

Summarised annual financial statements continued

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2017

4 SEGMENTAL INFORMATION

The following segments are separately monitored by management and form the group's reportable segments:

Joint venture mining and beneficiation

Assore's principal investment is its 50% share in Assmang Proprietary Limited (Assmang).

Assmang's operations are managed by commodities mined and, where applicable, beneficiated at various works operations.

Accordingly, this segment is further analysed as follows:

- iron ore (Iron Ore division);
- manganese ore and alloys (Manganese division); and
- charge chrome (Chrome division).

For purposes of presenting segmental information, disclosure is made of the entire value of the information pertaining to Assmang, with the portion attributable to the other joint-venture partner (50%) shown as part of the consolidation adjustments.

Dwarsrivier

With effect from 1 July 2016, Assore owns 100% of Dwarsrivier, which mines and beneficiates chrome ores. Dwarsrivier is managed on an independent basis by executive management.

Marketing and shipping

In terms of the joint-venture arrangement with Assmang, Assore and certain of its subsidiaries are responsible for the marketing and shipping of Assmang's product. In addition, another subsidiary provides consulting and engineering expertise to Assmang and other group companies.

Other mining activities, eliminations and adjustments

This segment contains the chrome operations managed by Rustenburg Minerals, Zeerust, the pyrophyllite and ceramic operations of Wonderstone Limited and adjustments necessary to give effect to the impact of equity-accounting the results of Assmang and other consolidation adjustments. The operations referred to have become immaterial, due to the chrome operations no longer being in commercial production and therefore these adjustments were previously disclosed separately.

R'000	Iron Ore division	Manganese division	Chrome division	Sub-total	Dwarsrivier	Marketing and shipping	Other mining activities, eliminations and adjustments	Total
Year to 30 June 2017								
Revenues								
Third party	16 398 968	10 238 065	207 764	26 844 797	3 410 363	3 573 061	(26 604 262)	7 223 959
Inter-segment	—	—	—	—	—	121 286	(121 286)	—
Total revenues	16 398 968	10 238 065	207 764	26 844 797	3 410 363	3 694 347	(26 725 548)	7 223 959
Contribution to profit/(loss) for the year*	4 372 631	2 181 569	(6 746)	6 547 454	843 199	1 071 298	(6 573 094)	1 888 857
Contribution to headline earnings [#]	4 373 877	2 321 686	749 337	7 444 900	843 199	653 423	(3 732 476)	5 209 046
Impairment of financial and non-financial assets	—	(138 976)	(746 007)	(884 983)	—	—	442 491	(442 492)
Statement of financial position								
Consolidated total assets	25 571 400	13 519 306	554 089	39 644 795	1 511 650	23 589 330	(39 201 542)	25 544 233
Consolidated total liabilities	5 930 711	2 754 092	414 120	9 098 923	824 167	1 823 961	(9 050 472)	2 696 579
Other information								
Finance income	531 544	12 120	—	543 664	29 897	312 508	(536 746)	349 323
Finance costs	54 997	40 004	—	95 001	5 838	9 176	(90 353)	19 662
Depreciation and amortisation	1 417 197	465 250	—	1 882 447	137 439	6 409	(1 871 807)	154 488
Taxation	1 864 503	911 241	(2 622)	2 773 122	297 014	273 031	(2 759 747)	583 420
Capital expenditure	1 168 975	1 648 006	—	2 816 981	140 581	2 361	(2 810 064)	149 859

* Profit after taxation, before joint venture entity and foreign listed associate.

[#] Includes equity-accounted results of Assmang and IronRidge.

4 SEGMENTAL INFORMATION (continued)

R'000	Iron Ore division	Manganese division	Chrome division	Sub-total	Marketing and shipping	Other mining and beneficiation	Adjustments arising on consolidation	Total
Year to 30 June 2016								
Revenues								
Third party	12 532 603	6 666 055	1 893 709	21 092 367	2 650 817	290 230	(21 092 367)	2 941 047
Inter-segment	—	—	—	—	5 542	—	(5 542)	—
Total revenues	12 532 603	6 666 055	1 893 709	21 092 367	2 656 359	290 230	(21 097 909)	2 941 047
Contribution to profit/(loss) for the year*	2 440 236	103 748	42 962	2 586 946	367 384	(143 457)	(2 586 946)	223 927
Contribution to headline earnings#	2 429 137	394 758	42 965	2 866 860	377 106	(66 360)	(1 433 430)	1 744 176
Impairment of financial and non-financial assets	—	(405 418)	—	(405 418)	—	(117 412)	202 709	(320 121)
Statement of financial position								
Consolidated total assets	25 982 501	11 044 725	1 576 180	38 603 406	1 217 940	308 893	(19 301 703)	20 828 536
Consolidated total liabilities	5 853 111	2 153 428	222 742	8 229 281	1 859 704	57 223	(8 229 281)	1 916 927
Other information								
Finance income	406 383	9 868	667	416 918	204 257	6 189	(416 918)	210 446
Finance costs	25 173	34 084	3 219	62 476	32 324	6 252	(62 476)	38 576
Depreciation and amortisation	1 517 071	472 161	105 764	2 094 996	9 492	17 603	(2 094 996)	27 095
Taxation	917 170	30 823	23 273	971 266	170 467	5 909	(971 266)	176 376
Capital expenditure	901 037	1 927 538	146 103	2 974 678	25 133	698	(2 974 678)	25 831

* Profit after taxation, before joint venture entity and foreign listed associate.

Includes equity-accounted results of Assmang and IronRidge.

Geographical information**Geographical segment by location of customers**

An analysis of the geographical locations to which product is supplied is set out below:

	Assmang revenue by segment R'000	2017 Subsidiaries revenue by segment R'000	Total R'000	Assmang revenue by segment R'000	2016 Subsidiaries revenue by segment R'000	Total R'000
Customers by locations						
Far East	20 155 728	3 070 845	23 226 573	12 476 319	21 613	12 497 932
Europe	1 583 640	40 191	1 623 831	2 306 454	2 629	2 309 083
USA	550 246	2 421 439	2 971 685	1 716 791	1 745 749	3 462 540
South Africa	3 946 475	1 486 862	5 433 337	2 969 603	1 170 155	4 139 758
Other – foreign	43 929	204 622	248 551	1 623 200	901	1 624 101
Total	26 280 018	7 223 959	33 503 977	21 092 367	2 941 047	24 033 414

Notes:

1. There are no customers whose off-take represents more than 10% of revenue (one customer in 2016: R2 607 million).

2. The revenue of Assmang (refer note 1) is excluded from the group's reported revenue, in terms of the application of IFRS 11.