Pan African Resources Funding Company Limited

(Registration Number 2012/021237/07)

Consolidated and Separate Annual Financial Statements

for the year ended 30 June 2023

Audited Financial Statements

in compliance with the Companies Act of South Africa

Prepared by: CE Wolmarans

Professional designation: CA (SA)

Title: Financial Reporting Manager

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Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each reporting period. Under that law, the directors have prepared the consolidated and separate financial statements in accordance with International accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period.

In preparing these financial statements, directors are required to:

- select suitable accounting policies and then apply them consistently
- state whether applicable International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- make judgements and accounting estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for safeguarding the assets of the Group and Company and hence are taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company’s website.

Cobus Loots
Chief executive officer

Deon Louw
Financial director

Chief Executive Officer's and Financial Director's Responsibility Statement

Each of the directors, whose names are stated below, hereby confirm to the best of their knowledge that:

• the annual financial statements, set out on pages 20 to 71 fairly present in all material aspects the financial position, financial performance and cash flows of the issuer in terms of IFRS

• to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the financial statements false or misleading

• internal financial controls have been put in place to ensure that material information relating to the issuer and its subsidiaries has been provided to effectively prepare the financial statements of the issuer

• the internal controls are adequate and effective and can be relied upon in compiling the financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls

• where we are not satisfied, we have disclosed to the audit and risk committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies

• we are not aware of any fraud involving directors.

Cobus Loots
Chief executive officer
13 September 2023

Deon Louw
Financial director

Certificate by the Company Secretary

I hereby certify that Pan African Resources Funding Company Limited has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act 2008. All such returns are true, correct and up to date.

Statucor

Company Secretary

13 September 2023

Report of the Audit Committee

We are pleased to present our report for the financial year ended 30 June 2023.

The principal purpose of the audit and risk committee is to assist the board in fulfilling its corporate governance and oversight responsibilities to ensure the integrity of the Group's financial and corporate reporting, while ensuring adequate systems of internal control and risk management are in place and are operating effectively. The functions of a risk committee at a Group level also fall within the ambit of the audit and risk committee.

The committee has both reporting responsibilities to the shareholders and the board and is accountable to them. It operates in line with a documented charter and complies with all relevant legislation, regulation and governance codes and executes its duties in terms of the requirements of the governance codes in the UK (for AIM) and South Africa, and through adopting King IV Report on Corporate Governance for South Africa, 2016™ (King IV™) as its code of corporate governance.

The performance of the audit and risk committee is evaluated against its charter on an annual basis and a self-evaluation of the committee's effectiveness is performed by the members and reviewed by the board.

The audit and risk committee appointed for Pan African Resources, also fulfills the responsibilities pertaining to PAR Funding company. In terms of King IV™ all three members of the audit and risk committee are independent non-executive directors.

At 30 June 2023, the audit and risk committee comprised three independent non-executive directors.

The independent non-executive directors of the audit and risk committee at the date of approval of this report were:
- Dawn Earp (chairperson of the audit and risk committee)
- Thabo Mosololi
- Charles Needham

All the members of the audit and risk committee are considered by the board to have an independent and objective mindset. The board believes that the audit and risk committee members collectively have the necessary skills to carry out their duties effectively and with due care. In cases where circumstances and issues arise, which are deemed outside of the scope of expertise of the audit and risk committee members, independent services and advice from professional bodies and service providers are sourced.

AUDIT AND RISK COMMITTEE RESPONSIBILITIES AND DUTIES

The audit and risk committee fulfils its responsibilities and duties as set out in its charter. The functions of the audit and risk committee include:
- reviewing the annual financial statements, challenging the consistency and appropriateness of accounting principles, policies and practices that have been applied in the preparation, measurement and disclosures in the financial reports, culminating in a recommendation to the board for approval
- considering significant judgements and estimates applied in the preparation of the annual financial statements
- oversight of whistleblowing procedures
- monitoring the integrity of formal announcements relating to the Group's financial performance and reviewing significant financial and other reporting judgements
- reviewing the external audit reports
- reviewing the effectiveness of the external audit function
- assessing the external auditor's independence, specifying guidelines for, and authorising if applicable, the award of non-audit services to external auditors
- approving the audit fees in respect of the annual external audit
- making recommendations to the board on the appointment, reappointment or change of the Group's external auditors. Such changes are subject to shareholder approval at the Company's AGM.
- reviewing the effectiveness of the internal audit function
- reviewing the internal audit management reports with, when relevant, recommendations being made to the board

- approving the internal audit plan
- ensuring that a coordinated approach to all assurance activities is in place
- monitoring the Group’s compliance with legal and regulatory requirements including listings requirements ensuring that effective procedures are in place relating to the Group’s whistleblowing and anti-corruption policies
- evaluating the appropriateness and effectiveness of risk management, internal controls and governance processes including IT governance
- reviewing the chief executive officer’s and financial director’s responsibility statement in terms of paragraph 3.84(K) of the JSE Listings Requirements
- dealing with concerns relating to accounting and tax practices, significant accounting transactions including impairments, internal audit, the audit or content of financial statements and internal financial controls
- evaluating of the performance of the financial director and the finance department
- reviewing the adequacy of the Group’s risk management process, policies, mitigating controls and risk register
- reviewing the adequacy of the Group’s insurance cover
- reviewing the governance of information and technology and the effectiveness of the Group’s information systems
- reviewing the Group’s going concern status to determine the appropriateness of the Group’s financial statements being presented on a going concern basis, together with the solvency and liquidity assessment as part of the dividend recommendation to the board.

EXTERNAL AUDITORS

The committee is responsible for recommending the appointment or reappointment of a firm of external auditors to the board that, in turn, will recommend the appointment to shareholders. The committee is responsible for determining that the designated appointee firm and signing registered auditor have the necessary independence, experience, qualifications and skills and that the audit fee is adequate.

Andries Rossouw was the designated audit partner for the 2023 reporting period.

PwC’s appointment as external auditors for the 2023 reporting period was approved by the shareholders at the Company’s previous AGM held on 22 November 2022. PwC will be recommended for reappointment as auditors for the 2024 reporting period at the next AGM.

The audit and risk committee is satisfied with the accreditation of PwC. The committee satisfied itself that the external auditors is independent as defined by the Companies Act 71 of 2008 and the standards stipulated by the auditing profession. The committee received the quality information from the firm regarding the individual auditor, their quality process, their JSE accreditation and the regulator’s inspection letters. The audit and risk committee concluded it is appropriate to recommend PwC to the board for shareholder approval. The audit and risk committee held meetings with the external auditor, without the presence of management and the chairperson of the audit and risk committee independently met with the external auditors as required during the financial year.

The audit and risk committee, in consultation with executive management, agreed to the terms of engagement. The audit fee for the external audit has been considered and approved for the 2023 reporting period, taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The committee monitors the external auditors’ performance and the effectiveness of the audit process as provided in the terms of engagement and in respect of audit scope and approach. The committee reviewed and approved the annual audit plan at its meeting in June 2023 including the proposed scope, materiality levels and significant risk areas.

It was established that the approach was appropriate to be responsive to regulatory changes and organisational risks and other applicable requirements.

Through the review of external audit reports, and interactions with the external audit team, the audit and risk committee is satisfied with the quality of the external audit performed for the reporting period.

Report of the Audit Committee

EXTERNAL AUDITORS' INDEPENDENCE

The committee has a policy on the nature and extent of non-audit services which is reviewed annually. The policy allows for limited other services as well as the provision of reporting accountant services in relation to capital market transactions.

The external auditors' independence is impacted by non-audit services that are provided to the client.

Pan African has put measures in place in order to prevent the impairment of the external auditors' independence, namely:

- Disallowance of certain services that may cause impairment of their independence such as providing internal audit services
- All non-audit services provided by external auditors are preapproved by the executive committee (Exco) and the audit and risk committee
- Appropriate disclosure of all non-audit services provided by the external auditors.

The approval of non-audit services by the external auditors only occurs when there is certainty that these services will not cause any impairment to the independence of the external auditors.

Non-audit fees represented R150 thousand (2022: RNil) of the 2023 audit fee of R452 thousand (2022: R41 thousand) which does not affect the auditors' independence as it equates to 33% (2022:0%) of the total fee. Refer to note 10 to the financial statements for the disclosure of the audit and non-audit fees.

FINANCIAL REPORTING

The principal role of the audit and risk committee in relation to financial reporting is reviewing, with senior management and the external auditors, the financial results announcements and other publications to ensure statutory and regulatory compliance.

The committee has evaluated the consolidated and separate financial statements for the reporting period ended 30 June 2023 and, based on the information provided to the committee, considers that the consolidated and separate financial statements comply, in all material respects, with the requirements of the Companies Act, 71 of 2008 and IFRS. The consolidated and separate financial statements were subsequently recommended to the board for approval. The audit and risk committee makes its recommendation based on a comprehensive review conducted by the executive directors and other senior management. Furthermore, compliance to King IV™ requirements are continuously being assessed and improved on.

The committee reviewed the annual financial statements and the web-based information and concluded that the key risks have been appropriately reported on.

The Company has established appropriate financial reporting procedures and the committee confirms that such procedures are operating sufficiently.

No instances of fraud involving the directors occurred during the current reporting period.

SIGNIFICANT ISSUES CONSIDERED BY THE AUDIT AND RISK COMMITTEE

Significant judgements, estimates and assumptions made by management are detailed in the notes to the consolidated and separate financial statements. Position papers were presented to the audit and risk committee by management during the course of the reporting period detailing management's critical and other significant accounting judgements and estimates. These were reviewed by the audit and risk committee and included, but were not limited to, the following areas:

Report of the Audit Committee

Critical accounting judgements	Audit and risk committee response
Carrying value of investments in subsidiaries and receivables from Group companies	As at 30 June 2023, the Company holds investments in subsidiaries amounting to R543.6 million, comprising shares and long-term funding balances for which the directors do not intend to demand repayment in the foreseeable future, as well as receivables from Group companies of R 2,156 million. In assessing the carrying value of the assets, management has considered whether the underlying net assets of the investment support the carrying amount, the nature of the underlying assets and whether other facts and circumstances, including impairments recorded in the Company financial statements, could also be indicative of impairment. Management has also performed an assessment of the expected credit losses of the Receivables from Group companies. The committee has concluded that no impairments, other than those disclosed in note 16 are required in relation to the carrying value of investments in subsidiaries and Receivables from Group companies, and has also concluded that no expected credit losses against the Receivables from Group companies are required.

Other significant accounting judgements	Audit and risk committee response
Going concern basis of accounting	The committee has reviewed the forecast net debt levels, headroom on existing facilities and compliance with debt covenants. The going concern analysis covered the period 1 July 2023 to 30 June 2025, and considered a range of downside sensitivities, including the impact of lower commodity prices and reduced production levels. The committee concluded that it was appropriate to adopt going concern as a basis for the preparation of the annual financial statements

INTERNAL AUDITOR

The committee performs an oversight role of the internal audit function, which is outsourced to a third party, by approval of the internal audit plan and review of the internal auditor's findings on a regular basis. The committee has satisfied itself that the internal audit function is independent and has the necessary resources, standing and authority to discharge its duties. The head of internal audit has direct access to the chairperson of the audit and risk committee and the internal auditor is invited to attend each audit and risk committee meeting.

The committee assesses the work of internal audit on a regular basis through receipt of reports on the progress of the internal audit plan. The committee met with the head of internal audit on two occasions, which enables further evaluation of the work performed.

The committee reviewed the proposed 2023 internal audit plan and assessed whether the plan addressed the key areas of risk for the Group. The committee approved the plan having discussed the scope of work in relationship to the Group's risk.

COMMITTEE REMUNERATION

Audit and risk committee members are remunerated in their capacity as non-executive directors of PAR PLC.

SUBSIDIARY COMPANIES

The functions of the audit and risk committee are also performed for each subsidiary company of the PAR Funding Group.

Report of the Audit Committee

FINANCIAL DIRECTOR/ DEBT OFFICER

The committee assessed and is satisfied that Deon Louw has the appropriate skills, expertise and experience, for the role of financial director and debt officer, as required by the JSE Listings Requirements and the JSE Debt Listings Requirements.

The committee considered the functioning of the Company's finance department and believes that it functions effectively, with the required controls and systems in place.

RISK MANAGEMENT

Risk management is the responsibility of the board and is integral to the achievement of the Group's objectives.

The board, through the audit and risk committee, fulfils its responsibility in reviewing the effectiveness of the Group's risk management approach and internal controls through the review of reports submitted over the course of the reporting period covering the risk management process and control environment, specifically in-depth reviews of the Group's risk registers and review of internal audit reports.

The committee is satisfied that there was no material breakdown in the internal accounting controls during the reporting period under review.

I would like to extend my appreciation to my fellow committee members, management and the external auditors for their work and support throughout the reporting period.

On behalf of the audit and risk committee

Dawn Earp

Chairperson, Audit and Risk Committee

13 September 2023

Directors' Report

The directors present their report for the year ended 30 June 2023.

1. Review of activities

Main business and operations

On 8 December 2023, Pan African Resources Funding Company Proprietary Limited (PAR Funding) issued Senior Second Ranking Secured Sustainability-linked Notes. As a result of the public debt listing, PAR Funding was converted to a public company prior thereto. The Company provides treasury services to the Pan African Resources PLC Group Companies (the PAR PLC Group).

The operating results and consolidated and separate statement of financial position of the Group and Company are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The Group's current liabilities amounting to R 2,394,660 (2022: R 2,134,164) exceed the Group's current assets amounting to R 1,947,116 (2022: R 1,822,265) by R447,544 (2022: R311,899). PAR Gold Proprietary Limited holds shares in Pan African Resources PLC (PAR PLC) amounting to R 928,265 (2022: R1,207,051) which are readily convertible to cash.

PAR PLC, Evander Gold Mining Proprietary Limited, Barberton Mines Proprietary Limited, Evander Gold Mines Proprietary Limited and Pan African Resources SA Holdings Proprietary Limited are Guarantors of the revolving credit facility (RCF) included in the current liabilities as at 30 June 2023 and of the DMTN bond included in non-current liabilities as at 30 June 2023.

The consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after the reporting date

Post the current reporting period, the Group entered into a ZAR1.3 billion senior debt facility, designated for the funding of the Group's Mogale Tailings retreatment project and a refinance of the existing RCF of ZAR1 billion with a new repayment date of 30 June 2026. The senior debt facility and RCF were underwritten by Rand Merchant Bank, a division of FirstRand Bank Limited, with Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division), as co-financier.

The new RCF has a three-year term and provides the Group with access to flexible and cost-effective working capital. The senior debt facility has a six-year term, with quarterly repayments commencing two years after the financial close date. The financial close date for this agreement for both facilities became effective on 31 July 2023.

All events subsequent to the date of the consolidated and separate annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the reporting date to the date of this report that could have a material effect on the financial position of the company.

4. Authorised and issued share capital

No changes were approved or made to the authorised or issued share capital of the company during the reporting period under review.

5. Dividend

No dividend was declared or paid to the shareholder during the year.

Directors' Report

6. Directors

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

JAJ Loots	Executive director
GP Louw	Executive director
IA Phoshoko	Non-executive director

JAJ (Cobus) Loots

Non-independent director

Qualification:	CA(SA), CFA® Charterholder
Date of appointment:	26 August 2009
Other directorships:	Pan African Resources SA Holdings Proprietary Limited, Pan African Resources Management Services Company Proprietary Limited, Evander Gold Mines Proprietary Limited, Evander Township Limited, LTS Ventures Proprietary Limited, Barberton Blue Proprietary Limited, Barberton Green Proprietary Limited, Evander Solar Solutions Proprietary Limited, Mogale Tailings Retreatment Proprietary Limited and Charbon Minerals Proprietary Limited
Skills and experience:	Cobus has many years of experience in the African mining sector. He qualified as a chartered accountant with Deloitte & Touche in South Africa. He has been a director of Pan African Resources PLC since 2009, serving as financial director from 2013 until his appointment as chief executive officer on 1 March 2015.

GP (Deon) Louw

Non-independent director

Qualification:	CA(SA), CFA® Charterholder, HDip (Tax Law), AMCT (UK)
Date of appointment:	1 March 2015
Other directorships:	Pan African Resources SA Holdings Proprietary Limited, Pan African Resources Management Services Company Proprietary Limited, Evander Gold Mines Proprietary Limited, Evander Township Development Limited, Evander Township Limited, Bagley Terrace No 110 CC, Figit Proprietary Limited, Barberton Blue Proprietary Limited, Evander Solar Solutions Proprietary Limited, Mogale Tailings Retreatment Proprietary Limited and Pan African Resources Properties Proprietary Limited
Skills and experience:	Deon has extensive finance and business experience, which includes investment banking, advisory and business administration in the finance and mining sectors. As a founding member of Investec Bank's emerging market finance team, he was involved in financing mining transactions in sub-Saharan Africa for more than a decade. He fulfilled the roles of chief financial officer of Shanduka Coal, financial director of Sentula Mining Limited, director of Resource Finance Advisers and head of resource structured finance at Investec Bank.

IA (Itumeleng) Phoshoko

Non-independent director

Qualification:	BSc Mining Engineering, MBA
Date of appointment:	4 December 2019
Other directorships:	Pan African Resources SA Holdings Proprietary Limited, Pan African Resources Management Services Company Proprietary Limited, Evander Gold Mining Proprietary Limited, Evander Gold Mines Proprietary Limited, Evander Township Limited, Barberton Green Proprietary Limited, Concrete Rose Proprietary Limited, Barberton Mines Proprietary Limited and Tsakagae Holdings Proprietary Limited

Directors' Report

Skills and experience:	Itumeleng holds a BSc in Mining Engineering (Wits), a Master's in Business Administration (MBA) (GIBS) and a Mine Managers Certificate of Competency (Metalliferous Mining). She is a professional female with vast experience in the South African mining industry where she acquired extensive knowledge and experience through operational and strategic roles in a number of companies. Itumeleng currently serves as a Director for a number of the Guarantor's subsidiaries and has also served as an independent non-executive director for a State owned Mining Company.

There were no recorded conflicts of interests involving directors for the year under review.

7. Secretary

The Group's designated secretary is Statucor Proprietary Limited.

8. Shareholder

There have been no changes in ownership during the current or previous reporting period.

9. Independent Auditors

PwC were the independent auditors for the period under review.

Independent auditor's report

To the Shareholders of Pan African Resources Funding Company Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Pan African Resources Funding Company Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa

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What we have audited

Pan African Resources Funding Company Limited's consolidated and separate financial statements set out on pages 20 to 71 comprise:

- the consolidated and separate statements of financial position as at 30 June 2023;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

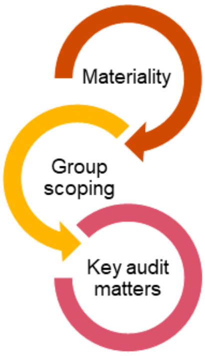
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Our audit approach

Overview



Overall group materiality

- Overall group materiality: R39,900,000, which represents 1% of total consolidated assets

Group audit scope

- We conducted full scope audit procedures at the Company and its financially significant subsidiary, PAR Gold Proprietary Limited.

Key audit matters

- Classification and initial recognition of the ESG key performance indicator linked domestic medium-term notes.
- Carrying value of investments in subsidiaries and receivables from Group companies (Company)

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	R39,900,000
How we determined it	1% of total consolidated assets
Rationale for the materiality benchmark applied	The Group is responsible for the in-house treasury function of the group, foreign exchange, interest rate and commodity trading matters, in respect of the mining entities within the Pan African Resources Plc Group. Given the nature of its activities, it is not a profit-oriented entity and, as such, an appropriate benchmark is total assets due to the large value and volume of loans and receivables that the Group has with other companies within the Pan African Resources plc Group. We chose 1% which is consistent with quantitative materiality thresholds used for similar entities of this nature.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

In-scope business units were identified based on scoping benchmarks such as the business unit's contribution to key financial statement line items (consolidated total assets), risk associated with the business unit and known accounting matters related to the business unit. We conducted full scope audit procedures at the Company and its financially significant subsidiary, PAR Gold Proprietary Limited.

The group engagement team is responsible for the audit of all the entities within the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	***How our audit addressed the key audit matter***
Classification and initial recognition of the ESG key performance indicator linked domestic medium-term notes. This key audit matter relates to both the consolidated and separate financial statements. Refer to note 20.3 to the consolidated and separate financial statements.	We assessed the classification and initial recognition of the ESG-linked domestic medium-term bonds by performing the following procedures: • We obtained and reviewed the program memorandums and assessed the terms to identify the key performance indicators and reviewed management's judgment as to the entities that will be

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<td>During the financial year ended 30 June 2023, the Company issued two listed bonds (PARS01 and PARS02) to the cumulative value of R800 million on the Sustainability Segment of the JSE’s Debt Market.

The bonds have a nominal value of R800 million and carries interest at the three-month JIBAR rate plus a specified margin plus/minus the KPI penalty or saving as a result of compliance with the ESG KPIs.

The KPIs have a maximum spread of 12 bps (+6 bps/-6 bps) for failing to or exceeding the KPIs. The details of the KPIs are included in Note 20.3 to the financial statements. The KPIs are measured in the related sister companies of the Group, being Barberton Mines Proprietary Limited, Evander Gold Mining Proprietary Limited and Evander Gold Mines Proprietary Limited.

Due to the KPIs not being linked directly to the company in which they are issued, management have applied their judgment in concluding that the KPIs do not result in the recognition of and embedded derivative. The KPI’s are linked to the Pan African Resources Plc Group’s performance and, due to common control of all of the affected entities, the KPIs are concluded to be linked to the Group’s own activities.

Therefore, no embedded derivative has been identified in the instrument.</td>
<td>measured under the KPIs.
• We inspected the memorandums for the applicable reference rates (three-month JIBAR) and the specified margins.
• We challenged management’s assumptions on the measured entities and their inclusion in the Group’s understanding of its “own activities”.
• We reviewed the memorandums for indications of financial measures or KPIs that may indicate the existence of an embedded derivative other than the ESG KPIs.
• We concurred with management’s judgment that the KPIs measured in the related sister-entities drive measurement of the KPIs in the Group and therefore no potential embedded derivative has been identified.</td>
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<td>Carrying value of investments in subsidiaries and receivables from Group companies (Company).

As at 30 June 2023, the Company holds investments in subsidiaries amounting to ZAR1,334.8 million, comprising shares and long-term funding balances for which the Directors do not intend to demand repayment in the foreseeable future, as well as short-term</td>
<td>In respect of investments in subsidiaries and receivables from Group companies, we evaluated and challenged management’s assessment of the carrying values.

We independently performed an assessment of internal and external factors, including considering the market capitalisation of the Group with reference to the carrying value of investments in subsidiaries and receivables</td>
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receivables from Group companies of R1,345.5 million. In assessing the carrying value of the assets, management considered whether the underlying net assets of the investments support the carrying amount, the nature of the underlying assets and whether other facts and circumstances, including impairments recorded in the Group financial statements, could also be indicative of impairment. Management has also performed an assessment of the expected credit losses of the receivables from Group companies, which also impacts the carrying value. Based on management's assessment, management has concluded that no impairment is required in relation to the carrying value of investments in subsidiaries and receivables from Group companies. Management has also concluded that no expected credit losses against the receivables from Group companies are required.	from Group companies. As a result of our work, we are satisfied that the carrying value of the Company's investments in subsidiaries and receivables from Group companies is appropriate as at 30 June 2023.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Pan African Resources Funding Company Limited Consolidated and separate annual financial statements for the year ended 30 June 2023", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.
In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.

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

We communicate with the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Pan African Resources Funding Company Limited for 5 years.

PricewaterhouseCoopers Inc.
Director: AJ Rossouw
Registered Auditor
Johannesburg, South Africa
13 September 2023

Pan African Resources Funding Company Limited

(Registration Number 2012/021237/07)

Statements of Financial Position

as at 30 June

Figures in R `000	Notes	Group 2023	Group 2022	Company 2023	Restated* Company 2022	Restated* Company 2021
Assets						
Non-current assets						
Investments in subsidiaries	13	-	-	543,637	543,637	543,637
Deferred tax asset	15	2,513	-	2,513	-	919
Listed investment	14	928,265	1,207,051	-	-	-
Loans to group companies	16	1,116,295	602,790	801,198	299,461	70,129
Total non-current assets		**2,047,073**	**1,809,841**	**1,347,348**	**843,098**	**614,685**
Current assets						
Current tax assets	15	343	325	339	322	724
Derivative financial asset	27	8,494	11,169	8,494	11,169	2,572
Loans to group companies	16	1,345,504	1,424,417	1,345,506	1,424,416	2,304,631
Cash and cash equivalents	17	592,775	386,354	591,255	384,800	447,493
Total current assets		**1,947,116**	**1,822,265**	**1,945,594**	**1,820,707**	**2,755,420**
Total assets		**3,994,189**	**3,632,106**	**3,292,942**	**2,663,805**	**3,370,105**
Equity and liabilities						
Issued capital	18	13	12	4	4	4
Retained income		206,922	178,182	79,176	105,044	70,066
Reserves	19	460,323	678,891	-	-	-
Total equity		**667,258**	**857,085**	**79,180**	**105,048**	**70,070**
Liabilities						
Non-current liabilities						
Deferred tax liabilities	15	124,166	184,384	-	-	-
Borrowings	20	800,000	426,124	800,000	426,124	400,000
Share-based payment obligations	25	8,105	30,349	-	-	-
Total non-current liabilities		**932,271**	**640,857**	**800,000**	**426,124**	**400,000**
Current liabilities						
Trade and other payables	21	554	244	544	238	69,806
Current tax liabilities	15	1,593	-	1,592	-	-
Borrowings	20	204,649	282	204,649	282	438,036
Dividend payable	22	1,333	1,333	-	-	-
Loans from group companies	24	1,166,841	962,618	1,222,003	1,024,737	1,343,376
Loan from holding company	23	984,974	1,107,376	984,974	1,107,376	1,048,817
Share-based payment obligations	25	34,716	62,311	-	-	-
Total current liabilities		**2,394,660**	**2,134,164**	**2,413,762**	**2,132,633**	**2,900,035**
Total liabilities		**3,326,931**	**2,775,021**	**3,213,762**	**2,558,757**	**3,300,035**
Total equity and liabilities		**3,994,189**	**3,632,106**	**3,292,942**	**2,663,805**	**3,370,105**

** - An assessment of the maturities of the Loans to group companies led to a reclassification between current and non-current assets in the current year. As a result of the reclassification, the Company statement of financial position has been restated in the previous financial year as disclosed in note 32.1.*

The above statements of financial position should be read in conjunction with the accompanying notes.

Pan African Resources Funding Company Limited

(Registration Number 2012/021237/07)

Consolidated and Separate Financial Statements for the year ended 30 June

Statements of Profit or Loss and Other Comprehensive Income

Figures in R `000	**Notes**	**Group 2023**	**Group 2022**	**Company 2023**	**Restated* Company 2022**
Revenue	9	296,122	178,121	240,978	122,977
Finance income	12	111	4,509	18	23
Finance costs	12	(262,183)	(100,841)	(261,659)	(100,495)
Other income	10	12,518	29,103	12,518	24,828
Other expenses	11	(8,342)	(77,632)	(8,258)	(7,117)
Impairment on intergroup loan	16	(9,306)	-	(9,306)	-
Profit / (loss) before tax		**28,920**	**33,260**	**(25,709)**	**40,216**
Income tax (expense) / credit	15	(180)	9,311	(159)	(5,238)
Profit / (loss) for the year		**28,740**	**42,571**	**(25,868)**	**34,978**
Other comprehensive (loss)/income net of tax					
Components of other comprehensive income that will not be reclassified to profit or loss					
Investment measured at fair value through other comprehensive income	19	(278,786)	162,370	-	-
Tax thereon	19	60,218	(29,574)		
Total other comprehensive (loss)/income that will not be reclassified to profit or loss		**(218,568)**	**132,796**	**-**	**-**
Total other comprehensive (loss)/income net of tax		**(218,568)**	**132,796**	**-**	**-**
Total comprehensive (loss)/income		**(189,828)**	**175,367**	**(25,868)**	**34,978**

** - Finance income from loans to group companies and on deposits at financial institutions has been reclassified as revenue as it forms part of the Group and Company's operating activities. Refer to note 32.3.*

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Pan African Resources Funding Company Limited

(Registration Number 2012/021237/07)
Consolidated and Separate Financial Statements for the year ended 30 June

Statement of Changes in Equity - Group

Figures in R `000		Issued capital	Share buy back reserve	Share option reserve	Revaluation reserve	Retained income	Total
Balance at 1 July 2021		4	12,535	3,125	530,514	139,801	685,979
Changes in equity							
Profit for the year		-	-	-	-	42,571	42,571
Other comprehensive income		-	-	-	132,796	-	132,796
Total comprehensive income for the year		-	-	-	132,796	42,571	175,367
Issue of PAR Gold shares		8	-	-	-	-	8
Unwinding of B-BBEE structure: share-based payment		-	-	(79)	-	79	-
Dividend recognised as distributions to shareholder		-	-	-	-	(4,269)	(4,269)
Balance at 30 June 2022		**12**	**12,535**	**3,046**	**663,310**	**178,182**	**857,085**
Changes in equity							
Profit for the year		-	-	-	-	28,740	28,740
Other comprehensive loss		-	-	-	(218,568)	-	(218,568)
Total comprehensive loss for the year		-	-	-	(218,568)	28,740	(189,828)
Issue of PAR Gold shares		1	-	-	-	-	1
Balance at 30 June 2023		**13**	**12,535**	**3,046**	**444,742**	**206,922**	**667,258**
	Notes	**18**					

The above statement of changes in equity - Group should be read in conjunction with the accompanying notes.

Statement of Changes in Equity - Company

Figures in R `000		Issued capital	Retained income	Total
Balance at 1 July 2020		4	61,184	61,188
Changes in equity				
Profit for the year		-	8,882	8,882
Balance at 30 June 2021		**4**	**70,066**	**70,070**
Changes in equity				
Profit for the year		-	34,978	34,978
Balance at 30 June 2022		**4**	**105,044**	**105,048**
Changes in equity				
Loss for the year		-	(25,868)	(25,868)
Balance at 30 June 2023		**4**	**79,176**	**79,180**
	Note	**18**		

The above statement of changes in equity - Company should be read in conjunction with the accompanying notes.

Statements of Cash Flows

Figures in R `000	Notes	Group 2023	Group 2022	Company 2023	Restated* Company 2022
Net cash flows (used in) / from operations	26	**(260,496)**	**552,850**	**(267,372)**	**385,606**
Dividend paid		(62,131)	(233,273)	-	-
Dividends received		55,144	63,665	-	-
Interest paid		(92,688)	(41,500)	(92,161)	(41,500)
Interest received		16,125	13,137	15,509	8,618
Income taxes paid		(1,102)	(5,199)	(1,080)	(3,917)
Net cash flows (used in) / from operating activities		**(345,148)**	**349,680**	**(345,104)**	**348,807**
Cash flows from / (used in) financing activities					
Proceeds from PAR Gold share issue		10	8	-	-
Proceeds from borrowings	26.3	1,650,000	200,000	1,650,000	200,000
Repayments of borrowings	26.3	(1,098,441)	(611,500)	(1,098,441)	(611,500)
Cash flows from / (used in) financing activities		**551,569**	**(411,492)**	**551,559**	**(411,500)**
Net increase / (decrease) in cash and cash equivalents		**206,421**	**(61,812)**	**206,455**	**(62,693)**
Cash and cash equivalents at beginning of the year		386,354	448,166	384,800	447,493
Cash and cash equivalents at end of the year	**17**	**592,775**	**386,354**	**591,255**	**384,800**

** - The Company classifies its loans to and from group companies as operating activities in the cash flow statement. Previously these were disclosed in investing and financing activities. Refer to note 32.2.*

The above statement of cash flows should be read in conjunction with the accompanying notes.

Accounting Policies

1. General information

On 8 December 2023, Pan African Resources Funding Company Limited (PAR Funding) issued Senior Second Ranking Secured Sustainability-linked Notes. As a result of the public debt listing, PAR Funding Company Proprietary Limited was converted to a public company prior thereto. The Company provides treasury services to the Pan African Resources PLC Group Companies (PAR PLC Group).

The company is incorporated as a Public company and domiciled in South Africa. The address of its registered office is 2nd Floor, The Firs, Rosebank, Johannesburg, 2196.

2. Statement of compliance

The financial statements of the Group and Company have been prepared in accordance with International Accounting Standards (IFRS) as well as the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act 71 of 2008.

3. Basis of preparation

The financial statements have been prepared as a going concern (refer to note 30) on the historical basis, except for financial assets at fair value through other comprehensive income or fair value through profit or loss and derivative financial instruments, which are stated at fair value. The accounting policies, inclusive of judgements and estimates, have been consistently applied for the reporting periods presented and comply with IFRS.

The financial statements are presented in South African Rand (ZAR) and all amounts are rounded to the nearest thousand (R'000), except where otherwise indicated.

The individual financial results of each Group company are maintained in their functional currencies, which is determined by reference to the primary economic environment in which each company operates. The Company and its subsidiaries have determined their functional currency as the South African rand.

4. Comparatives

In terms of IFRS 10, the Group was not previously required to prepare consolidated financial statements and the comparatives are presented for the first time. As a result of the debt listing, the Group is now required to present consolidated financial statements.

The results of the previous reporting period have been restated for Company as disclosed in note 32:

• An assessment of the maturities of the Loans to group companies led to a reclassification between current and non-current assets in the current year. As a result of the reclassification, the Company statement of financial position has been restated.

•The loans to and from group companies were previously classified as investing and financing activities on a net basis in the Company. These loans to and from group companies should have been presented on a gross basis as operating activities. The Company statement of cash flows has been restated.

• Finance income earned on loans to subsidiaries was previously included in finance income as opposed to revenue. As the finance income earned is within the normal operating activities of the Company, finance income should have been classified as revenue in profit or loss.

Accounting Policies

5. Significant accounting policies

5.1 Current versus non-current classification

The Group and Company present assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading; and
- expected to be realised within twelve months after the reporting period.
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading; and
- it is due to be settled within twelve months after the reporting period.
- or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

5.2 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Transactions eliminated on consolidation

Intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets.

Loans to and from group companies

The Group and Company classify the loans to group companies and the loans from group companies as operating activities in the cash flow statement based on the financing role that the Group and Company play in the broader Pan African Resources PLC group. Therefore, cash flows from loans to group companies and loans from group companies are presented on a net basis on separate lines in the operating activities section of the cash flow statement.

5.3 Impairment of non-financial assets

At each reporting date, the Group and Company assess the carrying amounts of its tangible assets to determine whether there is any indication that those assets are impaired. If any such indication exists, the asset's recoverable amount is estimated.

Impairment losses are immediately recognised as an expense in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

5.4 Financial assets

Classification, recognition and measurement

The Group and Company's financial assets are classified into the following measurement categories: instruments measured at amortised cost, instruments measured at fair value through other comprehensive income and instruments measured at fair value through profit or loss.

Financial assets are classified and measured at amortised cost only if the asset is held within a business model whose objective is to collect the contractual cash flows and contractual terms of the asset give rise to cash flows that are solely payments of principal and interest.

Significant accounting policies continued...

The Group has elected to measure equity instruments at fair value through other comprehensive income as this better reflects the strategic nature of the Group's equity investments. For equity instruments at fair value through other comprehensive income, changes in the fair value, are recognised in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit or loss.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss including all derivative financial assets.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition. Transaction costs for an item at fair value through profit or loss are expensed. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets at amortised cost are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, and impairment losses are recognised in profit or loss.

Equity investments at fair value through other comprehensive income are subsequently measured at fair value. Other net gains and losses are recognised in other comprehensive income and never reclassified to profit or loss.

Financial assets at fair value through profit or loss are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Impairment

The Group and Company recognise loss allowances for expected credit losses (ECL) on a financial asset measured at amortised cost. The Group and Company recognise ECL based on lifetime default events for financial assets, except those that have not experienced a significant increase in credit risk, which are measured using 12-month default events. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group and Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group and Company's historical experience, informed credit assessment and includes forward looking information. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group and Company are exposed to credit risk. Credit losses are measured at the difference between the cash flows due in accordance with the contract and the cash flows the Group and Company expect to receive. A financial asset is 'credit-impaired' when one or more events that have a detrimental adverse impact on the estimated future cash flows of a financial asset have occurred.

Derecognition

Financial assets are derecognised when the right to receive cash flows from the asset has expired, or the right to receive cash flows has been transferred together with substantially all the risks and rewards of ownership, or the Group and Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

5.5 Financial liabilities

Classification, recognition and measurement

Financial liabilities are classified and accounted for as debt according to the substance of the contractual arrangements entered into. Financial liabilities are classified and measured at amortised cost or fair value through profit or loss. A financial liability is classified at fair value through profit or loss if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Borrowings and trade and other payables are initially recognised at fair value net of directly attributable transaction costs, except for derivative instruments which are initially recognised at fair value. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and/or losses are recognised in profit or loss. Any gain on derecognition is also recognised in profit or loss.

Significant accounting policies continued...

Derecognition

Financial liabilities are derecognised when the associated obligation has been discharged, cancelled or has expired. A substantial modification of the terms of a financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the extinguished financial liability and the consideration paid is recognised in profit or loss. The terms of a financial liability are considered substantially different if the present value of the cash flows under the new terms (including any fees paid net of fees received) differs by at least 10% from the present value of the financial liability’s cash flows using the original effective interest rate and term. The gains or losses on non-substantial modifications are recognised as part of finance costs or income. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any cost or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified financial liability.

The gains or losses on non-substantial modifications are recognised as part of finance costs or income. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any cost or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified financial liability.

5.6 Offsetting

Financial assets and financial liabilities are offset and the net amount presented on the statement of financial position when, and only when, the Group and Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability.

5.7 Fair value measurement

Fair value is determined based on observable market data (in the case of listed investments, the market share price) or discounted cash flow models (and other valuation techniques) using assumptions considered to be reasonable and consistent with those that would be applied by a market participant. Where discounted cash flows are used, the resulting fair value measurements are considered to be at Level 3 in the fair value hierarchy as defined in IFRS 13: Fair Value Measurement as they depend to a significant extent on unobservable valuation inputs.

The determination of assumptions used in assessing the fair value of identifiable assets and liabilities is subjective and the use of different valuation assumptions could have a significant impact on financial results. In particular, expected future cash flows, which are used in discounted cash flow models, are inherently uncertain and could materially change over time. They are significantly affected by several factors including interest rates, exchange rates and discount rates.

6. Judgements and estimates

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that may materially affect the application of the Group’s and Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. These judgements and estimates are based on management’s best knowledge of the relevant facts and circumstances, historical experience, current and expected future economic conditions and other factors. Actual results may differ from the amounts included in the annual financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Significant assumptions and estimates

Information about other assumptions and estimation uncertainties at 30 June 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next reporting period is included in the following notes:

- Note 13: Impairment of investment in subsidiaries and non-controlling interest
- Note 16: Classification of loans receivable
- Note 25: Share-based payment obligations
- Note 27.2: Expected credit losses

7. Recent accounting developments

7.1 New standards, interpretations effective for the first time at 30 June 2023

The following standards became effective during the current reporting period:

Title	Impact	Annual period beginning on or after
Annual Improvements Cycle 2018 – 2020	IFRS 9: Financial Instruments has been amended to only include costs or fees between the borrower and the lender in the calculation of the '10% test' for derecognition of a financial liability. Fees paid to third parties are excluded from the calculation.	1 January 2022

The above improvements and amendments had no material impact on the Group and Company.

Application of the above standards did not impact these consolidated and separate financial statements.

7.2 New standards, interpretations and amendments issued but not yet effective as at 30 June 2023

The following standards and interpretations applicable to the Group and Company, which were in issue and not yet effective as at 30 June 2023 have not been early adopted by the Group and Company:

Title	Impact	Annual period beginning on or after
Amendment to IAS 1: Presentation of Financial Statements on Classification of Liabilities as Current or Non-current	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment	1 January 2024
Narrow scope amendments to IAS 1: Presentation of Financial Statements, Practice Statement 2 and IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	The amendments aim to improve accounting policy disclosures and help users of the annual financial statements to distinguish changes in accounting policies from changes in accounting estimates.	1 January 2023
Amendments to IAS 12: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences	1 January 2023

None of the above amendments are expected to have a material impact on the Group and Company.

Recent accounting developments continued...

IBOR Reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group and Company has exposure to the Johannesburg Interbank Average Rate (JIBAR). The South African Reserve Bank has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. This reform is at various stages globally, and a suitable alternate for South Africa is expected to be announced.

The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average (ZARONIA) as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments. ZARONIA has been published for the purposes of observing the rate and how it behaves, but has not been formally adopted by the SARB as the successor rate to JIBAR.

Accordingly, there is uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments issued and held by the Group and Company. PAR Funding currently monitors the Group's and Company's transition to an alternative rate and evaluates the extent to which contracts reference JIBAR, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

8. Segment information

Reporting segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing the performance of the operating segments, have been identified as the executive directors of PAR PLC, the holding company. The operating segments of the Group are determined based on the reports used to make strategic decisions that are reviewed by them. They consider the business principally according to the location and nature of the products and services provided, with each segment representing a strategic business unit.

The reported segments are all located in South Africa and comprise the following:

- Funding company is the centralised Treasury function of the Group which is located in Johannesburg.
- PAR Gold Proprietary Limited (PAR Gold) is the investment company for the Pan African Resources Group and holds 13.8% in Pan African Resources.
- Other includes Concrete Rose Proprietary Limited (Concrete Rose) and K2015200726 South Africa Proprietary Limited (K Company) which were previous HDP strategic partners following the black economic empowerment (BEE structure) restructure in 2018. The structure was unwound in the previous reporting period.

The segment results have been based on Exco's reporting format in accordance with the disclosures presented as follows:

2023

R'000	PAR Funding	PAR Gold	Other	Group
Revenue				
- Finance income	240,978	-	-	240,978
- Dividends received	-	55,144	-	55,144
Finance income	18	8	85	111
Finance costs	(261,659)	-	(524)	(262,183)
Other income	12,518	-	-	12,518
Other expenses	(8,258)	(79)	(5)	(8,342)
Impairment of intergroup loan	(9,306)	-	-	(9,306)
Profit/(loss) before tax	**(25,709)**	**55,073**	**(444)**	**28,920**
Income tax (expense)/ benefit	(159)	1	(22)	(180)
Profit/(loss) for the year excluding intra-Group transactions	**(25,868)**	**55,074**	**(466)**	**28,740**
Revenue	(524)	-	-	(524)
Finance income/(costs)	-	-	524	524
Profit/(loss) after tax including intra-Group transactions	**(26,392)**	**55,074**	**58**	**28,740**
Segment assets	2,685,464	1,303,891	4,834	3,994,189
Segment liabilities	3,213,760	111,909	1,262	3,326,931
Net assets	**(528,296)**	**1,191,982**	**3,572**	**667,258**

Segment information continued...

Restated 2022

R'000	**PAR Funding**	**PAR Gold**	**Other**	**Group**
Revenue				
- Finance income	122,977	-	-	122,977
- Dividends received	-	55,144	-	55,144
Finance income	23	4,434	52	4,509
Finance costs	(100,495)	-	(346)	(100,841)
Other income	24,828	7	4,268	29,103
Other expenses	(7,117)	(89)	(70,426)	(77,632)
Profit/(loss) before tax	**40,216**	**59,496**	**(66,452)**	**33,260**
Income tax (expense)/ benefit	(5,239)	(1,212)	15,762	9,311
Profit/(loss) for the year excluding intra-Group transactions	**34,977**	**58,284**	**(50,690)**	**42,571**
Revenue	(345)	-	-	(345)
Finance income/(costs)	-	-	345	345
Profit/(loss) after tax including intra-Group transactions	**34,632**	**58,284**	**(50,345)**	**42,571**
Segment assets	2,049,897	1,577,436	4,773	3,632,106
Segment liabilities	2,558,757	215,005	1,259	2,775,021
Net assets	**(508,860)**	**1,362,431**	**3,514**	**857,085**

9. Revenue

Accounting policy

Finance income

The Group and Company classify finance income from loans to group companies as revenue. The Company also classifies finance income received on deposits at financial institutions as revenue. As the Company performs the centralised treasury function for the PAR PLC Group it forms part of its ordinary operating activities.

Finance income is recognised using the effective interest method for all interest-bearing financial instruments. In terms of the effective interest method, interest is recognised at a rate which discounts future cash receipts through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial asset.

Dividends received

The dividends from related parties are recognised as revenue of the Group at a point in time which is when the Group's right, as shareholder, to receive payment has been established.

	Group 2023	**Group 2022**	**Company 2023**	**Restated Company 2022**
Revenue comprises:				
Finance income - Group companies	225,469	114,381	225,469	114,381
Finance income - financial institutions	15,509	8,596	15,509	8,596
Dividends received	55,144	55,144	-	-
Total revenue	**296,122**	**178,121**	**240,978**	**122,977**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022
10. Other income				
Other income comprises:				
Sundry income	-	7	-	-
Gain on gold trading	7,944	11,344	7,944	11,344
Gain on foreign exchange	150	634	150	634
Gain arising from unrealised derivatives	-	8,597	-	8,597
Gain arising from realised derivatives	4,424	-	4,424	-
Intergroup dividend received	-	8,521	-	4,253
Total other income	**12,518**	**29,103**	**12,518**	**24,828**
11. Other expenses				
Other expenses comprise:				
Accounting fees	12	7	-	-
Auditor's remuneration - fees	631	41	631	41
Bank charges	253	230	249	219
Consulting fees	82	-	82	-
Derecognition of a derivative asset [1]	-	70,424	-	-
Insurance	-	6	-	-
Legal expense	1,068	1,355	1,068	1,355
Loss arising from realised derivative	247	2,486	247	2,486
Loss arising from unrealised derivative asset	2,676	-	2,676	-
Management fees	2,000	2,000	2,000	2,000
Secretarial fees	19	11	17	-
Share register administration	139	56	73	-
Tax services	77	31	77	31
Vat expense	1,138	985	1,138	985
Total other expenses	**8,342**	**77,632**	**8,258**	**7,117**

[1] During the previous financial year, the derivative financial asset held by Concrete Rose was derecognised. The suspensive conditions in terms of the agreement between Concrete Rose and PAR SA Holdings were not met at 31 December 2021 resulting in the derecognition.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022

12. Finance (costs)/income

Accounting policy

Finance income, not included in revenue as it does not form part of the companies operating activities. comprises interest income received on cash deposits, loans receivable and the South African Revenue Services (SARS).

The Group and Company consider the finance costs incurred on borrowings and loans from group companies to be an element of the normal operating activities and therefore classifies it as an operating activity and not a financing activity.

Finance costs comprise interest accrued on borrowings, modification gains or losses and SARS.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

• the gross carrying amount of the financial asset; or
• the amortised cost of the financial liability.

In calculating finance income and costs, the effective interest rate is applied to the gross carrying amount of the asset or to the amortised cost of the liability.

12.1 Finance income in respect of:

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022
Cash and cash equivalents	93	57	-	-
Loans receivable	-	4,427	-	-
SARS	18	25	18	23
Total finance income	**111**	**4,509**	**18**	**23**

12.2 Finance costs included in profit or loss:

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022
Borrowings	101,164	55,892	101,164	55,892
Modification adjustment (refer to note 20.1)	17,679	(14,549)	17,679	(14,549)
Group loan liabilities	143,339	59,469	142,815	59,125
SARS	1	2	1	-
Bank overdraft	-	27	-	27
Total finance costs	**262,183**	**100,841**	**261,659**	**100,495**

13. Investments in subsidiaries

Accounting policy

The Company, in its separate annual financial statements, measures investments in subsidiaries at cost less accumulated impairment losses, if any.

Investments in subsidiaries are tested annually for impairment or when there is an indication of impairment and an impairment loss is recognised for the amount by which the carrying amount of the investment in a subsidiary exceeds its recoverable amount. The recoverable amount of investments in subsidiaries are determined with reference to future cash generated by the subsidiaries.

There was no indication of impairments of subsidiaries during the current or previous year.

The subsidiaries listed below are incorporated in South Africa, which is also their principal place of business.

The registered address of the Company's subsidiaries is The Firs Building, 2nd Floor, Office 204, corner Biermann and Cradock Avenues, Rosebank, Johannesburg, 2196.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022

Investments in subsidiaries continued...

13.1 The amounts included on the statements of financial position comprise the following:

Investments in subsidiaries	-	-	543,637	543,637

Details of the group's material subsidiaries at the end of the reporting period are as follows:

	Statutory holding			Carrying amount	
Name of subsidiary	**June 2023**	**June 2022**	**Principal activity**	**June 2023**	**June 2022**
PAR Gold Proprietary Limited [1]	49.9%	49.9%	Holding company	543,632	543,632
Concrete Rose Proprietary Limited	100.0%	100.0%	HDP Strategic Partner	5	5
Total investments in subsidiaries				**543,637**	**543,637**

[1]A non-controlling interest was not recognised for PAR Gold as the 50.1% shareholder (K Company) is not entitled to participate in the profits of the Company or any distributions of the Company. PAR Funding Company has control over K Company due to its ability to direct the significant activities of K Company and it's exposure to variable returns from the power it exercises over K Company.

14. Listed investment

Accounting policy

Financial instruments are recognised initially when the company becomes party to the contractual provisions of the instruments. They are classified as either at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss in accordance with the substance of the contractual arrangement and the business model for managing the assets, and are initially measured at its fair value, including transaction costs except where the asset will subsequently be measured at fair value.

Listed investments that are equity investments are subsequently measured at fair value through other comprehensive income.

The following listed investment is held by PAR Gold				
Investment in Pan African Resources PLC	**928,265**	**1,207,051**	-	-
Movement in listed investment				
Balance as at 1 July	1,207,051	1,044,681	-	-
Fair value adjustment	(278,786)	162,370	-	-
Total investment	**928,265**	**1,207,051**	-	-

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022

15. Income tax

Accounting policy

Income tax expense comprises current tax and deferred tax. It is recognised in profit and loss or other comprehensive income.

The current income tax expense is based on the results for the period adjusted for items which are non-deductible or disallowed. It is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding amounts used for tax purposes. Deferred tax liabilities are recognised for taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction which affects neither tax nor accounting profit.

Deferred tax is calculated 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 laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items recognised directly to equity, in which case, the deferred tax is also recorded within equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or parts of the assets to be recovered.

15.1 Income tax recognised in profit or loss:

	Group 2023	Group 2022	Company 2023	Restated Company 2022
South African normal tax	2,693	5,545	2,672	4,319
Current year	2,695	5,890	2,673	4,657
Prior year	(2)	(345)	(1)	(338)
Deferred tax				
Originating and reversing temporary differences	(2,513)	(14,856)	(2,513)	919
Total income tax expense recognised in profit or loss	**180**	**(9,311)**	**159**	**5,238**

Notes to the Consolidated and Separate Financial Statements

Income tax continued...

15.2 The income tax for the year can be reconciled to the accounting profit / (loss) as follows:

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022
Profit / (loss) before tax from operations	**28,920**	**33,260**	**(25,709)**	**40,216**
Tax calculated at the domestic rate of 27.0%	7,808	9,313	(6,941)	11,260
Rate change	-	3,945	-	-
Exempt income				
- Other exempt income	(4)	-	(4)	-
- Dividends received	(14,889)	(17,826)	-	(1,192)
Non-deductible expenses	-	-	-	-
- Other non-deductible expenses	27	1	26	-
- Legal fees	288	380	288	380
Modification adjustment	6,069	(2,383)	6,069	(2,383)
Fair value adjustments on derivative asset	722	(2,408)	722	(2,405)
Under/(over) provision - prior year	(2)	(345)	(1)	(338)
Assessed losses for which no deferred tax asset was recognised	161	96	-	-
Tax effects on the utilisation of assessed losses	-	(84)	-	(84)
Total income tax expense recognised in profit loss	**180**	**(9,311)**	**159**	**5,238**

15.3 Tax rate reconciliation

	Group 2023	Group 2022	Company 2023	Restated Company 2022
Income tax calculated at 27.0%	27.00%	28.00%	27.00%	28.00%
Rate change	0.00%	11.86%	0.00%	0.00%
Exempt income				
- Other exempt income	(0.01%)	0.00%	0.02%	0.00%
- Dividends received	(51.48%)	(53.60%)	0.00%	(2.96%)
- Other non-deductible expenses	0.09%	0.00%	(0.10%)	0.00%
- Legal fees	1.00%	1.14%	(1.12%)	0.94%
Modification adjustment	20.99%	(7.16%)	(23.61%)	(5.93%)
Fair value adjustments on derivative asset	2.50%	(7.24%)	(2.81%)	(5.98%)
Under/(over) provision - prior year	(0.01%)	(1.04%)	0.00%	(0.84%)
Assessed losses for which no deferred tax asset was recognised	0.56%	0.29%	0.00%	0.00%
Tax effects on the utilisation of assessed losses	0.00%	(0.25%)	0.00%	(0.21%)
Effective tax rate	**0.62%**	**(28.00%)**	**(0.62%)**	**13.03%**

The South African Corporate normal tax rate reduced to 27% for the years of assessment ending on or after 1 March 2023.

The rate change is as a result of a change in the deferred tax rate, applied to the taxable and deductible temporary differences prevailing at the reporting date within the Group's entities in respect of the reduction in the South African normal tax rate.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022
Income tax continued...				
15.4 Current tax				
Current tax asset	**343**	**325**	**339**	**322**
Current tax liability	**1,593**	**-**	**1,592**	**-**

The current tax asset and liability of the Group and Company relate to SARS.

15.5 Deferred tax asset/liability

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group 2023	Group 2022	Company 2023	Restated Company 2022
Deferred tax liabilities				
Arising from temporary differences relating to:				
Fair value adjustment on listed investment	124,166	184,384	-	-
Net deferred tax liabilities	**124,166**	**184,384**	**-**	**-**
Reconciliation of deferred tax liabilities				
Net deferred tax liabilities as at 1 July	184,384	170,585		
Recognised in profit or loss	-	(15,775)	-	
Recognised in other comprehensive income	(60,218)	36,371		
Rate adjustment recognised in other comprehensive income	-	(6,797)		
Net deferred tax liabilities as at 30 June	**124,166**	**184,384**	**-**	**-**
Deferred tax assets				
Arising from temporary differences relating to:				
Impairment of intercompany loan	2,513	-	2,513	-
Net deferred tax assets	**2,513**	**-**	**2,513**	**-**
Reconciliation of deferred tax assets				
Net deferred tax assets as at 1 July	-	-	-	-
Deferred tax recognised in profit or loss	2,513	-	2,513	-
Net deferred tax assets as at 30 June	**2,513**	**-**	**2,513**	**-**

16. Loans to group companies

Accounting policy

The loans to group companies are classified as financial assets at amortised cost, and are initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

The recoverability of loans to subsidiaries are assessed at each reporting date. For loans to subsidiaries the expected credit losses are based on the "three stage" model for impairment as outlined below:

• A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group and Company.

• If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.

• If the financial instrument is credit-impaired, the financial instrument is moved to 'Stage 3'.

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

Expected credit loss is calculated as a function of probability of default, loss given default and exposure at default. The Group and Company allocate probability of default based on the external and internal information. The financial assets of the Group and Company are with related parties that form part of the Pan African Resources PLC group of companies as well as with reputable banks that have publicly available credit ratings. Pan African Resources PLC's credit rating was confirmed as BBB+.

For the PAR Group companies, not rated by the any rating agency other than on Pan African Resources PLC level, the Group and Company allocate internal credit ratings and default rates taking into account forward looking information, based on the related party's profile and financial status.

Other financial assets expected credit loss is measured over 12-months when the credit risk is low and over lifetime where the credit risk has increased significantly.

Expected credit loss measurement period

The ECL measurement period for stage 1 exposures is 12-months or less.

A loss allowance over the full lifetime of the financial asset is required if the credit risk of that financial instrument has increased significantly since initial recognition (stage 2).

A lifetime measurement period is applied to all credit impaired (stage 3) exposures.

Lifetimes include consideration for multiple default events, i.e. where defaulted exposures are remedied, and then subsequently default again. This consideration increases the lifetime and the potential ECL.

Significant Increase In credit risk

In accordance with IFRS 9, all exposures are assessed to determine whether there has been significant increase in credit risk at the reporting date, in which case an impairment provision equivalent to the lifetime expected loss is recognised.

The Group and Company determine the SICR by utilising the external or internal credit rating of the counterparty.

Ratings are mapped to probability of defaults that are determined by the externally rated probability of defaults. These credit ratings are evaluated at least annually or more frequently as appropriate.

Loans to group companies continued...

Management determines the credit rating grades of all loans at the end of the reporting period in order to determine the credit loss allowance. As external ratings are not available, these ratings are determined internally.

As part of management's evaluation of a related party's ability to repay its debt, a variety of factors are considered.

Profitability, debt-to-equity ratio, cash flow liquidity, solvency tests, and the ability to generate future cash flows are a few of the factors considered.

The Group and Company apply a combined approach to determine the ECL for inter-company loans ECL is calculated using historical data (12 months and 36 months, respectively) as well as forward-looking data such as macro-economic indicators. The calculation of the ECL is based on each individual company within the group’s historical default rates observed over the expected life of the loans, adjusted for factors that are specific to the company, general economic conditions and an assessment of both the current and forecast direction of the market at the reporting date, including time value for money, where appropriate. This is done to allow for risk differentiation going forward and allows for risk management strategies being implemented.

The Group and Company assess the liquidity and solvency of the borrowers before granting loans. IFRS 9 requires the company to measure the ECL at a probability-weighted amount that reflects the possibility that a credit loss occurs, and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is low. In assessing the ECL on related party receivable balances, the following is considered:

• Whether the borrower has sufficient available highly liquid current assets (which can be accessed immediately after taking into consideration any more senior external or internal loans which would need to be repaid) to repay the outstanding inter-company loan.

• If it was determined that the borrower does not have sufficient highly liquid current assets to repay the loan if demanded at the reporting date, the company would allow these borrowers to continue trading or to sell assets over a period of time. A cash flow forecast is then reviewed to give an indication of the expected trading cash flows and/or liquid assets expected to be generated during the recovery period.

Notes to the Consolidated and Separate Financial Statements

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Loans to group companies continued...

The table below sets out the internal credit rating framework which is applied by management for loans for which external ratings are not available.

Internal credit rating	Description	IFRS 9 Stage	Basis for recognising ECLs
Performing	Low risk of default and sufficient highly liquid assets to repay loan on demand.	Stage 1	12-month ECL
Doubtful	Past due from the date payment is demanded and insufficient highly liquid assets to repay the loan on demand, however, the carrying value of the assets is greater than the loan amount taking debt seniority into account. The prospect to generate future cash flows is considered for the group entities mitigating the doubtfulness of the loan.	Stage 2	Lifetime ECL (not credit impaired)
In default	Past due from the date payment is demanded and the carrying value of the assets is less than the loan amount, however, lifetime operational cash flow exceeds or has the potential to exceed the loan amount. The outlook of the factors considered has limited mitigating factors.	Stage 3	Lifetime ECL (not credit impaired)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.	Stage 3	Amount is written off

Figures in R `000

Loans to group companies continued...

16.1 Loans to group companies comprise the following balances

Group - 2023

Loans to related parties	Internal credit rating	Stage per IFRS9	Basis for loss allowance	Amortised costs	Loss allowance	Net carrying amount
Non-current loans				**1,125,601**	**(9,306)**	**1,116,295**
PAR PLC	Performing	Stage 1	12-month ECL	195,253		195,253
Pan African Management Services Proprietary Limited	Doubtful	Stage 2	Lifetime ECL (not credit impaired)	581,254	-	581,254
Barberton Blue Proprietary Limited	Performing	Stage 1	12-month ECL	67,607	-	67,607
Barberton Green Proprietary Limited	In default	Stage 3	Lifetime ECL (not credit impaired)	24,210	(9,306)	14,904
Mogale Tailings Retreatment Plant Proprietary Limited	Performing	Stage 1	12-month ECL	257,277	-	257,277
K2015200726 (South Africa) Proprietary Limited	Doubtful	Stage 2	Lifetime ECL (not credit impaired)	-	-	-
Current loans				**1,345,504**	**-**	**1,345,504**
Evander Gold Mining Company Proprietary Limited	Performing	Stage 1	12-month ECL	971,457	-	971,457
Pan African Management Services Proprietary Limited	Doubtful	Stage 2	Lifetime ECL (not credit impaired)	214,354	-	214,354
Barberton Blue Proprietary Limited	Performing	Stage 1	12-month ECL	3,555	-	3,555
Evander Solar Solutions Proprietary Limited	Performing	Stage 1	12-month ECL	155,882	-	155,882
Pan African Resources Properties Proprietary Limited	Doubtful	Stage 2	Lifetime ECL (not credit impaired)	256	-	256
Total loans to Group companies				**2,471,105**	**(9,306)**	**2,461,799**

Notes to the Consolidated and Separate Financial Statements

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Loans to group companies continued...

Group - 2022

Loans to related parties	Internal credit rating	Stage per IFRS9	Basis for loss allowance	Amortised costs	Loss allowance	Net carrying amount
Non-current loans				**602,790**	**-**	**602,790**
Pan African Resources PLC	Performing	Stage 1	12-month ECL	185,706	-	185,706
Pan African Management Services Proprietary Limited	Doubtful	Stage 2	Lifetime ECL (not credit impaired)	348,168	-	348,168
Barberton Blue Proprietary Limited	Performing	Stage 1	12-month ECL	48,311	-	48,311
Barberton Green Proprietary Limited	Doubtful	Stage 2	Lifetime ECL (not credit impaired)	20,605	-	20,605
Current loans				**1,424,417**	**-**	**1,424,417**
Evander Gold Mining Company Proprietary Limited	Performing	Stage 1	12-month ECL	1,175,313	-	1,175,313
Pan African Management Services Proprietary Limited	Doubtful	Stage 2	Lifetime ECL (not credit impaired)	194,511	-	194,511
Barberton Blue Proprietary Limited	Performing	Stage 1	12-month ECL	4,470	-	4,470
Evander Solar Solutions Proprietary Limited	Performing	Stage 1	12-month ECL	50,123	-	50,123
Total loans to Group companies				**2,027,207**	**-**	**2,027,207**

Notes to the Consolidated and Separate Financial Statements

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Loans to group companies continued...

Company - 2023

Loans to related parties	Internal credit rating	Stage per IFRS9	Basis for loss allowance	Amortised costs	Loss allowance	Net carrying amount
Non-current loans				**810,504**	**(9,306)**	**801,198**
Pan African Management Services Proprietary Limited	Doubtful	Stage 2	Lifetime ECL (not credit impaired)	456,043	-	456,043
Barberton Blue Proprietary Limited	Performing	Stage 1	12-month ECL	67,607	-	67,607
Barberton Green Proprietary Limited	In default	Stage 3	Lifetime ECL (not credit impaired)	24,210	(9,306)	14,904
Mogale Tailings Retreatment Plant Proprietary Limited	Performing	Stage 1	12-month ECL	257,277	-	257,277
K2015200726 (South Africa) Proprietary Limited	Doubtful	Stage 2	Lifetime ECL (not credit impaired)	5,367	-	5,367
Current loans				**1,345,506**	**-**	**1,345,506**
Evander Gold Mining Company Proprietary Limited	Performing	Stage 1	12-month ECL	971,457	-	971,457
Pan African Management Services Proprietary Limited	Doubtful	Stage 2	Lifetime ECL (not credit impaired)	214,354	-	214,354
Barberton Blue Proprietary Limited	Performing	Stage 1	12-month ECL	3,555	-	3,555
Evander Solar Solutions Proprietary Limited	Performing	Stage 1	12-month ECL	155,884	-	155,884
Pan African Resources Properties Proprietary Limited	Doubtful	Stage 2	Lifetime ECL (not credit impaired)	256	-	256
Total loans to Group companies				**2,156,010**	**(9,306)**	**2,146,704**

Notes to the Consolidated and Separate Financial Statements

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Loans to group companies continued...

Restated Company - 2022

Loans to related parties	Internal credit rating	Stage per IFRS9	Basis for loss allowance	Amortised costs	Loss allowance	Net carrying amount
Non-current loans				**299,461**	**-**	**299,461**
Pan African Management Services Proprietary Limited	Doubtful	Stage 2	Lifetime ECL (not credit impaired)	225,702	-	225,702
Barberton Blue Proprietary Limited	Performing	Stage 1	12-month ECL	48,311	-	48,311
Barberton Green Proprietary Limited	Doubtful	Stage 2	Lifetime ECL (not credit impaired)	20,605	-	20,605
Mogale Tailings Retreatment Plant Proprietary Limited	Performing	Stage 1	12-month ECL	-	-	-
K2015200726 (South Africa) Proprietary Limited	Doubtful	Stage 2	Lifetime ECL (not credit impaired)	4,843	-	4,843
Current loans				**1,424,416**	**-**	**1,424,416**
Evander Gold Mining Company Proprietary Limited	Performing	Stage 1	12-month ECL	1,175,313	-	1,175,313
Pan African Management Services Proprietary Limited	Doubtful	Stage 2	Lifetime ECL (not credit impaired)	194,511	-	194,511
Barberton Blue Proprietary Limited	Performing	Stage 1	12-month ECL	4,470	-	4,470
Evander Solar Solutions Proprietary Limited	Performing	Stage 1	12-month ECL	50,122	-	50,122
Total loans to Group companies				**1,723,877**	**-**	**1,723,877**

Figures in R `000

Loans to group companies continued...

Loans to group companies have no fixed repayment terms, are unsecured and repayable on demand. Interest accrues on these loans based on the interest rates applied to the RCF (one-month JIBAR plus a margin) or prime-linked rates.

PAR PLC loan is interest-free, unsecured and has no fixed repayment terms.

Pan African Management Services Company Proprietary Limited loan bears interest at a rate of 9.78% (2022: 7.10%). Net loan advances amounted to R256.4 million during the year (2022: R115.7 million). An amount of R125.2 million (2022: R122.5 million) bears no interest. The Company has committed to continue to provide financial support to Pan African Management Services Proprietary Limited to enable it to settle its liabilities as they fall due and enable it to continue as a going concern until such time as its assets fairly valued exceed its liabilities.

K2015200726 (South Africa) Proprietary Limited loan bears interest at the prime interest rate of South Africa of 10.43% (2022: 7.44%). No advances or repayments were made during the current or previous year. The Company has committed to continue to provide financial support to K2015200726 (South Africa) Proprietary Limited to enable it to settle its liabilities as they fall due and enable it to continue as a going concern until such time as its assets fairly valued exceed its liabilities.

Barberton Blue Proprietary Limited loan bears interest at the prime interest rate of South Africa plus a margin of 2%. Net loan advances amounted to R11.6 million during the year (2022: R16.5 million). The Company has committed to continue to provide financial support to Barberton Blue Proprietary Limited to enable it to settle its liabilities as they fall due and enable it to continue as a going concern until such time as its assets fairly valued exceed its liabilities.

Barberton Green Proprietary Limited loan bears interest at the prime interest rate of South Africa plus a margin of 2%. Net loan advances amounted to R1.3 million during the year (2022: R6.4 million). As a result of the delay in the start up of operations, the internal credit rating of the loan to Barberton Green was changed to stage 3. The loan was previously classified as stage 2. This resulted in a loan impairment of R9.3 million (2022: RNil) in the current reporting period. The Company has committed to continue to provide financial support to Barberton Green Proprietary Limited to enable it to settle its liabilities as they fall due and enable it to continue as a going concern until such time as its assets fairly valued exceed its liabilities.

Mogale Tailings Retreatment Plant Proprietary Limited loan bears interest at a rate of 9.78%. Net loan advances amounted to R197.0 million during the year (2022: RNil).

Evander Gold Mining Proprietary Limited loan contains an interest and non-interest portion. The interest-bearing loan bears interest at a rate of 9.78% (2022: 7.10%). Net loan repayments amounted to R244.5 million during the year (2022: R913.5 million).

Evander Solar Solutions Proprietary Limited loan bears interest at a rate of 9.78% (2022: 7.10%). Net loan advances amounted to R100.5 million during the year (June 2022: R165.1 million).

Pan African Resources Properties Proprietary Limited is an interest-free loan. Net loan advances amounted to R256k during the year (2022: RNil).

Fair value

The carrying value approximates fair value, due to market related interest rates being charged on these loans.

Impairment

Loans to fellow subsidiaries are considered for impairment under the expected credit loss model. During the current reporting period the loan to Barberton Green Proprietary Limited was impaired by R9.3 million (2022:RNil) due to a delay in the start up of operations.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022

Loans to group companies continued...

16.2 Movements in impairment of loans to group companies are as follows:

	Group 2023	Group 2022	Company 2023	Restated Company 2022
Stage 3 impairment losses*				
Balance as at 1 July	-	-	-	-
Impairment recognised through profit or loss - Barberton Green	9,306	-	9,306	-
Balance as at 30 June	**9,306**	**-**	**9,306**	**-**

* - The stage 1 and stage 2 immaterial impairment losses were not recognised in the current or previous reporting period.

Write-off policy

An impaired loan is written off once all reasonable attempts at collection have been made and there is no material economic benefit expected from attempting to recover the balance outstanding. The following criteria must be met before a financial asset can be written off:

• the financial asset has been in default for the period which is deemed sufficient to determine whether the entity is able to receive any further economic benefit from the impaired loan; and

• at the point of write-off, the financial asset is fully impaired (i.e. 100% allowance) with no reasonable expectation of recovery of the asset, or a portion thereof.

Remedy for credit impairment

Continuous assessment is required to determine whether the conditions that led to a financial asset being considered to be credit impaired (i.e. stage 3) still exist. The classification of a financial asset out of stage 3 may be made subsequent to an evaluation which takes into account qualitative factors in addition to compliance with payment terms and conditions of the agreement. Qualitative factors include compliance with covenants and compliance with existing financial asset terms and conditions.

Where it has been determined that a financial asset no longer meets the criteria for significant increase in credit risk, the financial asset will be moved from stage 2 (lifetime expected credit loss model) back to stage 1 (12-month expected credit loss model) prospectively.

17. Cash and cash equivalents

Accounting policy

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.

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

17.1 Cash and cash equivalents included in current assets:

	Group 2023	Group 2022	Company 2023	Restated Company 2022
Cash				
Balances with banks	**592,775**	**386,354**	**591,255**	**384,800**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022

Cash and cash equivalents continued...

17.2 General facilities

General banking facilities				
Rand Merchant Bank general term facility	50,000	50,000	50,000	50,000
Nedbank Limited general banking facility	90,000	90,000	90,000	90,000
Total undrawn facilities at year end	**140,000**	**140,000**	**140,000**	**140,000**

The general banking facilities are unsecured. The facilities bears interest at the prevailing prime rate of South Africa.

A quarterly commitment fee is payable on the undrawn balance.

At the end of the reporting period, the company had not utilised its Rand Merchant Bank and Nedbank general banking facilities. Finance costs incurred and paid during the financial year were RNil (2022: R27,840), on this facility.

USD trading facility	**95,000**	**95,000**	**95,000**	**95,000**

The USD trading facility relates to trading facilities held by the Group and Company for the purposes of trading gold and subsequent translation of USD gold sales into South African rand (rand). The facility is held with the following financial institutions: Nedbank Limited and Rand Merchant Bank

Gold hedging facility (held with Nedbank and Rand Merchant Bank)	**270,000**	**270,000**	**270,000**	**270,000**
Precious metals hedging facility (held with Nedbank and Rand Merchant Bank)	**40,000**	**40,000**	**40,000**	**40,000**

18. Issued capital

Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue or repurchase of ordinary shares are recognised as a deduction from equity, net of tax.

Authorised and issued share capital				
Share capital	13	12	4	4
Authorised				
1 000 Ordinary shares of R1 each	1,000	1,000	1,000	1,000
Issued				
100 Ordinary shares of R1 each	100	100	100	100
Share reconciliation				
Shares outstanding at 1 July	12	4	4	4
PAR Gold shares issued	1	8	-	-
Shares outstanding at 30 June	**13**	**12**	**4**	**4**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022

19. Reserves
19.1 Classification of reserves

Share buy-back reserve	12,535	12,535	-	-
Share option reserve	3,046	3,046	-	-
Revaluation reserve	444,742	663,310	-	-
Total reserves	**460,323**	**678,891**	**-**	**-**

19.2 Detailed analysis of other comprehensive income movements

	Share option reserve	Revaluation reserve	Attributable to owners of the Company	Total
Group				
Other comprehensive loss for the year ended 30 June 2023:				
Fair value adjustment on PAR PLC shares, net of tax	-	(218,568)	(218,568)	(218,568)
Total comprehensive loss for the year	-	**(218,568)**	**(218,568)**	**(218,568)**
Other comprehensive income for the year ended 30 June 2022:				
Unwinding of B-BBEE structure: share-based payment	(79)	-	(79)	(79)
Fair value adjustment on PAR PLC shares, net of tax	-	132,796	132,796	132,796
Total comprehensive income for the year	**(79)**	**132,796**	**132,717**	**132,717**

20. Borrowings

Borrowings comprise:				
Revolving credit facility (RCF)	200,133	426,406	200,133	426,406
DMTN bond	804,516	-	804,516	-
Total borrowings	**1,004,649**	**426,406**	**1,004,649**	**426,406**
Non-current portion of borrowings	800,000	426,124	800,000	426,124
Current portion of borrowings	204,649	282	204,649	282
	1,004,649	**426,406**	**1,004,649**	**426,406**

Notes to the Consolidated and Separate Financial Statements

Borrowings continued...

20.1 Revolving credit facility (RCF)

The movement in the RCF was as follows:

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022
Opening balance	426,406	238,034	426,406	238,034
Drawdowns	850,000	200,000	850,000	200,000
Finance costs incurred	38,400	30,422	38,400	30,422
Repayments - finance costs	(38,681)	(27,439)	(38,681)	(27,439)
Repayments - capital	(1,098,441)	(561,500)	(1,098,441)	(561,500)
Non refundable fees	4,770	5,130	4,770	5,130
Modification adjustment[1]	17,677	(14,549)	17,677	(14,549)
Restructure of the facility (refer to note 20.3)	-	556,308	-	556,308
	200,131	**426,406**	**200,131**	**426,406**
Non-current portion of RCF	-	426,124	-	426,124
Current portion of RCF	200,133	282	200,133	282
	200,133	**426,406**	**200,133**	**426,406**

[1] The restructure of the RCF resulted in a modification gain being recognised. The modification gain included in finance costs was calculated as the difference between the original carrying amount at the date of the renegotiation and the present value of the renegotiated term. In the current year, the repayment of the facility was accelerated which resulted in the realisation of the modification adjustment.

Terms of the RCF are as follows:

Facility amount	R1 billion
Lenders	Rand Merchant Bank (a division of FirstRand Bank Limited) and Nedbank Limited
Interest rate	Depending on the rollover period, based on one-month, three-month or six-month Johannesburg Interbank Agreed Rate (JIBAR)
Interest rate margin	2.75%
Commitment fee	0.9625% of the aggregate of the available commitment. Payable quarterly in arrears.
Term of loan	32 months effective 17 November 2021
Repayment period	The commitment on the facility reduces as follows: • R 850 million on 31 December 2022 • R 700 million on 31 December 2023
Final maturity date	30 June 2024
Guarantors:	Evander Gold Mining Proprietary Limited; Pan African Resources PLC; Barberton Mines Proprietary Limited; Evander Gold Mines Proprietary Limited; and Pan African Resources SA Holdings Proprietary Limited

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022

Borrowings continued...

Security provided by the Guarantors of the facility

Bonds as security for the facilities:

The following bonds were registered in favour of the lenders:

- Mortgage bond B3644/2015- Barberton Mines / Bowwood on Main No.40 (RF) (Proprietary) Limited
- Mortgage bond B1163/2016- Evander Gold Mining / Bowwood on Main No.40 (RF) (Proprietary) Limited
- Mortgage bond B4673/2015- Evander Gold Mining / Bowwood on Main No.40 (RF) (Proprietary) Limited
- Mortgage bond B7829/2015- Evander Gold Mining / Bowwood on Main No.40 (RF) (Proprietary) Limited
- Mortgage bond B3701/2015- Evander Township Limited / Bowwood on Main No.40 (RF) (Proprietary) Limited
- Mortgage bond B6665/2015- Evander Township Limited / Bowwood on Main No.40 (RF) (Proprietary) Limited
- General notarial bond BN15110/2015- Barberton Mines/ Bowwood on Main No. 40 (RF) (Proprietary) Limited
- General notarial bond BN15357/2015- Evander Gold Mining/ Bowwood on Main No. 40 (RF) (Proprietary) Limited
- General notarial bond BN20757/2017- Evander Gold Mining/ Bowwood on Main No. 40 (RF) (Proprietary) Limited
- General notarial bond BN20755/2015- Barberton Mines/ Bowwood on Main No. 40 (RF) (Proprietary) Limited
- Special notarial bond BN15563/2015- Evander Gold Mining/ Bowwood on Main No. 40 (RF) (Proprietary) Limited
- Special notarial bond BN15616/2015- Barberton Mines/ Bowwood on Main No. 40 (RF) (Proprietary) Limited
- Special notarial bond BN20758/2017- Evander Gold Mining/ Bowwood on Main No. 40 (RF) (Proprietary) Limited
- Special notarial bond BN20756/2017- Barberton Mines/ Bowwood on Main No. 40 (RF) (Proprietary) Limited
- Special notarial bond BN12838/2018- Evander Gold Mining/ Bowwood on Main No. 40 (RF) (Proprietary) Limited

Ceded rights to the lenders as security for the facilities

Bank accounts

Trade debtors

Insurance proceeds

Immovable property

Shares held in subsidiaries

20.2 Term loan facility

The term facility was settled during the previous year as part of the restructure referred to in note 20.1.

	Group 2023	Group 2022	Company 2023	Restated Company 2022
Opening balance	-	600,000	-	600,000
Finance costs incurred	-	17,638	-	17,638
Repayments - finance costs	-	(11,330)	-	(11,330)
Repayments - capital	-	(50,000)	-	(50,000)
Restructure of the facility	-	(556,308)	-	(556,308)
	-	-	-	-

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022

Borrowings continued...

20.3 DMTN bond

During the current reporting period, the Group issued two listed bonds to the cumulative value of R 800 million .

	Group 2023	Group 2022	Company 2023	Restated Company 2022
Opening balance	-	-	-	-
Notes issued	800,000	-	800,000	-
Finance costs incurred	48,397	-	48,397	-
Repayments - finance costs	(43,881)	-	(43,881)	-
	804,516	**-**	**804,516**	**-**
Non-current portion of DMTN bond	800,000	-	800,000	-
Current portion of DMTN bond	4,516	-	4,516	-
	804,516	**-**	**804,516**	**-**

The terms of the bonds issued under the domestic medium term note programme are as follows:

Debt security code	**PARS01**	**PARS02**
ISIN:	ZAG000192758	ZAG000192766
Type of debt security:	Senior second ranking secured	Senior second ranking secured
Listing:	Sustainability segment of the JSE	Sustainability segment of the JSE
Issue date:	13 December 2022	13 December 2022
Issue price:	100%	100%
Nominal amount per note:	ZAR 1 million	ZAR 1 million
Aggregate nominal amount:	ZAR 585 million	ZAR 215 million
Reference rate:	Three-month JIBAR	Three-month JIBAR
Margin:	3.60%	3.75%
Interest commencement date:	13 December 2022	13 December 2022
Interest payment basis:	Floating rate	Floating rate
First interest payment date:	13 March 2023	13 March 2023
Interest payment terms:	Quarterly	Quarterly
Maturity date:	13 December 2025	13 December 2027
Final maturity amount:	100%	100%
Guarantors:	Pan African Resources PLC; Evander Gold Mining Proprietary Limited; Barberton Mines Proprietary Limited; Evander Gold Mines Proprietary Limited; and Pan African Resources SA Holdings Proprietary Limited	
Dealer:	Rand Merchant Bank, a division of FirstRand Bank Limited	

Figures in R `000

Borrowings continued...

The following key performance indicators (KPIs) are applicable to both PARS01 and PARS02:

	KPI		
	Renewable energy	**Land rehabilitation**	**Employee safety**
Sustainability target met	-3bps margin adjustment per reporting period, commencing 30 June 2023	-2bps margin adjustment per reporting period, commencing 30 June 2024	-1bps margin adjustment per reporting period, commencing 30 June 2023
Penalty threshold level not achieved	+3bps margin adjustment per reporting period, commencing 30 June 2023	+2bps margin adjustment per reporting period, commencing 30 June 2024	+1bps margin adjustment per reporting period, commencing 30 June 2023
Realised value at reporting date	6.10%	n/a	7.96%
Sustainability performance target	Achieved	n/a	Achieved

20.4 Financial covenants

The financial covenants listed below are in place for the RCF and DMTN bond and are calculated on the Pan African Resources Group results

The financial covenants are calculated for a 12 month period at each reporting date.

	Ratio	2023	2022
• The net debt-to-equity ratio must be less than	1:1	0.07	0.04
• The interest cover ratio must be greater than the ratios below:			
Measurement date			
30 June 2022	4:1	n/a	34.1
30 June 2023	4:1	18.4	n/a
30 June 2024 until maturity date	4:1	n/a	n/a
• The net debt-to-EBITDA ratio must be less than the ratios below:			
Measurement date			
30 June 2022	2:1	n/a	0.1
30 June 2023	2:1	0.2	n/a
30 June 2024 until maturity date	2:1	n/a	n/a
• The debt service cover ratio must be:	> 3	7.5	7.3

The Group and Company are in compliance with all the financial covenants as at 30 June 2023 and 30 June 2022.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022

Borrowings continued...

20.5 Unutilised credit facilities

Revolving credit facility (RCF)	1,000,000	1,000,000	1,000,000	1,000,000
Utilisation of the revolving credit facility	(201,000)	(449,722)	(201,000)	(449,722)
Available facilities	**799,000**	**550,278**	**799,000**	**550,278**
General banking facility	**140,000**	**140,000**	**140,000**	**140,000**

The Nedbank Limited and Rand Merchant Bank general banking facilities are unsecured and were unutilised in the current and previous financial year. These facilities, when utilised, bear interest at rates linked to the South African prime interest rate.

21. Trade and other payables

Trade and other payables comprise:

Financial liabilities				
Trade payables	69	15	61	-
Accrued liabilities	32	229	30	238
Audit fee obligation	453	-	453	-
Total trade and other payables	**554**	**244**	**544**	**238**

No interest is charged on trade and other payables and the fair value approximates the carrying amount given their short term nature.

22. Dividend payable

Dividend payable comprise:

Dividends payable	1,333	1,333	-	-
Current portion of dividend payable	1,333	1,333	-	-

23. Loan from holding company

Loan from holding company comprises:

Pan African Resources PLC	984,974	1,107,376	984,974	1,107,376
	984,974	**1,107,376**	**984,974**	**1,107,376**

The loan is unsecured, interest free with no fixed terms for repayment and payable on demand.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022

24. Loans from group companies

Accounting policy

The loans from Group companies are classified as financial liabilities at amortised cost, and are initially measured at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans from group companies comprise:

	Group 2023	Group 2022	Company 2023	Restated Company 2022
Loans from Barberton Mines Proprietary Limited	1,166,729	962,506	1,166,729	962,506
Loans from Pan African Resources SA Holdings Proprietary Limited	112	112	112	112
Loans from PAR Gold Proprietary Limited	-	-	55,088	62,045
Loans from Concrete Rose Proprietary Limited	-	-	74	74
Total loans from Group companies	**1,166,841**	**962,618**	**1,222,003**	**1,024,737**
Non-current liabilities	-	-	-	-
Current liabilities	1,166,841	962,618	1,222,003	1,024,737
	1,166,841	**962,618**	**1,222,003**	**1,024,737**

During the year the company in the ordinary course of business received short-term deposits from its fellow subsidiaries. Terms and conditions are determined on an arm's length basis.

The loans from Group companies have no fixed repayment terms and bear no interest.

The loan from Barberton Mines Proprietary Limited, however bears interest at the average call rate of 5.96% (2022:3.10%). Loan advances amounted to R3.0 billion (2022: R3.1 billion) and loan repayments amounted to R2.8 billion (2022: R2.9 billion) during the reporting period.

The loan from PAR Gold bears no interest. Loan advances amounted to R62.1 million (2022: R37.0 million and loan repayments amounted to R55.1 million (2022: R 55.0 million) during the reporting period.

The loans are unsecured and payable on demand.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022

25. Share-based payment obligations

Accounting policies

Cash-settled share-based payment arrangements

The fair value of the amount payable to employees in respect of cash-settled share-based payments, which are settled in cash, is recognised as an expense with a corresponding increase in the liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at the settlement date based on the fair value of the cash-settled share-based payment liability. Any changes in the liability are recognised in profit or loss.

Significant assumptions and estimates

The determination of the fair value of cash-settled share-based payment obligation is subject to management applying key assumptions and estimates. The fair value is calculated using actuarial valuations.

• To incentivise and retain the PAR PLC Group's executive directors and corporate senior management and to align their interest with those of the PAR PLC Group's stakeholders the PAR Gold long-term incentive plan (PGLIP) was introduced. The participants render service in the PAR PLC group companies and are not employees of PAR Gold.

• The shares issued by PAR Gold as part of the PGLIP are issued to the participant at a nominal value and PAR Gold incurs the obligation to repurchase the shares after vesting.

• An intergroup loan is recognised when new shares are issued to participants between PAR Gold and the company in which the participant is employed.

• The fair value adjustment is recognised as an IFRS2 expense in the profit or loss of the company in which the participant is employed, through a recovery from PAR Gold for services rendered until the vesting criteria is met.

• PAR Gold has an obligation to pay the participants the dividend only if the specified measurement criteria is fulfilled at the end of a three-year measurement period.

• The vested shares are repurchased once the dividends have been paid to the participants and PAR Gold no longer has an obligation to the participant under the LTI scheme.

The following tables provide details regarding the cash-settled share-based payment liabilities an the inputs used in the models.

Reconciliation of the cash-settled share-based payment obligation is as follows:

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022
Balance as at 1 July	92,660	238,820	-	-
New shares issued	1,566	3,425	-	-
Fair value adjustment	10,726	66,646		
Distributions paid	(62,131)	(216,231)	-	-
Balance as at 30 June	**42,821**	**92,660**	**-**	**-**
Non-current liabilities	8,105	30,349	-	-
Current liabilities	34,716	62,311	-	-
Total share-based payment obligations	**42,821**	**92,660**	**-**	**-**

PAR Gold Long term incentive share scheme

To incentivise and retain the Corporate Senior management and align their interests with those of the Group's stakeholders, a LTI was introduced and is in issue since 30 June 2021.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022
Share-based payment obligations continued...				
Number of PAR Gold shares ('000)				
PAR Gold B shares				
Outstanding as at 1 July	48,700	52,159	-	-
Shares repurchased by PAR Gold	-	(3,459)	-	-
Shares in issue as at 30 June	48,700	48,700	-	-
PAR Gold C shares				
Outstanding as at 1 July	16,161	16,161	-	-
Shares in issue as at 30 June	16,161	16,161	-	-
PAR Gold D shares				
Outstanding as at 1 July	11,259	11,259	-	-
Shares in issue as at 30 June	11,259	11,259	-	-
PAR Gold E shares				
Outstanding as at 1 July	9,786	-	-	-
Shares acquired by participants	-	9,786	-	-
Shares in issue as at 30 June	9,786	9,786	-	-
PAR Gold F shares				
Outstanding as at 1 July	-	-	-	-
Shares acquired by participants	10,109	-	-	-
Shares in issue as at 30 June	10,109	-	-	-

Figures in R `000

Share-based payment obligations continued...

Fair values were calculated using the Monte Carlo simulation of which the inputs are as follows:

	PAR Gold B shares	**PAR Gold C shares**	**PAR Gold D shares**	**PAR Gold E shares**	**PAR Gold F shares**
Number of shares ('000)	48,700	16,161	11,259	9,786	10,109
Grant date	1 Jul 20	1 Jul 19	1 Jul 20	1 Jul 21	1 Jul 22
Vesting date	31 Dec 21	1 Jul 22	1 Jul 23	1 Jul 24	1 Jul 25
Share price at grant date (based on 90 day volume weighted average price (VWAP))	1.21	1.80	2.86	3.67	4.19
90 day VWAP as at 30 June 2023 (ZAR)	**n/a**	**n/a**	**3.60**	**3.59**	**3.59**
90 day VWAP as at 30 June 2022 (ZAR)	n/a	n/a	4.19	4.19	n/a
Probability of vesting as at 30 June 2023 (%)	**n/a**	**n/a**	**100**	**28**	**11**
Probability of vesting as at 30 June 2022 (%)	n/a	n/a	67	69.00	n/a
Fair value per share as at 30 June 2023 (ZAR)	**n/a**	**n/a**	**3.60**	**1.01**	**0.39**
Fair value per share as at 30 June 2022 (ZAR)	n/a	n/a	2.80	2.88	n/a

	Group 2023	**Group 2022**	**Company 2023**	**Restated Company 2022**
26. Cash flows from operating activities				
26.1 Cash flows from operating activities				
Profit / (loss) before tax	**28,920**	**37,513**	**(25,709)**	**40,216**
Adjustments for:				
Finance income	(241,089)	(127,085)	(240,996)	(123,000)
Finance costs	262,182	100,497	261,659	100,495
Impairment losses recognised in profit or loss	9,306	-	9,306	-
Fair value gains and losses	2,675	61,827	2,675	(8,597)
Loan repayments in terms of PAR Group share scheme	-	175,863	-	-
Increase/(decrease) in trade and other payables	306	(68,724)	306	(69,565)
Gross inflows in loans to Group companies	3,457,964	3,437,599	3,457,961	3,437,588
Gross outflows in loans to Group companies	(3,768,956)	(2,820,600)	(3,768,956)	(2,820,600)
Gross inflows in loans from Group companies	2,952,102	2,844,878	3,062,388	2,955,022
Gross outflows in loans from Group companies	(2,841,504)	(3,147,476)	(2,903,604)	(3,184,511)
Gross inflows in loans from Holding company	458,314	343,995	458,314	343,995
Gross outflows in loans from Holding company	(580,716)	(285,437)	(580,716)	(285,437)
Net cash flows from operations	**(260,496)**	**552,850**	**(267,372)**	**385,606**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022
Cash flows from operating activities continued...				

26.2 Income tax paid

Income tax expense recognised in profit or loss	**180**	(9,311)	**159**	5,238
Add: deferred tax recognised in profit or loss	**2,513**	14,856	**2,513**	(919)
	2,693	5,545	**2,672**	4,319
Current tax (receivable)/payable at the beginning of the year	**(324)**	(670)	**(322)**	(724)
Current tax (payable)/receivable at the end of the year	**(1,250)**	324	**(1,253)**	322
Accrued finance costs	**1**	2	**1**	-
Accrued finance income	**(18)**	(25)	**(18)**	(23)
Finance income received		23	**-**	23
Income tax paid during the year	**1,102**	5,199	**1,080**	3,917

26.3 Reconciliation of liabilities arising from financing activities

Opening balance at 1 July	**426,404**	838,034	**426,404**	838,034
Changes from financing cash flows	**551,559**	(400,000)	**551,559**	(400,000)
Proceeds from borrowings	**1,650,000**	200,000	**1,650,000**	200,000
Repayment of borrowings	**(1,098,441)**	(600,000)	**(1,098,441)**	(600,000)
Other changes	**26,684**	(11,630)	**26,684**	(11,630)
Finance costs incurred	**86,797**	53,189	**86,797**	53,189
Finance costs paid	**(82,562)**	(38,770)	**(82,562)**	(38,770)
Restructuring fees	**4,770**	(11,500)	**4,770**	(11,500)
Modification gain on borrowings	**17,679**	(14,549)	**17,679**	(14,549)
Closing balance as at 30 June	**1,004,647**	426,404	**1,004,647**	426,404

27. Financial risk management

Capital management

The Group and Company manages its solvency to ensure that it will continue as a going concern while maximising a sustainable return to shareholders through the optimisation of the debt and equity ratios. The Company's overall strategy remained unchanged from the previous year.

Financial instruments are measured at fair value and are grouped into levels 1 and 2 based on the extent to which fair value is observable.

The levels are classified as follows:

Level 1 - fair value is based on quoted prices in active markets for identical financial assets or liabilities.

Level 2 - fair value is determined using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3 - fair value is determined on inputs not based on observable market data.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022
Financial risk management continued...				
Categories of financial instruments*:				
Financial assets:				
At amortised cost				
Cash and cash equivalents	**592,775**	386,354	**591,255**	384,800
Loans to group companies	**1,345,504**	1,424,417	**1,345,506**	1,424,416
At fair value through other comprehensive income				
Listed investment	**928,265**	1,207,051	**-**	-
At fair value through profit or loss				
Derivative financial asset	**8,494**	11,169	**8,494**	11,169
Financial liabilities:				
At amortised cost				
Borrowings - non current	**800,000**	426,124	**800,000**	426,124
Borrowings - current	**204,649**	282	**204,649**	282
Loans from holding company	**984,974**	1,107,376	**984,974**	1,107,376
Loans from group companies	**1,166,841**	962,618	**1,222,003**	1,024,737
Trade and other payables	**554**	244	**544**	238

**Listed investments are classified as level 1 as its share price is quoted on a stock exchange. All other financial instruments of the company are classified as level 3, except for the interest rate hedge which is classified as a level 2.*

The directors consider the carrying amounts of financial assets and liabilities to approximate their fair values.

27.1 Financial risk management

The Group and Company seeks to minimise the effect of financial risks by using derivative financial instruments to hedge risk exposures where appropriate. The use of any financial derivatives is approved by the Pan African Resources' board, which also continually provide guidance on a continuous basis on managing foreign exchange, interest rate, credit and liquidity risk in line with Pan African Resources' Group treasury policy. Exposure limits are reviewed regularly. The Group and Company does not enter into financial derivatives for speculative use.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022

Financial risk management continued...

27.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and Company.

Credit risk consists mainly of cash deposits, cash equivalents and loans to group companies.

The combined maximum credit risk exposure to the company is as follows:

Loans to group companies	**1,345,504**	1,424,417	**1,345,506**	1,424,416
Cash and cash equivalents	**592,775**	386,354	**591,255**	384,800

The risk is managed by the application of funding approvals, liquidity analysis and monitoring procedures.

The central treasury function provides credit risk management for the Group-wide exposure in respect of a diversified banking and other financial institutions. These are evaluated regularly for financial robustness especially in the current global economic environment. Management has evaluated treasury's counterparty risk and does not expect any treasury counterparties to fail in meeting their obligations. The credit risk or the risk of financial loss due to intergroup companies not meeting their obligations, is managed at a group level.

For all financial assets measured at amortised cost, the company calculates the expected credit loss based on contractual payment terms of the asset. None of the loans have fixed contractual repayment terms and are repayable on demand. The exposure to credit risk is influenced by the individual characteristics and long and short term nature of the counterparty with whom the Group and Company have transacted. Financial assets at amortised cost are carefully monitored and reviewed on a regular basis for expected credit loss and impairment based on our credit risk policy.

Cash and cash equivalents

The Group and Company only deposit cash with major banks with high-quality credit standings and limits exposure to any one counterparty.

Loans to group companies

A Pan African Resources Group inter-company loan repayment assessment was performed. The Group's strategy is that of developing and mining. The Group's strategy is not to dispose of its core assets and recover it through sale. Based on the above analysis a conclusion was reached that the inter-company loans within the Group and Company are recoverable, except for Barberton Green. A portion of the loan to Barberton Green has been impaired during the current reporting period.

Concentration of credit risk

The Group and Company has assessed the concentration of credit risk and the following concentrations have been assessed: counterparty-specific (financial institutions and related party companies).

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022

Financial risk management continued...

27.3 Market risk

The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group and Company's activities expose it primarily to the financial risks of changes in interest rate risk.

27.3.1 Interest rate risk

The Group and Company is exposed to interest rate risk as it borrows and invests funds at both fixed and floating interest rates. Fluctuations in interest rates impact on short-term investment and financing activities, giving rise to interest rate risk. In the ordinary course of business, the company receives cash proceeds from the holding company's subsidiaries and is required to fund working capital and capital expenditure requirements. Cash is managed to ensure that surplus funds are invested to maximise returns whilst ensuring that capital is safeguarded to the maximum extent by only investing with reputable financial institutions. Contractual arrangements for committed borrowing facilities are maintained to meet the normal and contingent funding needs.

Interest rate sensitivity

The Group and Company's revolving credit facility, term loan facility, DMTN bond and loans to group companies incur interest based on JIBAR or prime-linked rates. Loans from group companies incur interest at the average call rates. A reasonably possible change in interest rates during the year as noted in the table would have increased/decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant

Impact on profit for the year

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022
Financial assets				
Loans to group companies	**2,461,799**	2,027,207	**2,146,704**	1,723,877
Finance income	**225,469**	114,381	**225,469**	114,381
10% increase	**23,000**	11,668	**23,000**	11,668
10% (decrease)	**(22,000)**	(11,162)	**(22,000)**	(11,162)
Financial liabilities				
Borrowings	**1,004,649**	426,406	**1,004,649**	426,406
Finance costs	**101,164**	55,892	**101,164**	55,892
10% increase	**7,063**	3,902	**7,063**	3,902
10% (decrease)	**(6,615)**	(3,655)	**(6,615)**	(3,655)
Loans from group companies	**1,166,841**	962,618	**1,222,003**	1,024,737
Finance costs	**143,339**	59,469	**142,815**	59,125
10% increase	**3,860**	1,601	**3,860**	1,598
10% (decrease)	**(3,840)**	(1,593)	**(3,840)**	(1,589)

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022
Financial risk management continued...				
Derivative financial asset - interest rate hedges				
Opening balance	11,169	2,572	11,169	2,572
(Loss)/ gain arising from unrealised financial instruments	(2,675)	8,597	(2,675)	8,597
Closing balance	**8,494**	**11,169**	**8,494**	**11,169**

Interest rate hedge terms

Notional amount	R300,000,000
Trade date	21 February 2021
Termination date	19 February 2024
Company	Pan African Resources Funding Company Proprietary Limited
Financial institution	Nedbank and Rand Merchant Bank
Fixed rate (yield)	4.625%
Floating rate option	ZAR-JIBAR-SAFEX
Floating rate designated maturity	Three months

27.4 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board, but is delegated to the executive management, which has an established liquidity risk management framework for the management of the Group and Company’s short-term funding and liquidity requirements. This framework involves daily monitoring of the Group and Company's cash position, regular review of cash flow forecasts and maturity profiles of financial assets and liabilities. Liquidity risk is managed by maintaining adequate working capital reserves and borrowing capacity on banking facilities. Liquidity risk is centrally managed within the PAR PLC Group by the treasury function performed by the Company.

The Group and Company makes use of its function as central treasury to the PAR PLC Group to appropriately allocate and manage the cash flows in the group. PAR Funding Company therefore has the ability to direct the cash flows through out the group and can therefore call on loans to the group companies at times when it is required to settle short-term cash demands. PAR Funding Group therefore has the ability to settle its short-term funding obligations by calling funding from the companies that it has issued loans to and has the ability to use those funds, in conjunction with other funds in the company such as cash on hand to repay loans to its borrowers and group companies.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial risk management continued...

Contractual maturities of financial assets	Carrying amount	Less than 12 months	Year 2	Year 3	Year 4 and beyond	Total contractual cash flows
Year ended 30 June 2023 - Group						
Loans to group companies	2,461,799	2,461,799	-	-	-	2,461,799
Cash and cash equivalents	592,775	592,775	-	-	-	592,775
Derivative financial asset	8,494	8,494	-	-	-	8,494
Year ended 30 June 2022 - Group						
Loans to group companies	2,027,207	2,027,207	-	-	-	2,027,207
Cash and cash equivalents	386,354	386,354	-	-	-	386,354
Derivative financial asset	11,169	11,169	-	-	-	11,169
Year ended 30 June 2023 - Company						
Loans to group companies	2,146,704	2,146,704	-	-	-	2,146,704
Cash and cash equivalents	591,255	591,255	-	-	-	591,255
Derivative financial asset	8,494	8,494	-	-	-	8,494
Year ended 30 June 2022 restated - Company						
Loans to group companies	1,723,877	1,723,877	-	-	-	1,723,877
Cash and cash equivalents	384,800	384,800	-	-	-	384,800
Derivative financial asset	11,169	11,169	-	-	-	11,169

Figures in R `000

Financial risk management continued...

The Group and Company has access to financing facilities from the revolving credit facility and the general banking facilities, of which R201 million (2022: R450 million) of the revolving credit facility was utilised. The general banking facility had R140 million available (2022: R140 million) at the reporting date.

The Group and Company expects to meet its obligations from its operating cash flows and the borrowing capacity on its existing banking facilities.

Contractual maturities of financial liabilities	**Carrying amount**	**Less than 12 months**	**Year 2**	**Year 3**	**Year 4 and beyond**	**Total contractual cash flows**
Year ended 30 June 2023 - Group						
Borrowings	1,004,649	297,361	96,963	946,725	254,478	**1,595,527**
Dividend payable (Note 22)	1,333	1,333	-	-	**-**	**1,333**
Loans from group companies (Note 24)	1,166,840	1,166,840	-	-	**-**	**1,166,841**
Loan from holding company (Note 23)	984,974	984,974	-	-	**-**	**984,974**
Year ended 30 June 2022 - Group						
Trade and other payables excluding non-financial liabilities (Note 21)	**250**	250	-	-	-	**250**
Borrowings	**426,406**	34,552	34,364	466,717	-	**535,633**
Dividend payable (Note 22)	**1,333**	1,333	-	-	-	**1,333**
Loans from group companies (Note 24)	**962,618**	962,618	-	-	-	**962,618**
Loan from holding company (Note 23)	**1,107,376**	1,107,376	-	-	-	**1,107,376**

Figures in R `000

Financial risk management continued...

Contractual maturities of financial liabilities	Carrying amount	Less than 12 months	Year 2	Year 3	Year 4 and beyond	Total contractual cash flows
Year ended 30 June 2023 - Company						
Non-derivatives						
Trade and other payables excluding non-financial liabilities (Note 21)	544	544	-	-	-	**544**
Borrowings (Note 20)	1,004,649	297,361	96,963	946,725	254,478	**1,595,527**
Loans from group companies (Note 24)	1,222,003	1,222,003	-	-	-	**1,222,003**
Loans from shareholders (Note 23)	984,974	984,974	-	-	-	**984,974**
Year ended 30 June 2022 - Company						
Trade and other payables excluding non-financial liabilities (Note 21)	235	235	-	-	-	**470**
Borrowings (Note 20)	426,406	34,552	34,364	466,717	-	**962,039**
Loans from group companies (Note 24)	1,024,737	-	-	-	-	**1,024,737**
Loans from shareholders (Note 23)	1,107,376	-	-	-	-	**1,107,376**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022

28. Related parties

Pan African Resources PLC is the only shareholder and therefore the holding company and its subsidiaries are related parties.

28.1 Intergroup balances

Related party balances are disclosed in notes 13, 16 and 24.

28.2 Intergroup transactions

Statement of profit or loss and other comprehensive income

Figures in R `000	Group 2023	Group 2022	Company 2023	Restated Company 2022
Revenue - Finance income				
Evander Gold Mining Proprietary Limited *	149,090	85,177	149,090	85,177
Barberton Mines Proprietary Limited *				
Barberton Blue Proprietary Limited *	6,812	3,843	6,812	3,843
Pan African Resources Management Service Proprietary Limited *	51,799	23,154	51,799	23,154
Evander Solar Proprietary Limited *	5,306	401	5,306	401
Barberton Green Proprietary Limited *	2,485	1,462	2,485	1,462
Mogale Tailings Retreatment Proprietary Limited *	9,453	-	9,453	-
K2015200726 (South Africa) Proprietary Limited *	524	344	524	344
	225,469	**114,381**	**225,469**	**114,381**
Management fee paid				
Pan African Resources Management Service Proprietary Limited *	**2,000**	**2,000**	**2,000**	**2,000**
Dividend received				
Pan African Resources PLC	**55,144**	**55,144**	**-**	**-**
Finance costs				
Evander Gold Mining Proprietary Limited *	104,856	33,318	104,332	32,974
Barberton Mines Proprietary Limited *	38,483	26,151	38,483	26,151
	143,339	**59,469**	**142,815**	**59,125**

* The above entities are all subsidiaries of PAR PLC Group.

29. Contingent liabilities

The Group and Company identified no material contingent liabilities in the current or previous reporting period.

Figures in R `000

30. Going concern

The Group's current liabilities amounting to R 2,394,660 (2022: R 2,134,164) exceed the Group's current assets amounting to R 1,947,116 (2022: R 1,822,265) by R447,544 (2022: R311,898). PAR Gold Proprietary Limited holds shares in Pan African Resources PLC (PAR PLC) amounting to R 928,265 (2022: R1,207,051) which are readily convertible to cash.

PAR PLC, Evander Gold Mining Proprietary Limited, Barberton Mines Proprietary Limited, Evander Gold Mines Proprietary Limited and Pan African Resources SA Holdings Proprietary Limited are Guarantors of the revolving credit facility (RCF) included in the current liabilities as at 30 June 2023 and of the DMTN bond included in non-current liabilities as at 30 June 2023.

The consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

31. Events after the reporting date

Post the current reporting period, the Company entered into a ZAR1.3 billion senior debt facility, designated for the funding of the Group's Mogale Tailings project and a refinance of the existing RCF of ZAR1 billion with a new repayment date of 30 June 2026. The senior debt facility and RCF was underwritten by Rand Merchant Bank, a division of FirstRand Bank Limited (RMB), with Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division), as co-financier.

The new RCF has a three-year term and provides the Group with access to flexible and cost effective working capital. The senior debt facility has a six-year term, with quarterly repayments commencing two years after the financial close date. The financial close date for this agreement for both facilities became effective on 31 July 2023.

32. Correction of prior period presentation errors

32.1 Statement of financial position

It was established that all loans to fellow subsidiaries were previously classified as current assets in the statement of financial position of the Company. As some of these loans do not have contractual repayment terms are not expected to be realised within 12 months after the reporting date, they should have been presented as non-current assets. This resulted in the following restatements in the statements of financial position:

Company

	Restated	As previously presented	Restated	As previously presented
	June 2022		June 2021	
Non-current assets				
Investments in subsidiaries	543,637	543,637	543,637	543,637
Deferred tax asset			919	919
Loans to group companies	299,461	-	70,129	-
	843,098	**543,637**	**614,685**	**544,556**
Current assets				
Current tax assets	322	322	724	724
Derivative financial asset	11,169	11,169	2,572	2,572
Loans to group companies	1,424,416	1,723,877	2,304,631	2,374,760
Cash and cash equivalents	384,800	384,800	447,493	447,493
	1,820,707	**2,120,168**	**2,755,420**	**2,825,549**
Total assets	**2,663,805**	**2,663,805**	**3,370,105**	**3,370,105**

Figures in R `000

Correction of prior period presentation errors continued...

32.2 Statement of cash flows

It was established that loans to and from group companies were previously classified as investing and financing activities on a net basis in the Company. These loans to and from group companies should have been presented on a gross basis as operating activities. This resulted in the following misstatements in the statement of cash flows:

- A net understatement of cash from operating activities of R446 million depicted by the line items denoted by* in the table below
- A net overstatement of cash from investing activities of R617 million
- A net overstatement of cash used in financing activities of R171 million

The correction of the above errors impacted on the following line items reflected in the statement of cash flows:

	Company	
	Restated 30 June 2022	**As previously presented 30 June 2022**
Cash flows from operating activities		
Finance income - revenue	(122,977)	-
Finance income	(23)	(123,000)
Gross inflows in loans to Group companies*	3,437,588	-
Gross outflows in loans to Group companies*	(2,820,600)	-
Gross inflows in loans from Group companies*	2,955,022	-
Gross outflows in loans from Group companies*	(3,184,511)	-
Gross inflows in loans from Holding company*	343,995	-
Gross outflows in loans from Holding company*	(285,437)	-
Cash flows from investing activities		
Advances to loans to fellow subsidiaries	-	616,988
Cash flows used in financing activities		
Loans received from subsidiaries	-	(170,931)
	323,057	**323,057**

32.3 Statement of profit or loss and other comprehensive income - Company

Finance income earned on loans to subsidiaries and deposits held at financial institutions was previously included in finance income as opposed to revenue. As the finance income is earned within the normal operating activities of the Company, finance income should have been classified as revenue in profit or loss. Finance costs have been represented and disclosed within Profit before tax.

	Company	
	Restated 30 June 2022	**As previously presented 30 June 2022**
Revenue	122,977	-
Finance income	23	-
Finance income	-	123,000
	123,000	**123,000**

Figures in R `000

33. Directors' and prescribed officers' remuneration

The key management personnel for which remuneration has been disclosed below are executive directors and prescribed officers.

Mr JAJ Loots, Mr GP Louw, and Miss IA Phoshoko are directors of the company. Mr JD Symington and Mrs Kok are prescribed officers of the company. The remuneration disclosed for Mr JAJ Loots, Mr GP Louw and Mr JD Symington was paid by Pan African Resources. The remuneration disclosed for, Mrs M Kok and Miss IA Phoshoko was paid by Pan African Resources Management Services Company Proprietary Limited.

June 2023

Name	Basic remuneration	Allowances	Leave payout	Retirement benefits	Life and disability	Retention payout	Incentives	Total remuneration
GP Louw	6,585	-	-	-	-	3,951	4,012	14,548
JAJ Loots	7,234	186	167	-	-	4,448	6,215	18,250
IA Phoshoko	2,252	53	-	302	46	-	857	3,510
JD Symington	3,392	116	-	-	-	-	1,200	4,708
M Kok	2,252	9	140	302	46	-	960	3,709
Total compensation paid to directors and prescribed officers	**21,715**	**364**	**307**	**604**	**92**	**8,399**	**13,244**	**44,725**

June 2022

Name	Basic remuneration	Allowances	Leave payout	Retirement benefits	Life and disability	Incentives	Total remuneration
GP Louw	6,154	2	-	-	-	4,495	10,651
JAJ Loots	6,749	380	-	-	-	6,955	14,084
IA Phoshoko	1,820	61	-	243	37	962	3,123
JD Symington	2,832	119	-	-	-	1,347	4,298
M Kok	2,040	27	-	272	42	1,078	3,459
	19,595	**589**	**-**	**515**	**79**	**14,837**	**35,615**

Figures in R `000

Directors' and prescribed officers' remuneration continued...

Long-term incentive scheme

Shares granted but not yet vested	**Total number of shares 1 July 2022**	**Grant date**	**Issued during the reporting period**	**Dividend measurement date**	**Total number of shares 30 June 2023**
Mr JAJ Loots					
- PAR Gold D-shares	2,848,556	01 July 2020	-	01 July 2023	**2,848,556**
- PAR Gold E-shares	2,337,972	01 July 2021	-	01 July 2024	**2,337,972**
- PAR Gold F-shares	-	01 July 2022	2,190,419	01 July 2025	**2,190,419**
Mr GP Louw					
- PAR Gold D-shares	2,335,468	01 July 2020	-	01 July 2023	**2,335,468**
- PAR Gold E-shares	1,916,851	01 July 2021	-	01 July 2024	**1,916,851**
- PAR Gold F-shares	-	01 July 2022	1,795,876	01 July 2025	**1,795,876**
Mr JD Symington					
- PAR Gold D-shares	566,082	01 July 2020	-	01 July 2023	**566,082**
- PAR Gold E-shares	610,492	01 July 2021	-	01 July 2024	**610,492**
- PAR Gold F-shares	-	01 July 2022	636,363	01 July 2025	**636,363**
Ms M Kok					
- PAR Gold D-shares	462,781	01 July 2020	-	01 July 2023	**462,781**
- PAR Gold E-shares	427,526	01 July 2021	-	01 July 2024	**427,526**
- PAR Gold F-shares	-	01 July 2022	413,637	01 July 2025	**413,637**
Ms I Phoshoko					
- PAR Gold D-shares	319,609	01 July 2020	-	01 July 2023	**319,609**
- PAR Gold E-shares	299,795	01 July 2021	-	01 July 2024	**299,795**
- PAR Gold F-shares	-	01 July 2022	325,000	01 July 2025	**325,000**
Total number of shares not yet vested	**12,125,132**		**5,361,295**		**17,486,427**

These are cash-settled shares issued under the PGLIP scheme. Dividends are only declared on these shares if the specified measurement criteria are fulfilled at the end of a three-year measurement period.

Vested shares	**Total number of shares 1 July 2022**	**Grant date**	**Issued during the reporting period**	**Dividend measurement date**	**Total number of shares 30 June 2023**
Mr JAJ Loots					
- PAR Gold B-shares	17,107,580	01 July 2020	-	31 December 2021	**17,107,580**
- PAR Gold C-shares	4,434,380	01 July 2019	-	01 July 2022	**4,434,380**
Mr GP Louw					
- PAR Gold B-shares	11,523,153	01 July 2020	-	31 December 2021	**11,523,153**
- PAR Gold C-shares	3,635,648	01 July 2019	-	01 July 2022	**3,635,648**
Mr JD Symington					
- PAR Gold B-shares	2,920,661	01 July 2020	-	31 December 2021	**2,920,661**
- PAR Gold C-shares	881,227	01 July 2019	-	01 July 2022	**881,227**
Total number of vested shares	**40,502,649**		**-**		**40,502,649**

Shares to be repurchased at a nominal amount and cancelled by PAR Gold during the 2024 financial year, no further dividend payment will be made on these shares consistent with the rules of the PGLIP scheme.