REGISTERED NO: 00022290

LSA (U.K.) LIMITED

Report and Financial Statements
for the fifteen months ended 31 December 2019

Private company: Limited by shares

Registered in: England & Wales

Registered address: Ground floor One George Yard, London, EC3V 9DF, DX 307 449, Cheapside, United Kingdom

LSA (U.K.) LIMITED

(Registration number 00022290)
Report and Financial Statements for the fifteen months ended 31 December 2019

INDEX

The reports and statements set out below comprise the Report and Financial Statements presented to the shareholder:

DIRECTORS' REPORT

The Directors present their report, together with the audited financial statements of the Company for the fifteen months ended 31 December 2019.

1. Principal activities and business review

The principal activity of the Company is the holding of investments. The Company's two main operating subsidiaries are Western Platinum Limited and Eastern Platinum Limited, both of which are based in the Bushveld Igneous Complex in South Africa which hosts nearly 80% of global PGM reserves. The two subsidiaries collectively employ approximately 20,160 employees, and operate several shafts and inclines, and extensive processing plants and equipment. The primary purpose of the two subsidiaries is to mine, refine and market platinum group metals.

2. Acquisition of Lonmin Plc by Sibanye-Stillwater

The parent company of LSA (U.K.) Limited is Lonmin Ltd (previously Lonmin Plc). On 7 June 2019 Sibanye Gold Limited acquired 100% of the share capital of Lonmin Ltd and as a result Sibanye Gold Limited became the ultimate parent company of LSA (U.K) Limited. Full details are available on the website of Sibanye-Stillwater.

On 24 February 2020, Sibanye-Stillwater Limited and Sibanye Gold Limited implemented a scheme of arrangement in terms of section 114 of the South African Companies Act, 2008, which resulted in, amongst other things, Sibanye Gold Limited's operations being reorganised under Sibanye-Stillwater Limited, which became the ultimate holding company of LSA (U.K.) Limited.

3. Going concern

The Company acts as the holding company for two operating subsidiaries in South Africa.

The intention is to liquidate the Company in future. Since the investments held by LSA (U.K.) Limited were transferred to Rustenburg Eastern Operations (Proprietary) Limited and the related party loan payable to Western Platinum Proprietary Limited is waived in 2020.

Accordingly, the financial statements were prepared on the break-up basis.

A new coronavirus, known as COVID-19, was identified in January 2020 and declared a pandemic by the World Health Organisation. The COVID-19 outbreak is a non-adjusting post balance sheet event. Taking into consideration the investments are fully impaired with its subsequent transfer subsequent to year end coupled with the intention to liquidate the company, management do not anticipate an operational impact or a material financial impact.

4. Results and dividends

The financial statements for the fifteen months ended 31 December 2019 show a profit for the period of $3,470,000 (2018: $51,000).

5. Directors

Directors who served during the fifteen months ended 31 December 2019 and up to the date of this report, unless otherwise indicated, were:

Name	Changes
R Stewart	Appointed 14 June 2019
D Kaye	Appointed 14 August 2019
B Watson	Appointed 26 November 2019
S Forrest	Appointed 16 July 2019, resigned 20 August 2019
A Andrew	Resigned 14 June 2019
S Kamboj	Resigned 14 June 2019
C Keyter	Appointed 14 June 2019, resigned 16 July 2019

DIRECTORS' REPORT

5. **Directors (continued)**

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.

6. **Employees**

The Company had no employees in the fifteen months under review and so there are no employee costs (2018: $nil).

7. **Political donations**

The Company made no political donations during the fifteen months (2018: $nil).

8. **Events after the financial reporting period**

Acquisition of Lonmin Plc by Sibanye-Stillwater

The parent company of LSA (U.K.) Limited is Lonmin Ltd (previously Lonmin Plc). On 7 June 2019 Sibanye Gold Limited acquired 100% of the share capital of Lonmin Ltd and as a result Sibanye Gold Limited became the ultimate parent company of LSA (U.K) Limited. Full details are available on the website of Sibanye-Stillwater.

On 24 February 2020, Sibanye-Stillwater Limited and Sibanye Gold Limited implemented a scheme of arrangement in terms of section 114 of the South African Companies Act, 2008, which resulted in, amongst other things, Sibanye Gold Limited's operations being reorganised under Sibanye-Stillwater Limited, which became the ultimate holding company of LSA (U.K.) Limited.

COVID-19 pandemic

The principal business of the Company is the holding of investments. The Company's investments are fully impaired. Therefore COVID 19 has not had a material impact on LSA (U.K.) Limited.

Transfer of investments

All the investments in LSA (U.K.) Limited were transferred to Rustenburg Eastern Operations (Proprietary) Limited on 3 June 2020.

Related party loan payable

In 2020 Western Platinum Proprietary Limited waived the loan payable by LSA (U.K.) Limited for no consideration. This has been accounted for during the period due to the financial statements being prepared on a break-up basis.

9. **Disclosure of information to auditor**

In accordance with the Companies Act 2006, each Director who was a Director at the time the report was approved confirms the following:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all steps that each director ought to have taken to make himself aware of any relevant information and to establish that the company's auditor is aware of that information.

Disclosure exemption adopted

The Directors have taken advantage of the small companies exemption provided by Section 414B of the Companies Act 2006 not to provide a Strategic Report.

DIRECTORS' REPORT

10. Secretary

The company secretary LD Matlosa was appointed 1 September 2019, replacing The African Investment Trust Limited, who resigned on 31 August 2019.

11. Change in financial year end

As a result of the Sibanye-Stillwater acquisition of Lonmin Plc (now Lonmin Ltd), the Company's financial year end has been changed from September to December. As a result of this change the statements of profit or loss and other comprehensive income, changes in equity and cash flows are for 15 months compared to 12 months for the comparative period.

12. Auditor

Pursuant to Section 487 of the Companies Act 2006, Ernst and Young LLP was appointed as auditor.

By Order of the Board

L D Matlosa
Company Secretary

Date: 26 May 2021
REGISTERED OFFICE:
GROUND FLOOR ONE GEORGE YARD
LONDON EC3V 9DF, DX 307 449
CHEAPSIDE
UNITED KINGDOM

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 "Reduced Disclosure Framework" ("FRS 101") and applicable law. Under company law the 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LSA (U.K.) LIMITED

Opinion

We have audited the financial statements of LSA (U.K.) Limited for the period ended 31 December 2019 which comprise the Statement of profit or loss and other comprehensive income, Statement of financial position and Statement of changes in equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of matter – financial statements prepared on the break-up basis

We draw attention to note 1 of the financial statements, which explains that the directors intend to liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on the break-up basis as described in note 1.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 5, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LSA (U.K.) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemptions from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 (UK) 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LSA (U.K.) LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jacqueline Ann Geary (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date:__________

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2019 $ '000	2018 $ '000
Foreign exchange gains		-	1
Profit on sale of investment		-	50
Loan from related party written off		3,470	-
Profit before taxation	2,3	**3,470**	**51**
Taxation	4	-	-
Profit for the period		**3,470**	**51**
Other comprehensive income		-	-
TOTAL PROFIT AND COMPREHENSIVE INCOME FOR THE PERIOD		**3,470**	**51**

The results for the period are wholly attributable to the continuing operations of the Company.

The attached notes on pages 12 to 19 form part of these Accounts.

LSA (U.K.) LIMITED

(Registration number 00022290)
Report and Financial Statements for the fifteen months ended 31 December 2019

STATEMENT OF FINANCIAL POSITION

	Notes	2019 $ '000	2018 $ '000
CURRENT LIABILITIES			
Loans from related parties	8	-	(349,196)
NET CURRENT LIABILITIES		**-**	**(349,196)**
NET LIABILITIES		**-**	**(349,196)**
CAPITAL AND RESERVES			
Called up share capital	10	27,370	27,370
Share premium account	11	656,681	310,955
Accumulated loss		(684,051)	(687,521)
SHAREHOLDERS' DEFICIT		**-**	**(349,196)**

The attached notes on pages 12 to 19 form part of these Accounts.

The Accounts on pages 9 to 19 were approved by the Board of Directors on 26 May 2021 and were signed on its behalf by:

R Stewart
Director

STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital $ '000	Share premium $ '000	Accumulated loss $ '000	Total $ '000
Balance at 1 October 2017		27,370	310,955	(687,572)	(349,247)
Profit for the year		-	-	51	51
Other comprehensive income for the year		-	-	-	-
Total comprehensive income		-	-	51	51
Balance at 1 October 2018		27,370	310,955	(687,521)	(349,196)
Profit for the period		-	-	3,470	3,470
Issue of 1 share		-	345,726	-	345,726
Other Comprensive income for the period		-	-	-	-
Total comprehensive income		-	345,726	3,470	349,196
Balance at 31 December 2019	10&11	27,370	656,681	(684,051)	-

The attached notes on pages 12 to 19 form part of these Accounts.

NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICIES

LSA (U.K.) Limited is a Company incorporated and domiciled in the UK. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced *Disclosure Framework* which have been applied consistently with prior year in these financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared under the historical cost convention 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, and are supported by reasonable judgements and estimates. The presentation currency used is the US Dollar and amounts have been presented in round thousands.

Comparative figures

The reporting period is 15 months due to the change of the financial year end, therefore comparative amounts are not comparable to the current balances as they are for a 12 month period.

Disclosure exemptions adopted

In preparing these financial statements the Company applies the recognition measurement and disclosure requirements of the International Financial Reporting Standards 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 related notes (refer page 49 of Sibanye-Stillwater Annual Report 2019);
- the effect of new but not yet effective IFRSs (refer page 52 of Sibanye-Stillwater Annual Report 2019); and
- disclosure in respect of capital management (refer page 104 of Sibanye-Stillwater Annual Report 2019.
- disclosure in respect of transactions with other wholly owned members of the group headed by Sibanye-Stillwater Limited (refer pages 54 & 55 of Sibanye-Stillwater Annual Report 2019).

Exemption from preparation of consolidated financial statements

The financial statements contain information about LSA (U.K.) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by S401 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated accounts of a larger group, Sibanye- Stillwater Limited. Registered address: Constantia Office Park Bridgeview House, Building 11, Ground Floor, Cnr 14th Avenue and Hendrik Potgieter Road, Weltevreden Park, 1709.

Investment in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less provision for impairment.

Going concern

The Company acts as the holding company for two operating subsidiaries in South Africa.

The intention is to liquidate the Company in future. Since the investments held by LSA (U.K.) Limited were transferred to Rustenburg Eastern Operations (Proprietary) Limited and the related party loan payable to Western Platinum Proprietary Limited is waived in 2020.

Accordingly, the financial statements were prepared on the break-up basis.

A new coronavirus, known as COVID-19, was identified in January 2020 and declared a pandemic by the World Health Organisation. The COVID-19 outbreak is a non-adjusting post balance sheet event. Taking into consideration the investments are fully impaired with its subsequent transfer subsequent to year end coupled with the intention to liquidate the company, management do not anticipate an operational impact or a material financial impact.

NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICIES (continued)

Financial instruments

The Company's principal financial instruments are loans from related parties and investments.

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.

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 trade and other receivables due in less than 12 months, the Company applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. 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.

On initial recognition of an equity investment that is not held for trading, the Company may make an irrevocable election to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis. These investments are subsequently measured at fair value, with dividends recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICIES (continued)

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.

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:

- **Investments**

The fair value of publicly traded instruments is based on quoted market values.

- **Fair value of related party loans payable**

The fair value of loans with no fixed repayment terms, approximate the carrying amounts since these loans are considered payable on demand from a market participant perspective. The fair value of variable interest rate borrowings approximate its carrying amounts as the interest rates charged are considered marked related.

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 asset 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 foreign currency, 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.

Foreign currencies

The Company's functional currency is the US Dollar. As a result, non-US Dollar monetary assets and liabilities are stated at the closing rate of exchange whilst non-monetary assets and liabilities are recorded at their historical cost. Differences on translation are included in profit or loss.

The principal US Dollar exchange rates used are as follows:

	2019	2018
Average exchange rate for the period		
South African Rand	14.41	13.07
Pounds Sterling	0.78	0.74
Closing exchange rates		
South African Rand	14.00	14.14
Pounds Sterling	0.76	0.77

Taxation

Current tax

The charge for taxation is based on the profit for the year and takes into account the taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICIES (continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the financial reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the financial reporting date. Timing differences are differences between the taxable profits and results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all the available evidence, it can be regarded as more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

2. PROFIT AND COMPREHENSIVE INCOME BEFORE AND AFTER TAXATION

Profit for the period is stated after charging:

	2019 $'000	2018 $'000
Foreign exchange gains	-	1
Profit on sale of investment	-	50
Loan from related party written off	3,470	-
	3,470	**51**

The 2019 and 2018 audit fees in respect of LSA (U.K.) Limited have been borne by Sibanye UK Limited.

The intention is that Sibanye UK Limited will also carry the costs to be incurred as part of the liquidation process of LSA (U.K.) Ltd.

3. EMPLOYEES' AND DIRECTORS' REMUNERATION

The Company has no employees and accordingly there are no employee costs (2018: $nil). 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.

4. TAXATION

Current tax	-	-
Deferred tax	-	-
Tax on profit / (loss)	**-**	**-**

Reconciliation of the total tax charge / (credit)

The reasons for the difference between the actual tax charge / (credit) for the period and the standard rate of corporation tax in the United Kingdom applied to profits in the period are as follows:

Profit before taxation	3,470	51
Current tax at the applicable tax rate of 19% (2018: 19%)	659	10
Income not taxable	(659)	(10)
	-	-
Total tax charge / (credit)	**-**	**-**

NOTES ON THE ACCOUNTS

5. INVESTMENT IN SUBSIDIARIES

At 31 December 2019 and 30 September 2018	Cost $'000	Provision $'000	Net book value $'000
Western Platinum Proprietary Limited	809,226	(809,226)	-
Eastern Platinum Limited	169,567	(169,567)	-
Lonmin Textiles Limited	71,182	(71,182)	-
London Australian & General Property Company Limited	8,089	(8,089)	-
	1,058,064	**(1,058,064)**	**-**

The investments were fully impaired at 30 September 2017. There have been no significant changes since that date to lead us to believe that the valuation of these investments is different. Therefore no full assessment has been performed at 31 December 2019 as we do not expect a reversal of impairment at this stage.

The following were the related undertakings of the Company at 31 December 2019. Each company operated mainly in its country of incorporation unless otherwise shown in the column setting out its activity.

Company	Principal place of business	Country of incorporation	Effective interest in ordinary share capital %	Principal activities
Material subsidiaries				
Western Platinum Proprietary Limited	South Africa	South Africa	86.24	Platinum mining and refining
Eastern Platinum Limited	South Africa	South Africa	86.24	Platinum mining
Other subsidiaries and related undertakings				
Messina Platinum Mines Limited	South Africa	South Africa	86.24	Platinum mining
Bapo Mining Company (Proprietary) Limited	South Africa	South Africa	100	Investment holdings
London Australian & General Property Company Limited	England	England	100	Dormant
London City & Westcliff Properties Limited	England	England	100	Dormant
Lonmin Mining Company Limited	England	England	100	Dormant
Lonmin Textiles Limited	England	England	100	Dormant
Lonwest Properties Limited	England	England	100	Dormant
Messina Limited	South Africa	South Africa	100	Dormant
Topmast Estates Limited	England	England	100	Dormant
Vlakfontein Nickel (Proprietary) Limited	South Africa	South Africa	100	Dormant
Other entities controlled by the Company				
Marikana Housing Development Company (NPC)	South Africa	South Africa		Community development

6. REGISTERED OFFICES OF SUBSIDIARIES

South African Companies

Middelkraal Farm, LPD Building, Marikana, North West Province, 0284

England

Ground floor One George Yard, London, EC3V 9DF, DX 307 449, Cheapside, United Kingdom

NOTES ON THE ACCOUNTS

7. INVESTMENT IN ASSOCIATE

	2019 Unlisted at Directors' valuation $'000	2018 Unlisted at Directors' valuation $'000
Balance at 1 October	-	34,681
Impairment of investment in associate	-	(34,681)
Balance at 31 December	-	-

The investment is in Incwala Resources (Proprietary) Limited, a company incorporated in South Africa, and in which the company has a 23.56% interest in the issued share capital. The principal activity of Incwala Resources (Proprietary) Limited is the holding of investments in South African mining companies. The investment in Incwala Resources (Proprietary) Limited was impaired in full in 2017.

Incwala's principal assets are investments in Western Platinum Proprietary Limited (WPL), Eastern Platinum Limited (EPL) which form the Marikana CGU and Akanani Mining (Proprietary) Limited (Akanani) the Akanani CGU. The recoverable amount of the investment has been calculated primarily based on a value in use.

The Akanani asset was fully impaired at 30 September 2017. There have been no significant changes since that date to lead us to believe that the valuation of this asset is different. Therefore no full assessment has been performed at 31 December 2019 as we do not expect a reversal of impairment at this stage.

8. LOANS FROM RELATED PARTIES

	2019 $'000	2018 $'000
Amounts due to parent company - Sibanye UK Limited (formerly Lonmin Limited)	-	345,726
Amounts due to subsidiary - Western Platinum Proprietary Limited	-	3,470
	-	**349,196**

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

The loan due to Sibanye UK Limited (formerly Lonmin Limited) was converted to share capital of $0.43 and share premium of $345.7m in LSA (U.K.) Limited.

In 2020 Western Platinum Proprietary Limited waived the loan payable by LSA (U.K.) Limited for no consideration. This has been accounted during the current period due to the financial statements being prepared on a break-up basis.

9. DIVIDENDS

No dividends were paid during the fifteen months (2018: $nil).

	2019 $ '000	2018 $ '000

10. CALLED UP SHARE CAPITAL

Authorised
64,400,000 ordinary shares of £1 each

Issued and fully paid up
At 31 December 2019 and 30 September 2018

	2019 $ '000	2018 $ '000
15,600,000 Ordinary Stock Units of 25p each (US$0.43)	6,640	6,640
48,705,557 and 1 issued during the period, therefore 48,705,558 Ordinary Shares of 25p each (US$0.43)	20,730	20,730
	27,370	**27,370**

11. SHARE PREMIUM

Sibanye UK Limited (formerly Lonmin Limited) subscribed to 1 share in LSA (U.K.) Limited as a consideration for the release of the intercompany loan payable to the value of $345.7m. The value of the share is for the share capital value of $0.43 with the balance of $345.7m less $1, accounted for as share premium.

The $1 is the value of the investments transferred to Rustenburg East Operations.

	2019 $ '000	2018 $ '000
Opening balance	310,955	310,955
Transfer in	345,726	-
Closing balance	**656,681**	**310,955**

12. EVENTS AFTER THE FINANCIAL REPORTING PERIOD

Acquisition of Lonmin Plc by Sibanye-Stillwater

The parent company of LSA (U.K.) Limited is Sibanye UK Limited (previously Lonmin Plc). On 7 June 2019 Sibanye Gold Limited acquired 100% of the share capital of Sibanye UK Limited and as a result Sibanye Gold Limited became the ultimate parent company of LSA (U.K) Limited. Full details are available on the website of Sibanye-Stillwater.

On 24 February 2020, Sibanye-Stillwater Limited and Sibanye Gold Limited implemented a scheme of arrangement in terms of section 114 of the South African Companies Act, 2008, which resulted in, amongst other things, Sibanye Gold Limited's operations being reorganised under Sibanye-Stillwater Limited, which became the ultimate holding company of LSA (U.K.) Limited.

COVID-19 pandemic

The principal business of the Company is the holding of investments. The Company's investments are fully impaired. Therefore COVID 19 has not had a material impact on LSA (U.K.) Limited.

Transfer of investments

All the investments in LSA (U.K.) Limited were transferred to Rustenburg Eastern Operations (Proprietary) Limited on 3 June 2020.

Related party loan payable

In 2020 Western Platinum Proprietary Limited waived the loan payable by LSA (U.K.) Limited for no consideration.

NOTES ON THE ACCOUNTS

13. UNRECOGNISED TAX BALANCES

No deferred tax assets have been recognised in respect of capital losses and unrelieved foreign tax credits as management believe the chances of recovery are low.

The Company had an unrecognised deferred tax asset of $0.5 million at 31 December 2019 based on capital losses of $2.7 million (2018 - $0.5 million based on capital losses of $2.3 million).

The Company had $21.3 million of unrelieved foreign tax credits at 31 December 2019 (2018 - $21.3 million).

14. IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company's ultimate holding company has changed from Sibanye UK Limited (previously Lonmin Plc) to Sibanye Gold Limited, a company incorporated in South Africa, as a result of Sibanye-Stillwater acquisition of the Lonmin group on 7 June 2019. Sibanye UK Limited is now the immediate parent company of LSA (UK) Limited.

On 24 February 2020, Sibanye-Stillwater Limited and Sibanye Gold Limited implemented a scheme of arrangement in terms of section 114 of the South African Companies Act, 2008, which resulted in, amongst other things, Sibanye Gold Limited's operations being reorganised under Sibanye-Stillwater Limited, which became the parent company of the group.

LSA (U.K) Limited is a member of a group of companies in which Sibanye-Stillwater Limited was the ultimate parent company at 31 December 2019. In this group of companies, Group accounts for the year end 31 December 2019 were drawn up only for Sibanye-Stillwater Limited. Copies of the consolidated accounts of Sibanye-Stillwater Limited can be obtained from the Sibanye-Stillwater website.

15. BEE TRANSACTIONS

Overview of the BEE transactions

In December 2014, Lonmin concluded a series of shareholding agreements with the Bapo BaMogale Traditional Community (the Bapo). Lonmin also implemented an Employee Share Ownership Plan (ESOP) and a Community Share Ownership Trust (CSOT). All three transactions collectively provided the additional equity empowerment which Lonmin required to achieve the 26% effective BEE equity ownership target as required under the Mining Charter.

The transactions relevant to LSA (U.K.) Limited were accounted for as follows:

Employee Share Ownership Plan

Lonmin formed an ESOP, called Lonplats Siyakhula Employee Share Ownership Plan, for the benefit of all Lonmin employees who were not participating in any of the share option schemes which existed when the transaction was concluded. LSA (U.K.) Limited ("LSA") (a Lonmin subsidiary) transferred 3.8% of its shareholding in Lonplats (being Western Platinum Limited and Eastern Platinum Limited) to the ESOP, and the ESOP is entitled to the higher of 3.8% of Lonplats' net profit after tax or dividend declared, with effect from the 2015 financial year. The annual distributions made to the ESOP will be distributed to the beneficiaries of the ESOP.

Community Trusts

Two separate Community Trusts were established – one for the Bapo Community for the benefit of the members of the Bapo Community (The Bapo Community Local Economic Development Trust), and the other for the Marikana community for the benefit of the local communities on the western side of our Marikana operations, Lonplats (The Marikana Community Development Trust). Each of the Community Trusts was issued with 0.9% of the issued share capital of Lonplats which was transferred from Lonmin's subsidiary, LSA. In addition, the Trusts will receive annual distributions which will equal their share of dividends declared by Lonplats, with a minimum of R5 million payable to the Trust. If dividends declared are less than R5 million, Lonplats will make a top-up payment to bring the total distribution for that year to R5 million. The Trusts will distribute the annual distributions to the communities to fund community projects.

Accounting treatment

The transfer of the shares in Lonplats has not been accounted for in the financial statements of LSA (U.K.) Limited as the shares are regarded as still being controlled by LSA (U.K.) Limited for accounting purposes. The annual distributions are accounted for in the financial statements of WPL and EPL.