet	129	Balance sheet	221
Cash flow statement	130	Cash flow statement	222
Statement of recognised income and expense	131	Statement of recognised income and expense	223
Notes to the financial statements	132	Notes to the financial statements	224
		Investment in principal subsidiaries and joint venture interests	246
		Glossary of terms	247

Income statement

2004	2005	Figures in million	Notes	2005	2004
		SA Rands		US Dollars	
15,592	17,388	Revenue	3	2,730	2,434
14,788	16,750	Gold income	2, 3	2,629	2,309
(12,305)	(14,713)	Cost of sales	4	(2,311)	(1,924)
(786)	(949)	Non-hedge derivative loss		(135)	(142)
1,697	1,088	Gross profit		183	243
(331)	(410)	Corporate administration and other expenses		(64)	(51)
(100)	(84)	Market development costs		(13)	(15)
(283)	(288)	Exploration costs	5	(45)	(44)
(200)	-	Amortisation of goodwill	18, 19	-	(31)
(69)	(127)	Other net operating expenses	6	(20)	(12)
80	(499)	Operating special items	7	(77)	12
794	(320)	Operating (loss) profit		(36)	102
318	155	Interest received	3	25	49
25	(29)	Exchange (loss) gain		(5)	4
160	(211)	Fair value adjustment on option component of convertible bond		(32)	27
(563)	(690)	Finance costs and unwinding of decommissioning and restoration obligations	8	(108)	(87)
10	(5)	Fair value (loss) gain on interest rate swaps		(1)	2
1	(17)	Share of associates (loss) profit	9	(3)	-
745	(1,117)	(Loss) profit before taxation	10	(160)	97
179	220	Taxation	13	36	41
924	(897)	(Loss) profit after taxation from continuing operations		(124)	138
(73)	(219)	Discontinued operations			
		Loss for the year from discontinued operations	14	(36)	(11)
851	(1,116)	(Loss) profit for the year		(160)	127
		<i>Allocated as follows</i>			
728	(1,262)	Equity shareholders of the parent		(183)	108
123	146	Minority interest		23	19
851	(1,116)			(160)	127
		Basic (loss) earnings per ordinary share (cents)	15		
319	(394)	(Loss) profit from continuing operations ⁽¹⁾		(56)	47
(29)	(83)	Loss from discontinued operations ⁽¹⁾		(14)	(4)
290	(477)	(Loss) profit		(69)	43
		Diluted (loss) earnings per ordinary share (cents)	15		
318	(394)	(Loss) profit from continuing operations ⁽²⁾		(56)	47
(29)	(83)	Loss from discontinued operations ⁽²⁾		(14)	(4)
289	(477)	(Loss) profit		(69)	43
		Dividends ⁽³⁾	16		
350	232	Dividends declared per ordinary share (cents)		36	56

⁽¹⁾ Calculated on the basic weighted average number of ordinary shares.

⁽²⁾ Calculated on the diluted weighted average number of ordinary shares.

⁽³⁾ Dividends are translated at actual rates on date of payment.

The current period is an indicative amount only.

Rounding of figures may result in computational discrepancies.

Balance sheet

2004	2005	Figures in million	Notes	2005	2004
SA Rands				US Dollars	
		ASSETS			
		Non-current assets			
33,239	37,464	Tangible assets	17	5,905	5,888
2,458	2,533	Intangible assets	18	399	435
43	223	Investments in associates	19	35	8
608	645	Other investments	20	102	107
202	1,182	Inventories	22	186	35
1,055	243	Derivatives	40	38	187
55	124	Trade and other receivables	24	20	10
-	279	Deferred taxation	34	44	-
101	101	Other non-current assets	23	16	18
37,761	42,794			6,745	6,688
		Current assets			
2,285	2,436	Inventories	22	384	406
1,700	1,589	Trade and other receivables	24	250	302
2,767	4,280	Derivatives	40	675	490
5	43	Current portion of other non-current assets	23	7	1
148	52	Cash restricted for use	25	8	26
1,630	1,328	Cash and cash equivalents	26	209	289
8,535	9,728			1,533	1,514
-	100	Non-current assets held for sale	27	16	-
8,535	9,828			1,549	1,514
46,296	52,622	Total assets		8,294	8,202
		EQUITY AND LIABILITIES			
18,987	19,047	Share capital and premium	28	3,002	3,364
(1,197)	(2,463)	Retained earnings and other reserves	29	(388)	(213)
17,790	16,584	Shareholders' equity		2,614	3,151
327	374	Minority interests	30	59	58
18,117	16,958	Total equity		2,673	3,209
		Non-current liabilities			
7,262	10,825	Borrowings	31	1,706	1,286
1,294	2,265	Environmental rehabilitation and other provisions	32	356	230
1,112	1,249	Provision for pension and post-retirement benefits	33	197	197
21	87	Trade, other payables and deferred income	35	14	4
3,033	2,460	Derivatives	40	388	537
7,653	7,353	Deferred taxation	34	1,159	1,356
20,375	24,239			3,820	3,610
		Current liabilities			
2,629	2,711	Trade, other payables and deferred income	35	427	466
1,800	1,190	Current portion of borrowings	31	188	319
3,007	6,814	Derivatives	40	1,074	533
368	710	Taxation		112	65
7,804	11,425			1,801	1,383
28,179	35,664	Total liabilities		5,621	4,993
46,296	52,622	Total equity and liabilities		8,294	8,202

Rounding of figures may result in computational discrepancies.

Cash flow statement

2004	2005	Figures in million	Notes	2005	2004
SA Rands				US Dollars	
		Cash flows from operating activities			
15,023	17,175	Receipts from customers		2,707	2,332
(11,501)	(12,742)	Payments to suppliers and employees		(2,008)	(1,744)
3,522	4,433	Cash generated from operations	36	699	588
(12)	(188)	Cash utilised by discontinued operations		(31)	(2)
(113)	(104)	Environmental, rehabilitation and other expenditure		(16)	(18)
–	(61)	Termination of employee benefit plan		(10)	–
(218)	(188)	Taxation paid		(30)	(34)
3,179	3,892	Net cash inflow from operating activities		612	534
		Cash flows from investing activities			
		Capital expenditure	17		
(1,645)	(1,721)	– project expenditure		(270)	(256)
(2,119)	(2,879)	– stay-in-business expenditure		(452)	(329)
69	53	Proceeds from disposal of tangible assets		8	10
–	27	Proceeds from disposal of discontinued assets		4	–
(196)	(83)	Other investments acquired		(12)	(30)
–	(93)	Associate acquired		(15)	–
–	7	Proceeds from disposal of investments		1	–
(1,523)	–	Net acquisition of subsidiaries		–	(227)
384	–	Cash in the subsidiary acquired		–	56
(45)	112	Cash restricted for use		17	(6)
236	113	Interest received		18	37
(13)	(45)	Loans advanced		(7)	(2)
539	38	Repayment of loans advanced		6	85
(703)	(415)	Utilised in hedge restructure		(69)	(123)
(5,016)	(4,886)	Net cash outflow from investing activities		(771)	(785)
		Cash flows from financing activities			
22	60	Proceeds from issue of share capital		9	3
(1)	–	Share issue expenses		–	–
7,236	4,194	Proceeds from borrowings		659	1,077
(5,348)	(2,183)	Repayment of borrowings		(343)	(818)
(465)	(471)	Finance costs		(74)	(72)
(1,322)	(1,051)	Dividends paid		(169)	(198)
228	–	Proceeds from hedge restructure		–	40
350	549	Net cash inflow from financing activities		82	32
(1,487)	(445)	Net decrease in cash and cash equivalents		(77)	(219)
(186)	143	Translation		(3)	13
3,303	1,630	Cash and cash equivalents at beginning of year		289	495
1,630	1,328	Net cash and cash equivalents at end of year	26	209	289

Rounding of figures may result in computational discrepancies.

Statement of recognised income and expense

2004	2005	Figures in million	2005	2004
SA Rands			US Dollars	
(15)	(173)	Actuarial loss on defined benefit retirement plans ⁽¹⁾ (note 29)	(27)	(3)
867	391	Net loss on cash flow hedges removed from equity and reported in income (notes 29 and 30)	18	134
236	(1,281)	Net (loss) gain on cash flow hedges (notes 29 and 30)	(202)	48
12	17	Gain on available-for-sale financial assets (note 29)	2	2
(286)	445	Deferred taxation on items above (note 29)	69	(42)
-	15	Share-based payment expense (note 29)	2	-
18	-	At acquisition of subsidiary (note 30)	-	3
(2,657)	1,534	Net exchange translation differences (note 29)	293	(439)
(1,825)	948	Net income (expense) recognised directly in equity	155	(297)
851	(1,116)	(Loss) profit for the year	(160)	127
(974)	(168)	Total recognised expense for the year	(5)	(170)
		Attributable to:		
(1,072)	(340)	Equity shareholders of the parent	(26)	(194)
98	172	Minority interest	21	24
(974)	(168)		(5)	(170)

⁽¹⁾ The cumulative effect of the actuarial gains and losses accounted through equity is a net reduction of \$36m, R227m (2004: \$22m, R122m) in reserves after deferred taxation of \$22m, R131m (2004: \$11m, R63m).