Notes to the condensed consolidated financial statements continued

for the year ended 30 September 2018

13. Deferred tax

	2018 US$'000	2017 US$'000
Deferred tax assets	1 880	1 952
Deferred tax liabilities	(29 892)	(23 823)
Net deferred tax liability	(28 012)	(21 871)
Deferred tax assets		
Property, plant and equipment	(35)	(54)
Unrealised foreign currency exchange losses	610	752
Accrued leave	165	164
Share-based payments	1 040	1 073
Other	100	17
	1 880	1 952
Deferred tax liabilities		
Property, plant and equipment	63 212	57 765
Tax losses not utilised	(28 755)	(30 065)
Accrued leave	(3 573)	(1 977)
Share-based payments	(782)	(809)
Other	(210)	(1 091)
	29 892	23 823
Reconciliation of deferred tax liability		
Balance at the beginning of the year	(21 871)	(3 878)
Adoption of IFRS 16 (refer note 3)	7	–
	(21 864)	(3 878)
Temporary differences recognised in profit or loss and equity in relation to:		
Capital allowances on property, plant and equipment	(8 470)	(2 731)
Provisions	440	649
Tax losses	(79)	(17 364)
Other	482	1 145
	(7 627)	(18 301)
Exchange differences	1 479	308
Balance at the end of the year	(28 012)	(21 871)
Amounts recognised in:		
Profit or loss (note 8)	(7 933)	(19 162)
Equity	306	861
	(7 627)	(18 301)

Deferred tax assets and deferred tax liabilities are not offset unless the Group has a legally enforceable right to offset such assets and liabilities.

FINANCIAL REVIEW CONTINUED

Notes to the condensed consolidated financial statements continued

for the year ended 30 September 2018

13. Deferred tax continued

All of the above amounts have used the currently enacted income taxation rates of the respective tax jurisdictions the Group operates in. South African taxation losses normally expire within 12 months of the respective entities not trading. The deductible temporary timing differences do not expire under current taxation legislation. Deferred tax assets have only been recognised in terms of these items when it is probable that taxable profit will be available in the immediate future against which the respective entities can utilise the benefits therefrom.

The estimates used to assess the recoverability of recognised deferred tax assets include a forecast of the future taxable income and future cash flow projections based on a three-year period. The Group did not have tax losses and temporary differences for which deferred tax was not recognised.

14. Inventories

	2018 US$'000	2017 US$'000
Finished products	7 199	6 620
Ore stockpile	1 338	5 807
Consumables	14 623	8 399
	23 160	20 826
Impairment of consumables	(117)	(24)
Total carrying amount	23 043	20 802

Inventories are stated at the lower of cost or net realisable value. The Group impaired certain consumables and spares as the operational use became doubtful with no anticipated recoverable amount or value in use. The impaired consumables are allocated equally to the PGM and chrome operating segments (2017: 35.0% and 65.0% respectively to the PGM and chrome operating segments). There were no write-downs to net realisable value during the year (2017: no write-downs).

15. Trade and other receivables

	2018 US$'000	2017 US$'000
Trade receivables	38 645	55 602
PGM receivable	25 355	–
Total trade receivables	64 000	55 602
Other receivables – related parties (note 23)	417	59
Deposits, prepayments and other receivables	1 000	1 081
Accrued income	5 088	3 167
Value added tax receivable ('VAT')	14 577	9 327
Provision for royalty tax	1 120	1 138
	86 202	70 374