Notes to the Consolidated And Separate Annual Financial Statements

Figures in Rand thousand

3. Property, plant and equipment

Group

	2022			2021		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Beneficiation assets						
Smelters	3,842,679	(3,125,430)	717,249	3,677,182	(3,215,202)	461,980
Pelletising plant	398,629	(352,616)	46,013	396,171	(362,494)	33,677
Right-of-use assets	31,674	(26,679)	4,995	35,993	(24,301)	11,692
Corporate assets	4,347	(4,087)	260	4,524	(4,385)	139
Mining assets						
Mines	1,355,494	(1,097,018)	258,476	1,282,559	(1,115,226)	167,333
PGMs processing plant	52,974	(4,996)	47,978	37,975	(219)	37,756
Total	**5,685,797**	**(4,610,826)**	**1,074,971**	**5,434,404**	**(4,721,827)**	**712,577**

Company

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Right-of-use assets	533	(533)	-	533	(357)	176
Corporate assets	1,896	(1,469)	427	1,685	(1,382)	303
Total	**2,429**	**(2,002)**	**427**	**2,218**	**(1,739)**	**479**

Notes to the Consolidated And Separate Annual Financial Statements

Figures in Rand thousand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2022

	Opening balance	Additions**	Disposals	Disposal accumulated depreciation and impairment	Movement in capital work in progress	Reclassification to asset held for sale	Depreciation*	Impairment loss	Total
Beneficiation assets									
Smelters	461,980	224,460	(241,960)	241,958	182,997	-	(151,950)	(236)	717,249
Pelletising plant	33,677	20,494	(21,340)	21,338	3,304	-	(11,460)	-	46,013
Right-of-use assets	11,692	2,081	(6,400)	6,257	-	-	(8,635)	-	4,995
Corporate assets	139	211	(388)	388	-	-	(90)	-	260
Mining assets									
Mines	167,333	122,752	(56,445)	56,335	7,592	(963)	(38,128)	-	258,476
PGMs processing plant	37,756	16,880	-	-	(1,882)	-	(4,776)	-	47,978
	712,577	**386,878**	**(326,533)**	**326,276**	**192,011**	**(963)**	**(215,039)**	**(236)**	**1,074,971**

Impairment assessment

As a result of an impairment indicator arising from Merafe's market capitalisation being lower than the net asset value at 31 December 2022, management performed an impairment assessment on the basis set out in note 1.17 and note 37. Significant judgement and estimates were made in determining the value-in-use calculation which is further explained in note 37. The recoverable amount was determined by using the value-in-use calculation via a discounted cash flow model. Based on the model the carrying value was higher than the recoverable amount but no impairment was recognised as there was no conclusive evidence to support the loss. An impairment raised against the assets to the value of R0.24m is due to a specific asset having nil economic value.

Depreciation

* R219m depreciation and amortisation is recognised in the statement of profit or loss and other comprehensive income which comprises of R215m resulting from property, plant and equipment and R4m of amortisation resulting from intangible assets.

Change in estimate

** An amount of R92m of change in estimate on the environmental rehabilitation provision is included in the additions for the Group. This is a non-cash item for purpose of the Group's statement of cash flows.

Figures in Rand thousand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2021

	Opening balance	Additions	Disposals**	Disposal accumulated depreciation and impairment	Movement in capital work in progress	Depreciation*	Impairment loss	Total
Beneficiation assets								
Smelters	223,627	367,335	(102,506)	102,506	(47,095)	(76,063)	(5,824)	461,980
Pelletising plant	15,201	13,425	(16,207)	16,207	9,346	(4,295)	-	33,677
Right-of-use assets	16,505	-	-	-	-	(4,813)	-	11,692
Corporate assets	76	107	-	-	-	(44)	-	139
Mining assets								
Mines	83,210	164,508	(10,684)	10,631	(59,060)	(21,272)	-	167,333
PGMs processing plant	-	36,093	-	-	1,882	(219)	-	37,756
	338,619	**581,468**	**(129,397)**	**129,344**	**(94,927)**	**(106,706)**	**(5,824)**	**712,577**

Impairment assessment

As a result of an impairment indicator arising from Merafe's market capitalisation being lower than the net asset value at 31 December 2021, management performed an impairment assessment on the basis set out in note 1.17 and note 37. Significant judgement and estimates were made in determining the value-in-use calculation which is further explained in note 37. The recoverable amount was determined by using the value-in-use calculation via a discounted cash flow model. Based on the model the carrying value was lower than the recoverable amount therefore no impairment adjustments were raised against property, plant and equipment and intangible assets. An impairment raised against the assets to the value of R6m due to specific assets having nil economic value.

Depreciation

* R111m depreciation and amortisation is recognised in the statement of profit or loss and other comprehensive income which comprises of R107m resulting from property, plant and equipment and R4m of amortisation resulting from intangible assets.

Change in estimate

** An amount of R4m of change in estimate on the environmental rehabilitation provision is included in the disposals for the Group. This is a non-cash item for purpose of the Group's statement of cash flows.

Notes to the Consolidated And Separate Annual Financial Statements

Figures in Rand thousand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2022

	Opening balance	Additions	Derecognition	Depreciation	Total
Right-of-use assets	176	-	(142)	(34)	-
Corporate assets	303	211	-	(87)	427
	479	**211**	**(142)**	**(121)**	**427**

Reconciliation of property, plant and equipment - Company - 2021

	Opening balance	Additions	Depreciation	Total
Right-of-use assets	325	-	(149)	176
Corporate assets	224	107	(28)	303
	549	**107**	**(177)**	**479**