

## Analysis of Shareholders

### ANALYSIS OF SHAREHOLDERS / BENEFICIAL HOLDERS

Member	No. of Shares held	Percentage of total issued shares
Directors	40 985 555	31.96
Pension / Provident Funds and Insurance Companies and other Corporate Holdings	84 646 416	66.01
Individuals		
- Holders of 5 000 or more shares	2 286 791	1.78
- Holders of less than 5 000 shares	309 578	0.25

### SHAREHOLDERS IN EXCESS OF FIVE PERCENT

Member	No. of Shares held	%
Old Mutual Life	26 429 019	20.61
HC Scharrihuisen	24 310 203	18.96
The Reinier Trust	13 659 962	10.65
The Regardt Trust	13 627 098	10.63
The Michiel Trust	13 436 976	10.48

### JSE SECURITIES EXCHANGE PERFORMANCE

	2002	2001	2000	1999	15 months		1996	1995	1994
					1998				
Number of shares traded (R000)	8 017	25 526	14 243	22 420	38 393	4 871	5 453	13 811	
- % of total issued shares	6.25	18.4	10.2	16.1	27.6	3.6	4.0	11.6	
Value of shares traded (R000)	3 528	6 152	2 231	7 551	26 090	6 110	11 405	31 463	
Prices quoted (cents per share)									
- highest	60	37	38	72	112	260	311	320	
- lowest	33	14	11	15	37	72	190	188	
-closing	43	34	16	17	37	75	260	320	
Market capitalisation at year-end (R000)	55 137	47 254	22 238	23 627	51 424	101 988	353 561	379 840	
Price earnings ratio	6.62	7.9	5.3	(1.0)	2.7	7.5	15.3	11.2	
Earning yield	15.12	12.6	18.8	(96.5)	37.6	13.3	6.5	8.9	
Dividend yield	5.23	3.7			10.8	5.3	1.5	2.5	

## Subsidiary Companies

for the year ended 31 March 2002

Name of subsidiary All (Propriety) Limited unless otherwise stated	Issued share capital in Rands unless otherwise stated	% held by Schamin	Owing to Schamin by subsidiary (R000)	2002	2001	Main Business
Scharrighuisen Administration	100	100				B
Scharrighuisen Opencast Mining	100	100	51329		51491	A
Robust Opencast Resources	100	100				B
Rynov Investments	1	100				C
Edencliff	1000	50				A

### Main Business

A Opencast mining and mining services

B Administration services

C Property investments



## Balance Sheet

for 31 March 2002

R000	Note	2002	Group 2001	2002	Company 2001
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
PROPERTY, PLANT AND EQUIPMENT	3	238 640	193 742		
SHARE INCENTIVE TRUST LOAN	4	946	748	946	748
INTEREST IN SUBSIDIARIES	5			72 334	72 496
		<u>239 586</u>	<u>194 490</u>	<u>73 280</u>	<u>73 244</u>
<b>CURRENT ASSETS</b>					
Inventories	6	5 007	5 150		
Trade and other receivables		37 047	19 634	1 291	1 743
Bank balance and cash		14 758	27 914		
Taxation				30	30
		<u>56 812</u>	<u>52 698</u>	<u>1 321</u>	<u>1 773</u>
<b>TOTAL ASSETS</b>		<u>296 398</u>	<u>247 188</u>	<u>74 601</u>	<u>75 017</u>
<b>EQUITY AND LIABILITIES</b>					
<b>CAPITAL AND RESERVES</b>					
SHARE CAPITAL AND PREMIUM	7	88 915	90 592	93 816	93 816
RESERVES	8	64 895	55 187	(20 572)	(20 611)
<b>ORDINARY SHAREHOLDERS' FUNDS</b>		<u>153 810</u>	<u>145 779</u>	<u>73 244</u>	<u>73 205</u>
Outside shareholders' interest		4 564	4 828		
<b>Total shareholders funds</b>		<u>158 374</u>	<u>150 607</u>	<u>73 244</u>	<u>73 205</u>
<b>NON-CURRENT LIABILITIES</b>					
LONG-TERM BORROWINGS	9	51 104	24 992		
DEFERRED TAXATION	10	35 901	32 009		
		<u>87 005</u>	<u>57 001</u>		
<b>CURRENT LIABILITIES</b>					
Trade and other payables					
Current portion of long-term borrowings		38 620	37 456	75	75
Shareholders for dividend	9	10 778			
Taxation		1 282	1 737	1 282	1 737
		339	387		
		<u>51 019</u>	<u>39 580</u>	<u>1 357</u>	<u>1 812</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>296 398</u>	<u>247 188</u>	<u>74 601</u>	<u>75 017</u>



## Notes to the Financial Statements

*continued*

		(369)			
				Group	Company
R000		2002	2001	2002	2001
19.4	Cash and cash equivalent				
	Cash on hand and balance with banks	14 758	27 914		
20	CONTINGENT LIABILITIES				
	Guarantees				
	20.1 The Company's bankers hold letters of guarantee for the amount of R5,0 million (2001-R5,5 million) in respect of performance bonds				
21	RETIREMENT BENEFIT INFORMATION				
	Defined contribution funds				
	Scharrig Group Provident Fund				
	The fund is open to membership by all full-time employees of Group Companies				
	Company contributions to retirement benefit funds				
	Defined contribution funds	1 661	1 168		

## Notes to the Financial Statements

*continued*

	(1 290)	(604)		
	29 169	30 751		
		Group		Company
R000	2002	2001	2002	2001
16 DIVIDEND				
Dividend no. 10 of 1.25 cents per share paid on 28 September 2001 to members recorded on 14 September 2001		1 737		1 737
Dividend no. 11 of 1 cent per share to be paid on 11 March 2002 to members recorded on 8 March 2002	1 282		1 282	
Dividend no. 12 of 1 cent per share to be paid on 19 August 2002 to members recorded on 16 August 2002	1 142		1 283	
	2 424	1 737	2 565	1 737
17 BORROWING POWERS				
The company's borrowing powers are unlimited in terms of the articles of association				
18 CAPITAL COMMITMENTS				
Capital expenditure contracted for in respect of plant and equipment	35 000	NIL		
Capital expenditure authorized by the directors not contracted for in respect of plant and equipment	NIL	NIL		
These amounts will be financed by facilities afforded by the group's bankers				
19 NOTES TO THE CASH FLOW STATEMENT				
19.1 Reconciliation of net profit (loss) before taxation to cash generated from operation				
Profit before taxation	12 767	6 293	2 604	1 957
Adjustment				
Profit on disposal of tangible property, plant and equipment	(432)	(1 988)		
Depreciation and scrapping of property, plant and equipment	31 139	33 739		
Investment income	(392)	(655)	(2 565)	(1 737)
Finance charges	1 491	3 286		
Write(up) of share trust loan	(2 48)	(396)	(248)	(396)
Operating profit/(loss) before working capital charges	44 325	40 279	(209)	(176)
(Decrease)increase in working capital	(16 106)	14 729	452	(1 884)
Decrease in inventories	143	4 734		
(Decrease)increase in trade and other receivables	(17 413)	782	452	(1 743)
Increase/(Decrease) in trade and other payables	1 164	9 213		(141)
Cash generated from operation	28 219	55 008	243	(2 060)
19.2 Dividends paid				
Dividends unpaid at beginning of year	1 737		1 737	
Dividends paid to share trust	(50)			
Dividends charged to the income statement	2 424	1 737	2 565	1 737
Dividends unpaid at the end of year	(1 282)	(1 737)	(1 282)	(1 737)
	2 829		3 020	
19.3 Taxation paid				
Taxation at the beginning of year	(387)	(170)	30	30
Taxation charged to the income statement	(321)	(217)		
Taxation unpaid (prepaid) at end of year	339	387	(30)	(30)



## Income Statements

for the year ended 31 March 2002

R000	Note	Group		Company	
		2002	2001	2002	2001
REVENUE	11	212 443	169 816	120	120
OPERATING PROFIT before finance charges	12	13 866	8 924	2 604	1 957
NET FINANCE CHARGES	13	1 099	2 631		
NET PROFIT before taxation		12 767	6 293	2 604	1 957
TAXATION		4 213	(491)		
NET PROFIT after taxation	14	8 554	6 784	2 604	1 957
Earnings attributable to outside shareholders		(3 578)	169		
EARNINGS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS		12 132	6 615	2 604	1 957
ORDINARY DIVIDENDS	16	2 424	1 737	2 565	1 737
ACCUMULATED PROFIT for the year		9 708	4 878	39	220
ACCUMULATED PROFIT at beginning of year		39 432	34 554	(22 500 )	(22 720 )
ACCUMULATED PROFIT at end of year		49 140	39 432	(22 461 )	(22 500 )
EARNINGS PER SHARE (cents)					
Attributable earnings	15.1	9.1	4.8		
Headline earnings	15.2	8.9	4.5		
Cash equivalent earnings	15.3	30.9	27.2		
DIVIDENDS PER SHARE (cents)	16	2.00	1.25		
Shares in issue at end of period (000)		128 225	138 985		
Weighted average number of shares (000)		133 792	137 382		

## Statement of changes in equity

for the year ended 31 March 2002

Group	Share Capital	Share Premium	Accumulated Profit	Non-distributable reserve	Total
R000					
Balance at 31 March 2000	1 390	91 473	54 996	15 755	163 614
			(20 442)		(20 442)
Prior year adjustment for deferred tax					
Restated balance at 31 March 2000	1 390	91 473	34 554	15 755	143 172
Share buy-back	(78)	(2 193)			(2 271)
Profit for the year ended 31 March 2001			6 615		6 615
Dividend paid			(1 737)		(1 737)
Balance at 31 March 2001	1 312	89 280	39 432	15 755	145 779
Share buy-back	(36)	(1 641)			(1 677)
Profit for the year ended 31 March 2002			12 132		12 132
Dividend paid			(2 424)		(2 424)
Balance at 31 March 2002	1 276	87 639	49 140	15 755	153 810

Group	Share Capital	Share Premium	Accumulated Profit	Non-distributable reserve	Total
Balance at 31 March 2000	1 390	92 426	(22 720)	1 889	72 985
Profit for year ended 31 March 2001			1 957		1 957
Dividends paid			(1 737)		(1 737)
Balance at 31 March 2001	1 390	92 426	(22 500)	1 889	73 205
Profit for year ended 31 March 2002			2 604		2 604
Dividends paid			(2 565)		(2 565)
Balance at 31 March 2002	1 390	92 426	(22 461)	1 889	73 244



## Notes to the Financial Statements

	<i>continued</i>			
	2.5	3.4	0.0	0.0
	Group		Company	
R000	2002	2001	2002	2001
Future tax charges				
Mining taxable income is determined after the deduction of materially all mining capital expenditure. Such expenditure amounts to R73,9 million (2001-R18,7 million) in the current year. Capital expenditure not set off against mining income amounts to R110 million (2001-R67 million). This unutilized amount is available to be set off against future mining income. No provision is made for taxes that might become payable if accumulated profits are distributed by way of dividend.				
<b>15 EARNINGS PER SHARE</b>				
<b>15.1 Attributable earnings basis</b>				
The calculation of earnings per share is based on attributable earnings of R12 132 (2001 - R6 615) and weighted average number of shares in issue of 133 792 (2001 - 137 382)	9.1	4.8		
<b>15.2 Headline earnings basis</b>				
The calculation of earnings per share is based on headline earnings of R11 884 (2001-R6219) and weighted average number of shares in issue of 133 792 (2001-137 382)	8.9	4.5		
This basis highlights the sustainable earnings per share				
Earnings attributable to ordinary shareholders	12 132	6 615		
Adjusted for: Write (up) of share trust loan	(248)	(396)		
Headline earnings to attributable ordinary shareholders	11 884	6 219		
<b>15.3 Cash equivalent basis</b>				
The calculation is based on attributable cash equivalent earnings of R41 301 (2001-R37 366) and weighted average number of shares in issue of 133 792 (2001-137 382)	30.9	27.2		
This basis recognizes the potential of the earnings stream to generate cash and is consequently an indicator of the underlying quality of earnings It is derived as follows:				
Earnings attributable to ordinary shareholders		12 132	6 615	
Adjusted for:				
Non-cash items	15.4	29 169	30 751	
Cash equivalent earnings		41 301	37 366	
<b>15.4 Non-cash items:</b>				
Depreciation and scrapping of property, plant and equipment		31 139	33 739	
Profit on disposal of property, plant and equipment		(432)	(1 988)	
Write (up) on share trust loan		(248)	(396)	
Outside shareholders' portion of non-cash items		30 459	31 355	



## Cash Flow Statement

for the year ended 31 March 2002

R000	Note	2002	Group 2001	2002	Company 2001
CASH FLOW FROM OPERATING ACTIVITIES		23 922	52 377	(212)	(323)
Cash generated from/(absorbed) in operation	19.1	28 219	55 008	243	(2 060)
Interest received		392	655		
Interest paid		(1 491)	(3 286)		
Dividends received				2 565	1 737
Dividends paid	19.2	(2 829)		(3 020)	
Normal tax paid	19.3				
Secondary tax paid	19.3	(369)			
CASH FLOW FROM INVESTING ACTIVITIES		(75 606)	(18 680)		
Purchase of tangible property, plant and equipment					
Rebuilt assets		(10 000)	(5 300)		
Additions		(67 503)	(18 988)		
Proceeds on disposal of tangible property, plant and equipment		1 897	5 608		
CASH FLOWS FROM FINANCING ACTIVITIES		38 528	(25 208)	212	323
Proceeds (payments) of long-term borrowings		36 890	(22 937)	50	
Share buy back scheme		(1 677)	(2 271)		
Proceeds of outside shareholder loans		3 315			
Advances to subsidiary companies				162	323
NET INCREASE IN CASH AND CASH EQUIVALENTS		(13 156)	8 489		
Cash and cash equivalents at beginning of year		27 914	19 425		
Cash and cash equivalents at end of year		14 758	27 914		
Cash flow per ordinary share (cents)		17.8	38.1		
Cash realisation rate (%)		57.6	140.1		

## Notes to the Financial Statements

for the year ended 31 March 2002

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with the historical cost convention and incorporate the following principal accounting policies which conform with generally accepted accounting practice in South Africa. The group's accounting policies have been altered in order to comply with the requirements of AC 102. This change has been effected as a prior year adjustment. Save for the foregoing the policies are consistent in all material respects with those applied in the previous year.

#### 1.1 Revenue

The invoiced values of sales and services rendered excluding value added tax in respect of opencast mining, earthmoving and contracts are recognised at the date when the significant risks and reward of ownership are transferred to the buyer.

#### 1.2 Basis of consolidation

The Group financial statements include the results, cash flows, and financial position of the Company and of its subsidiary companies. The results and cash flows of subsidiaries are included from the effective date of acquisition and up to the effective date of their disposal. Intergroup transactions and balances are eliminated on consolidation.

#### 1.3 Property, Plant and Equipment

Property, plant and equipment are stated at historical costs less depreciation. Fixed property is not depreciated. Depreciation

is calculated on the reducing balance method at rates considered appropriate to reduce book values over the useful lives of the assets, to estimate residual values.

The following depreciation rates are applied:

	%
Plant and equipment	15
Motor vehicles	20
Furniture, fittings and equipment	20

#### 1.3.1 Rebuilt assets

Rebuilt assets are significant items of opencast mining equipment that are rebuilt internally, which extends their useful lives, thereby achieving a substantial improvement in efficiency. The value of these assets includes the cost of spare parts, labour and overheads and is limited to the asset's market value. Expenditure on repairs and maintenance on these assets thereafter are expensed when incurred.

#### 1.4 Inventories

Inventories are valued at average cost or actual cost using the first-in-first-out method. Work in progress is valued at cost, including direct costs and overheads. Maintenance spares are valued at cost less an allowance for obsolescence. In all cases inventories are valued at the lower of average or actual cost and realisable value.

#### 1.5 Contracts in progress

Contracts in progress are valued at cost, after adjusting for all known contingencies, plus profit recognised, less amounts received and receivable.



## Notes to the Financial Statements

	Group		<i>continued</i> Company	
	2002	2001	2002	2001
Share repurchase				
At the annual general meeting held on 24 August 2001 members passed a special resolution authorising, inter alia, the purchase of a maximum of 27 797 047 shares in Schamin. The listing of 10 759 896 share in Schamin was withdrawn from the JSE Securities Exchange on 12 October 2001, in terms of the share repurchase scheme.				
By March 2002 when the company entered into its closed period a wholly owned subsidiary had purchased an additional 644 971 shares at a cost of R275 990, giving an average cost of 42,7 cents per share.				
<b>8 RESERVE</b>				
Non-distributable reserves				
Reserves on acquisition of subsidiaries	15 755	15 755	1 889	1 889
Distributable reserves				
Accumulated profit/(loss)	49 140	39 432	(22 461)	(22 500)
	64 895	55 187	(20 572)	(20 611)
<b>9 LONG-TERM BORROWINGS</b>				
Secured				
Suspensive sale agreements				
Amount owing in respect of plant, vehicle and equipment with book values amounting to R36.3 million (2001-R nil)	37 017			
The effective average interest rate applicable to these liabilities is 2% below prime				
At year end these agreements were being negotiated to be signed after year end				
Unsecured				
Loan facilities with Group bankers				
Bearing interest at an average of 3% below prime and repayable at thirteen months' notice	24 865	24 992		
	61 882	24 992		
Less: Suspensive sale portion payable within twelve months reflecting under current liabilities	10 778			
	51 104	24 992		
<b>10 DEFERRED TAXATION</b>				
Balance at beginning of year	32 009	12 275		
Prior year adjustment		20 442		
Original (reversing) temporary difference on Property, plant and equipment	3 892	(708)		

## Notes to the Financial Statements

*continued*

	Group		Company	
4 SHARE INCENTIVE TRUST LOAN				
Maximum number of Scharrig Mining Limited	2002	2001	2002	2001
shares authorized to be made available to the scheme				
Number of shares made available at inception of scheme	<u>10 000 000</u>	<u>10 000 000</u>	<u>10 000 000</u>	<u>10 000 000</u>
	2 200 000	2 200 000	2 200 000	2 200 000
Number of shares available to be distributed as share options	<u>2 200 000</u>	<u>2 200 000</u>	<u>2 200 000</u>	<u>2 200 000</u>
The loan to the scheme is to enable directors and staff to acquire shares in the company				
An analysis of the Schamin Share Incentive Trust loan is as follows:				
Balance at the beginning of year	748	352	748	352
Loan repaid	(50)		(50)	
Write up of loan	<u>248</u>	<u>396</u>	<u>248</u>	<u>396</u>
Balance at the end of year	<u>946</u>	<u>748</u>	<u>946</u>	<u>748</u>
The unallocated shares are under the control of the trustees of the scheme. To date no options have been granted to employees				
5 INTEREST IN SUBSIDIARIES				
Share at cost			21 005	21 005
Amounts owing by subsidiaries			51 329	51 491
			<u>72 334</u>	<u>72 496</u>
6 INVENTORIES				
Work in progress	4 400	4 500		
Consumables	607	582		
Finished goods		68		
	<u>5 007</u>	<u>5 150</u>		
7 SHARE CAPITAL AND PREMIUM				
Authorized share capital				
160 000 000 ordinary shares of 1 cent each	1 600	1 600	1 600	1 600
Issued share capital				
128 225 340 (2001-138 985 236 )				



## Notes to the Financial Statements

Progress payments received in excess of the measured value of work determined on each contract included in the composition in progress. Cost includes direct cost and overheads. Profit is brought to account on the percentage of completion basis. Where a loss is anticipated on any particular contract, provision is made for such a loss.

### 1.6 Taxation

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Secondary Taxation on Companies is provided in respect of expected dividend payments net of dividends received or receivable and is recognised as a taxation charge for the year.

### 1.7 Foreign currency

Transactions in foreign currencies are translated at the rate of exchange ruling at the transaction date, except where forward exchange contracts have been entered into. Assets and liabilities designated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

### 1.8 Goodwill

Goodwill, consisting of the excess of the cost over the value of the net

*accounting policies continued*

attributable assets acquired, is written off in the year the transaction takes place where the consideration is paid cash. Goodwill is written off against share premium and available non-distributable reserves where the acquiring company has issued shares in settlement of the purchase consideration. Where the net assets of a subsidiary at the date of acquisition exceed the cost of shares acquired, the excess is treated on consolidation as non-distributable reserve.

### 1.9 Retirement benefits

Provision is made for retirement benefits for eligible employees by way of a provident fund. The fund is a defined contribution plan under which amounts to be paid as retirement benefits are determined by contributions to the fund together with investment earnings thereon. Contributions are charged against income in the year of payment.

### 1.10 Bank balance

The bank balances are in accordance with bank statement balances.

### 1.11 Presentations

All amounts in the financial statements, reports and supporting schedules are stated to the nearest R000 except where otherwise indicated.

### 1.12 Comparatives

Where necessary, comparative figures have been adjusted to conform with the changes in presentation in the current year.

## Notes to the Financial Statements

*continued*

### 2. DEFINITIONS

#### 2.1 Capital employed

Shareholders' funds including outside shareholders' interest in subsidiaries and long-term interest-bearing debt.

#### 2.2 Cash and cash equivalents

Comprise cash on hand and demand together with any highly liquid investments readily convertible to known amounts of cash and not subject to significant risk of changes in value.

#### 2.3 Cash flow per ordinary share

This focuses on the cash stream actually achieved in the year under review. It is calculated by dividing the attributable cash flow from operations (after adjusting for minority interests) by the weighted average number of ordinary shares in issue during the year.

#### 2.4 Cash realisation rate

This is the percentage of the potential cash earnings realised and is derived by dividing cash flow per share by cash equivalent earnings per share.

#### 2.5 Current ratio

Current assets divided by current liabilities. Current liabilities include short-term borrowing and interest-free liabilities other than deferred taxation.

#### 2.6 Dividend cover

Earnings per ordinary share divided by dividends per ordinary share.

#### 2.7 Dividend yield

Dividends per ordinary share divided

by the closing share price on the JSE Securities Exchange.

#### 2.8 Earnings per ordinary share

##### 2.8.1 Attributable earnings basis

Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year.

##### 2.8.2 Headline earnings basis

Earnings attributable to ordinary shareholders adjusted for expenditure and income not incurred in the ordinary course of business divided by the weighted average number of ordinary shares in issue during the year.

##### 2.8.3 Cash equivalent basis

Earnings attributable to ordinary shareholders adjusted for non-cash items in attributable earnings, including the cash flow portion attributable to outside shareholders, divided by the weighted average number of ordinary shares in issue during the year.

#### 2.9 Earnings yield

Earnings per ordinary share divided by the closing share price on the JSE Securities Exchange.

#### 2.10 Gearing ratio

Interest-bearing debt, divided by shareholders' funds.

#### 2.11 Price earnings ratio

The closing share price on the JSE Securities Exchange divided by earnings per share.



## Notes to the Financial Statements

*continued*

R000 3 PROPERTY, PLANT AND EQUIPMENT  Group	2002		2001			
	Accumulated	Net book	Accumulated	Net book		
	Cost	depreciation	value	Cost	depreciation	value
Fixed property	1 884		1 884	1 884		1 884
Plant and equipment	436 397	213 242	223 155	366 050	186 682	179 368
Motor vehicles	24 153	14 054	10 099	20 462	12 862	7 600
Furniture, fittings and equipment	8 122	4 620	3 502	8 579	3 689	4 890
	470 556	231 916	238 640	396 975	203 233	193 742

A register of fixed property can be inspected at the Company's registered office. Certain assets are encumbered as set out in note 9.

	Fixed Property	Plant and equipment	Motor vehicles	Furniture fittings and equipment	TOTAL 2002	TOTAL 2001
Movements of fixed assets						
Net book value at beginning of year	1 884	179 368	7 600	4 890	193 742	202 154
Additions		62 473	4 752	277	67 502	23 952
Disposals		(1 423)	(352)	(722)	(2 497)	(7 312)
Depreciation		(27 263)	(1 901)	(943)	(30 107)	(30 352)
Rebuilt assets		10 000			10 000	5 300
Net book value at end of year	1 884	223 155	10 099	3 502	238 640	193 742