

LONMIN FINANCE LIMITED
Registered number 1789274

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2021

Private company: Limited by shares
Registered in: England & Wales
Registered office: Lower Ground Floor, One George Yard, London, United Kingdom, EC3V 9DF

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LONMIN FINANCE LIMITED
Registered number 1789274

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2021

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LONMIN FINANCE LIMITED
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DIRECTOR'S REPORT
for the year ended 31 December 2021

The directors present their report and the unaudited financial statements for the year ended 31 December 2021.

1. Principal activities and business review

Lonmin Finance Limited (the Company) has been dormant throughout the year in accordance with Section 480 of the Companies Act 2006 (as amended) and accordingly is exempt from the requirement to prepare audited accounts.

Lonmin Finance Limited is a private company, limited by shares, which is registered in England and Wales.

2. Directors

The directors of the Company during the accounting period and up to the date of this report were as follows:

C Keyter

B Watson

Directors' remuneration

The directors received no emoluments in respect of qualifying services to the Company, nor did they have any retirement benefits accruing to them under defined benefit pension schemes.

3. Registered address

Business: Lower Ground Floor, One George Yard
London, United Kingdom,
EC3V 9DF

4. Secretary

The company secretary is LD Matlosa.

5. Employees

The Company has no employees in the year under review and so there are no employee costs (2020: \$nil).

6. Holding and ultimate holding company

The holding company is Sibanye UK Limited (previously Lonmin Limited).

The ultimate holding company is Sibanye-Stillwater Limited.

7. Events after the reporting period

A resolution was passed by the Board in June 2022 to approve a capital reduction by which the Company's share premium and all the share capital were cancelled and extinguished, except for one issued ordinary share of £1 each.

The Company is expected to be deregistered within the next twelve months. Accordingly the financial statements were prepared on the break-up basis.

By Order of the Board



LD Matlosa
Company Secretary

31/08/22

Date: _____
Lower Ground Floor, One George Yard
London, United Kingdom,
EC3V 9DF

LONMIN FINANCE LIMITED
Registered number 1789274

STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2021

Figures in thousand - US dollars	Notes	2021	2020
Finance income	2	653	-
Finance expense	2	(653)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER		<u>-</u>	<u>-</u>

The Company has no other comprehensive income, therefore no statement of other comprehensive income is presented.

LONMIN FINANCE LIMITED
Registered number 1789274

STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

Figures in thousand - US dollars	Notes	2021	2020
ASSETS			
Current assets			
Loan to related party	3	3 567	3 567
Total assets		<u>3 567</u>	<u>3 567</u>
EQUITY AND LIABILITIES			
Total equity and reserves			
Called up share capital	4,5	3 567	3 567
Total equity and liabilities		<u>3 567</u>	<u>3 567</u>

The attached notes on pages 5 to 7 form part of these Accounts.

For the year ended 31 December 2021, the Company was entitled to exemption under Section 480 of the Companies Act 2006 (the Act).

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Act.

The directors acknowledge their responsibilities for:

1. Ensuring the Company keeps accounting records which comply with Section 386 of the Act; and
2. Preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with Section 396 of the Act, and which otherwise comply with the requirements of the Companies Act relating to accounts so far as applicable to the Company.

The Accounts on pages 3 to 7 were approved by the Board of Directors on 31/08/22 and signed on its behalf by:



C Keyter
Director

LONMIN FINANCE LIMITED

Registered number 1789274.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

1. Accounting policies

Lonmin Finance Limited (the Company) is a company incorporated and domiciled in the United Kingdom (the UK).

The principal accounting policies applied in the preparation of these financial statements are set out below. Where an accounting policy is specific to a note, the policy is described in the note which it relates to. These policies have been consistently applied to all the years presented.

1.1. Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* which have been applied consistently to all the years presented.

The financial statements have been prepared using the liquidation basis and comply with the Companies Act 2006 and applicable accounting standards. The particular accounting policies adopted by the Directors are described below and are considered suitable, have been consistently applied, except as described below, and are supported by reasonable judgements and estimates.

The financial statements are presented in US dollars (\$), which is the Company's functional currency. Amounts have been presented in round thousands.

1.2. Disclosure exemptions adopted

In preparing these financial statements the Company applies the recognition measurement and disclosure requirements of the International Financial Reporting Standards as adopted by the EU but makes amendments where necessary to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

- a Cash Flow Statement and relates notes;
- the effect of new but not yet effective IFRSs; and
- disclosure in respect of capital management;
- disclosure in respect of transactions with other wholly owned members of the group headed by Sibanye-Stillwater Limited.

1.3. Foreign currency*Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency) which is US dollars. The financial statements are presented in US dollars which is the Company's presentation currency.

	2021	2020
Average exchange rate for the period		
Pounds Sterling	0.73	0.78
Closing exchange rate for the period		
Pounds Sterling	0.74	0.73

Transactions and balances

Transactions in foreign currencies are translated at the rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Realised and unrealised gains or losses arising from exchange differences are recognised in the statement of profit or loss.

2. Net finance income/(expense)

Accounting policy	
Finance income is recognised in profit or loss as it accrues, using the effective interest method, however interest on credit-impaired financial assets are calculated on the amortised cost balance.	
Financing expenses comprise fair value adjustments and losses on impairment of loans that are recognised in the statement of profit or loss.	

Figures in thousand - US dollars	2021	2020
Finance income	653	-
Interest receivable from related party ⁱ	3	-
Fair valuation of loan to related party to liquidation value ¹	650	-
Finance expense		
Derecognition and fair valuation of loan to related party ⁱ	(653)	-
Net finance income/(expense)	-	-

Footnote:

ⁱ Refer to note 3 for details.

LONMIN FINANCE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2021

3. Loan to related party		
Figures in thousand - US dollars	2021	2020
Current assets		
Amounts owed by Sibanye UK Limited	<u>3 567</u>	<u>3 567</u>

As at 31 December 2020 the carrying value of non-interest bearing loans were repayable on demand. Therefore, the carrying value was equal to the fair value of the instruments.

Non - current assets		
Amounts owed by Sibanye UK Limited	<u>-</u>	<u>-</u>

During December 2021 resolutions were passed indicating that the related party loan to Sibanye UK are to be Dollar denominated and repayable after five years (making the loans long term in nature). This constitutes a significant change in the terms and conditions of the loans, triggering a derecognition of the original loan and raising the new loans at fair value. Interest were raised at 4.125% on these loans based on the average bank interest rate on facilities available to the Sibanye-Stillwater Limited Group.

The financial statements were prepared on the liquidation basis as the Company is expected to be deregistered within the next twelve months. Therefore the loan to related party was fair valued to its cash value as at 31 December 2021. The loan will be settled in the next twelve months.

4. Called up share capital				
Figures in thousand - US dollars	Number of shares	2021	Number of shares	2020
Authorised				
Ordinary shares of £1 each	2 000 000	<u>3 567</u>	2 000 000	<u>3 567</u>
Issued and fully paid				
Ordinary shares of £1 each (US\$1.7835)	2 000 000	<u>3 567</u>	2 000 000	<u>3 567</u>

5. Reserves			
Figures in thousand - US dollars	Called up share capital	Retained income	Total
At 31 December 2020	3 567	-	3 567
Profit for the year	-	-	-
At 31 December 2021	<u>3 567</u>	<u>-</u>	<u>3 567</u>
At 31 December 2019	3 567	-	3 567
Profit for the year	-	-	-
At 31 December 2020	<u>3 567</u>	<u>-</u>	<u>3 567</u>

6. Immediate and ultimate parent company

At 31 December 2021, the Company's immediate holding company is Sibanye UK Limited, a company registered in England and Wales.

The Company's ultimate holding company is Sibanye-Stillwater Limited, a company incorporated in South Africa.

Lonmin Finance Limited is a member of a group of companies in which Sibanye-Stillwater Limited was the ultimate parent company at 31 December 2021. In this group of companies, Group accounts for the year end 31 December 2021 were drawn up only for Sibanye-Stillwater Limited. Copies of the consolidated accounts of Sibanye-Stillwater Limited can be obtained from the Sibanye-Stillwater Limited website.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2021

7. Fair value of financial assets and financial liabilities

Accounting policy

On initial recognition, a financial asset is classified as measured at either amortised cost, fair value through other comprehensive income or fair value through profit or loss.

The Company initially recognises debt instruments issued and trade and other receivables, on the date these are originated. All other financial assets and financial liabilities are recognised initially when the Company becomes a party to the contractual provisions of the instrument.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company recognises an allowance for expected credit losses (ECLs) on all debt instruments not held at fair value through profit or loss to the extent applicable. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. Impairment losses are recognised through profit or loss.

The Company considers financial assets (including related party financial assets) in default when contractual payments are 90 days past due, however in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flow.

Non-current related party loans receivables have no repayment terms and therefore are considered in default 90 days after the loan has been called from the related party. The financial asset is written off when there is no reasonable expectation of recovering the cash flow from the related party.

The Company derecognises a financial asset when the contractual rights to the cash flows in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Any interest in such transferred financial asset that is created or retained by the Company is recognised as a separate asset or liability. The particular recognition and measurement methods adopted are disclosed in the individual policy statements associated with each item.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

The Company's principal financial instruments are loans to related parties.

Financial assets

Loans to related parties

Classification under IFRS 9

Amortised cost

Accounting classifications and measurement of fair values

The following methods and assumptions were used to estimate the fair value of each class of financial instrument.

• **Related party loan receivable**

The loans with no fixed repayment terms were fair valued. The fair value of variable interest rate borrowings approximate its carrying amounts as the interest rates charged are considered marked related.

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In the normal course of its operations, the Company is exposed to market risks, including liquidity and credit risk associated with underlying assets, liabilities and anticipated transactions. In order to manage these risks, the Company has developed a comprehensive risk management process to facilitate control and monitoring of these risks.

9. Events after the reporting period

A resolution was passed by the Board in June 2022 to approve a capital reduction by which the Company's share premium and all the share capital were cancelled and extinguished, except for one issued ordinary share of £1 each.

The Company is expected to be deregistered within the next twelve months. Accordingly the financial statements were prepared on the break-up basis.