FINANCIAL REVIEW CONTINUED

Notes to the condensed consolidated financial statements continued

for the year ended 30 September 2018

10. Property, plant and equipment

	Freehold land and buildings US$'000	Mining assets and infrastructure US$'000	Mining fleet US$'000
30 September 2018			
Cost			
Balance at 30 September 2017	15 354	266 019	7 030
Adoption of IFRS 16 (refer note 3)	–	–	–
Balance at 1 October 2017	15 354	266 019	7 030
Additions	150	21 429	16 473
Business combination (note 21)	–	1 886	21 466
Transfers	–	–	(2 203)
Disposals	–	–	(145)
Assets written off	–	(266)	(2 539)
Exchange differences on translation	(643)	(12 723)	(3 210)
Balance at 30 September 2018	14 861	276 345	36 872
Accumulated depreciation			
Balance at 30 September 2017	592	59 337	299
Adoption of IFRS 16	–	–	–
Balance at 1 October 2017	592	59 337	299
Charge for the year	188	16 761	7 700
Transfers	–	–	(80)
Disposals	–	–	–
Impairment/assets written off	–	–	1 020
Exchange differences on translation	(40)	(3 708)	(665)
Balance at 30 September 2018	740	72 390	8 274

Notes to the condensed consolidated financial statements continued

for the year ended 30 September 2018

Right-of-use asset: mining fleet US$'000	Motor vehicles US$'000	Computer equipment and software US$'000	Office equipment and furniture, community and site office improvements US$'000	Right-of-use asset: buildings US$'000	Leasehold improvements US$'000	Total US$'000
–	594	5 542	796	–	220	295 555
–	–	–	–	1 503	(220)	1 283
–	594	5 542	796	1 503	–	296 838
6 910	88	2 167	147	791	–	48 155
6 527	–	–	–	–	–	29 879
2 203	–	(15)	(114)	129	–	–
–	–	(97)	(29)	–	–	(271)
(159)	–	(1)	–	–	–	(2 965)
(1 299)	(31)	(373)	(29)	(127)	–	(18 435)
14 182	651	7 223	771	2 296	–	353 201
–	289	1 914	518	–	47	62 996
–	–	–	–	164	(47)	117
–	289	1 914	518	164	–	63 113
2 963	69	1 712	93	372	–	29 858
80	–	(6)	(23)	29	–	–
–	–	(87)	(28)	–	–	(115)
(88)	–	–	–	–	–	932
(223)	(17)	(193)	(19)	(33)	–	(4 898)
2 732	341	3 340	541	532	–	88 890

FINANCIAL REVIEW CONTINUED

Notes to the condensed consolidated financial statements continued

for the year ended 30 September 2018

10. Property, plant and equipment continued

	Freehold land and buildings US$'000	Mining assets and infra-structure US$'000	Mining fleet US$'000	Leasehold improve-ments US$'000	Computer equip-ment and software US$'000	Motor vehicles US$'000	Office equip-ment and furniture, community and site office improve-ments US$'000	Total US$'000
Balance 30 September 2016								
Opening balance	14 504	248 588	–	130	2 077	515	554	266 368
Additions	666	14 602	7 124	189	3 504	73	240	26 398
Disposals	–	(231)	–	(99)	(19)	–	–	(349)
Exchange differences	184	3 060	(94)	–	(20)	6	2	3 138
Balance at 30 September 2017	15 354	266 019	7 030	220	5 542	594	796	295 555
Accumulated depreciation								
Balance at 30 September 2016	414	43 429	–	127	1 203	198	463	45 834
Charge for the year	174	15 570	303	16	725	90	51	16 929
Disposals	–	(35)	–	(99)	(19)	–	–	(153)
Exchange differences	4	373	(4)	3	5	1	4	386
Balance at 30 September 2017	592	59 337	299	47	1 914	289	518	62 996

Notes to the condensed consolidated financial statements continued

for the year ended 30 September 2018

10. Property, plant and equipment continued

	30 September 2018 US$'000	30 September 2017 US$'000
Net book value		
Freehold land and buildings	**14 121**	14 762
Mining assets and infrastructure	**203 955**	206 682
Mining fleet	**28 598**	6 731
Right-of-use mining fleet	**11 450**	–
Motor vehicles	**310**	305
Computer equipment and software	**3 883**	3 628
Office equipment and furniture, community and site office improvements	**230**	278
Right-of-use buildings and premises	**1 764**	–
Leasehold improvements	**–**	173
	264 311	232 559

Included in additions to mining assets and infrastructure are additions to the deferred stripping asset of US$1.3 million (2017: no additions).

The estimated economically recoverable proved and probable mineral reserve was reassessed at 1 October 2017 which gave rise to a change in accounting estimate. The remaining reserve that management had previously assessed was 100.3 Mt (at 30 September 2016) and at 30 September 2017 was assessed to be 97.0 Mt.

As a result, and taking into account depletion of the reserve during the year ended 30 September 2017 (5.0 Mt), the expected useful life of the plant increased. The impact of the change on the actual depreciation expense, included in cost of sales, is a reduced depreciation charge of US$0.2 million.

Included in mining assets and infrastructure are projects under construction of US$20.5 million (2017: US$9.0 million).

Freehold land and buildings comprises various portions of the farms Elandsdrift 467 JQ, Buffelspoort 343 JQ and 342 JQ, North West province, South Africa. All land is freehold.

Property, plant and equipment, with the exception of motor vehicles, is insured at approximate cost of replacement. Motor vehicles are insured at market value. Land is not insured.

Capital commitments

At 30 September 2018, the Group's capital commitments for contracts to purchase property, plant and equipment amounted to US$6.0 million (2017: US$6.5 million).

Securities

At 30 September 2018, US$11.4 million of the carrying amount of the Group's mining fleet was pledged as security against the equipment loan facility. At 30 September 2017, US$213.5 million was secured against the secured bank borrowings. The secured bank borrowings was settled in full during the year ended 30 September 2018.

Assets written off/impairment

During the year ended 30 September 2018, the Group impaired and scrapped assets totalling US$3.9 million. The impairment and assets written off relate to costs capitalised to the construction of a new plant and to yellow fleet equipment identified as no longer fit for use and premature component failures. The Group decided not to proceed with the construction of the new plant.