FINANCIAL REVIEW CONTINUED

Notes to the condensed consolidated financial statements continued

for the year ended 30 September 2018

17. Share capital and reserves

Share capital

	30 September 2018 Number of shares	30 September 2018 US$'000	30 September 2017 Number of shares	30 September 2017 US$'000
Authorised – ordinary shares of US$0.001 each				
As at 30 September	10 000 000 000	10 000	10 000 000 000	10 000
Authorised – convertible redeemable preference shares of US$1 each				
As at 30 September	1 051	1	1 051	1
Issued				
Ordinary shares				
Balance at the beginning of the year	261 000 000	261	256 981 571	257
Issued as part of management share award plans	–	–	2 984 853	3
Issued to treasury shares	4 000 000	4	1 033 576	1
Balance at the end of the year	265 000 000	265	261 000 000	261
Treasury shares				
Balance at the beginning of the year	987 274	1	–	–
Issued	4 000 000	4	1 033 576	1
Transferred as part of management share award plans	(889 703)	(1)	(46 302)	–
Balance at the end of the year	4 097 571	4	987 274	1
Issued and fully paid	260 902 429	261	260 012 726	260

Notes to the condensed consolidated financial statements continued

for the year ended 30 September 2018

17. Share capital and reserves continued

Share premium

	30 September 2018		30 September 2017	
	Number of shares	US$'000	Number of shares	US$'000
Balance at the beginning of the year	**260 012 726**	**280 082**	256 981 571	456 181
Capital reduction	**–**	**–**	–	(179 175)
Shares issued	**889 703**	**463**	3 031 155	3 076
Balance at the end of the year	**260 902 429**	**280 545**	260 012 726	280 082

Share capital

Allotments during the year were in respect of 4 000 000 (2017: 1 033 576) ordinary shares issued as treasury shares to satisfy the vesting of conditional awards and potential future settlement of appreciation rights of the participants' of the Tharisa Share Award Plan. Allotments during the previous year were in respect of the award of 2 984 853 ordinary shares granted in terms of the Share Award Plan (conditional awards) of the participants' of the Tharisa Share Award Plan.

During the year ended 30 September 2018, 889 703 (2017: 46 302) ordinary shares were transferred from treasury shares to satisfy the exercise of appreciation rights by the participants of the Tharisa Share Award Plan.

At 30 September 2018, 4 097 571 (2017: 987 274) ordinary shares were held in treasury.

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares, other than treasury shares, are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Share premium

The share premium represents the excess of the issue price of ordinary shares over their nominal value, to the extent that it is registered at the Registrar of Companies in Cyprus, less share issue costs. The share premium is not distributable for dividend purposes.

During the year ended 30 September 2017, the share premium account was reduced by US$179.2 million with a corresponding increase in the retained earnings to reduce the accumulated losses to US$nil. The required Court Order was obtained on 8 March 2017 and filed at the Registrar of Companies on 9 March 2017.

The distribution during the year ended 30 September 2017 of US$2.6 million (US$1 cent per share) was approved by way of a special resolution on 1 February 2017. The special resolution was ratified by the Court Order on 8 March 2017.

During the years ended 30 September 2018 and 30 September 2017, the increases in the share premium account related to the issue and allotment of ordinary shares granted in terms of the Share Award Plan.

Other reserve

Other reserve represents the discount between the fair value and the acquisition consideration paid at the time for the Company's 74.0% shareholding in Tharisa Minerals Proprietary Limited. The Company acquired the shares from its non-controlling shareholders and in accordance with the requirements of IAS 1, the gain on bargain purchase was recognised in equity.

Retained earnings

The retained earnings includes the accumulated retained profits or losses of the Group and the share-based payment reserve. Retained earnings are distributable for dividend purposes.