

Profit attributable to:		
Owners of the company	6 961	9 159
Profit for the year	6 961	9 159
Total comprehensive income attributable to:		
Owners of the company	11 034	6 852
Total comprehensive income for the year	11 034	6 852
Basic and diluted earnings per share (cents)	8	10
		13

Summarised consolidated statement of financial position
as at 31 December 2013

	Audited 2013 R'000	Audited 2012 R'000
Assets		
Non-current assets	124	661
Plant and equipment	75	187
Intangible assets	49	474
Current assets	204 360	217 311
Investment in equity securities	1 170	1 892
Trade and other receivables	2 030	1 502
Cash and cash equivalents	201 160	213 917
Total assets	204 484	217 972
Equity and liabilities		
Shareholders' equity	186 912	175 878
Issued capital	746	746
Retained earnings	186 166	175 132
Liabilities		
Non-current liabilities		
Post-retirement medical benefit obligation	15 547	40 768
Current liabilities		
Trade and other payables	2 025	1 326
Total equity and liabilities	204 484	217 972

Summarised consolidated statement of changes in equity
for the year ended 31 December 2013

	Audited 31 December 2013 R'000	Audited 31 December 2012 R'000
Attributable to equity holders of the company		
Share capital	746	746
Retained earnings	186 166	175 132
Balance at the beginning of the period	175 132	168 280
Profit and total comprehensive income for the period	11 034	6 852

Summarised consolidated statement of cash flows
for the year ended 31 December 2013

	Audited 31 December 2013 R'000	Audited 31 December 2012 R'000
Profit before taxation	6 961	9 159
Adjusted for:		
Profit on disposal of investments	(135)	(43)
Profit on disposal of prospecting rights	(1 076)	(5 037)
Change in fair value of held-for-trading investments	127	(30)
Loss on impairment of other assets	65	-
Depreciation	50	73
Change in post-retirement medical benefit liability	(25 221)	1 626
Finance income	(11 419)	(11 155)
Actuarial gains/(losses)	4 073	(2 307)
Dividends received	(75)	(29)
working capital changes	(13)	(4 212)
Cash utilised in operations	(26 663)	(11 955)
Interest received	11 419	11 155
Taxation received	184	-
Cash flows from operating activities	(15 060)	(800)

Cash flows from investing activities	2 303	3 247
Dividends received	75	29
Proceeds on disposal of prospecting rights	1 500	5 037
Acquisition of investment in equity securities	(464)	(2 712)
Proceeds on disposal of investments in equity securities	1 192	893
Cash flow from financing activities	-	-
(Decrease)/increase in cash and cash equivalents	(12 757)	2 447
Cash and cash equivalents at the beginning of the period	213 917	211 470
Cash and cash equivalents at the end of the period	201 160	213 917

Notes to the summarised consolidated financial statements for the year ended 31 December 2013

1. Reporting entity

R&E is a company domiciled and incorporated in the Republic of South Africa. The condensed consolidated annual financial statements of the company for the year ended 31 December 2013 include the company and its subsidiaries (together referred to as "the group").

2. Basis of preparation

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, and the requirements of the Companies Act applicable to summarised financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

3. Significant accounting policies

The accounting policies applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of International Financial Reporting Standards and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements, except for the revised IAS 19 Employee Benefits that was adopted on 1 January 2013. The impact of IAS 19 on the financial statements is presented in note 10.

The accounting policies have been applied consistently by all group entities.

4. Independent audit by the auditor

These summarised consolidated financial statements for the year ended 31 December 2013 have been extracted from the complete set of annual financial statements on which the auditors, KPMG Inc, have expressed an unqualified audit opinion, dated 20 March 2014. The auditor's report and annual financial statements, which have been summarised in this report, are available for inspection at the registered office of the company. This abridged report is extracted from audited information, but is not itself audited.

The Directors take full responsibility for the preparation of this report and that the financial information has been correctly extracted from the underlying annual financial statements.

5. Segment reporting

The group operates in a single operating segment as an investment holding company with assets in the mining industry.

6. Profit on disposal of prospecting rights

R&E disposed of certain of its prospecting rights which had a R0.4 million carrying value for R1.5 million. R&E has entered into various agreements for the sale of certain of its prospecting rights, with nil carrying values, to third parties. In terms of the agreements, however, there are still a number of conditions precedent outstanding at year-end and as a result the disposals have not been recognised as yet. The proceeds (and profit) which are expected to be realised from these transactions are R5.9 million.

7. Recoveries

R&E concluded a settlement agreement with Mr Paul Main on 23 March 2012, in terms of which USD4 million was payable by Mr Main to R&E. The settlement relates to the group's claim against him for damages in respect of 2 million Randgold Resources Limited shares. Shareholders are referred to the announcements made by the company on 30 May 2013, relating to this settlement. R&E recognised the final payment of R22 million received in cash during June 2013.

8. Earnings per share

	2013 Per share (in cents)	2012 Per share (in cents)
Earnings per share		
Basic earnings and diluted earnings per ordinary share	10	13

The calculation of basic and diluted earnings per ordinary share is based on earnings of R6.9 million (2012: earnings of R9.1 million) attributable to ordinary shareholders of the company and a weighted average of 71 585 172 (2012: 71 585 172) shares in issue.

Headline earnings and diluted headline earnings per share	8	6
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The calculation of the headline earnings and diluted headline earnings per share is based on headline earnings of R5.8 million (2012: headline earnings of R4.1 million) attributable to equity holders of the company and a weighted average of 71 585 172 (2012: 71 585 172) ordinary shares in issue during the year.

Reconciliation between basic earnings for the year and headline earnings

Profit for the year attributable to equity holders of the company	6 961	9 159
Adjusted for:		
Profit on disposal of prospecting rights	(1 076)	(5 037)
Headline earnings for the year attributable to equity holders of the company	5 885	4 122

9. Net asset and tangible net asset value per share

The net asset value per share is calculated using the following variables:

	31 December 2013	31 December 2012
Net asset value (R'000)	186 912	175 878
Ordinary shares outstanding	71 585 172	71 585 172
Net asset value per share (cents)	261	246
Net tangible asset value per share (cents)	261	245

The number of shares outstanding at 31 December 2013 and 31 December 2012 has been adjusted for the 2 999 893 treasury shares held.

10. Material changes

Post-retirement medical benefit obligation

During 2013, R&E concluded settlements with a number of pensioners. The main drivers of the movement in the post-retirement medical obligation are due to the settlements of R19.9 million and actuarial gains of R4 million.

IAS 19 change in accounting policy

	2013 R'000	2012 R'000
All actuarial gains and losses are recognised through other comprehensive income. During the prior year the policy was to recognise gains and losses through profit and loss. As this change in accounting policy does not affect the balance sheet, a third balance sheet is not required.		
Income statement		
Personnel costs	(2 356)	(12 322)
Transfer to Other comprehensive income	(4 073)	2 307
Restated Personnel costs	(6 429)	(10 015)
Profit before reclassification	11 034	6 852
Transfer to Other comprehensive income	(4 073)	2 307
Restated profit for the year	6 961	9 159
Other Comprehensive Income		
Actuarial gains/(losses)	4 073	(2 307)
Other comprehensive income for the year	4 073	(2 307)
Basic earnings and diluted earnings per ordinary share		
Before change in accounting policy	15	10
After change in accounting policy	10	13

11. Related party transactions

There were no related party transactions during the period under review other than in the normal course of business. Key management remuneration for the current year was R4.064 million (2012: R4.792 million).

12. Events after reporting date

There were no significant events between the reporting date and the approval date of these results.

13. Notice of annual general meeting

Shareholders are advised that the annual general meeting of R&E will be held at MW Business Centre, Michelangelo Hotel, Mandela Square, Sandton, at 11:00 on Thursday, 8 May 2014. A copy of the notice of the annual general meeting incorporating the summarised financial statements will be distributed to shareholders on 24 March 2014.

The date on which shareholders must be recorded in the Share Register maintained by the transfer secretaries, for purposes of being entitled to attend and vote at the annual general meeting is Friday, 2 May 2014, with last day to trade being Wednesday, 23 April 2014.

Directors

DC Kovarsky (Chairman)**, M Steyn (CEO)*, V Botha*, P Burton#, JH Scholes**

(*Executive, **Independent non-executive, #Appointed 23 May 2013 independent non-executive)

Company secretary

V Botha CA(SA)

Transfer secretaries

Computershare Investor Services (Pty) Ltd
(Registration number 2004/003647/07)
70 Marshall Street, Johannesburg, 2001

Sponsor

PSG Capital
First Floor, Ou kollege, 35 kerk street, Stellenbosch, 7600

24 March 2014