

Notes to the consolidated financial statements continued

for the year ended 30 June 2019

10 DISPOSAL GROUPS HELD FOR SALE

On 17 November 2017, Assore, which owns 100% of the issued shares in Zeerust Chrome Mines Limited (Zeerust), entered into a sale of shares agreement. In terms of the agreement, Assore has agreed to sell all of its shares in Zeerust, with the transaction being contingent on certain suspensive conditions being met by 31 December 2018, the most significant of which was the consent required, in terms of the Mineral Resources and Petroleum Development Act, by the Department of Mineral Resources (DMR) for the transfer of the mining right from Zeerust (the section 11 transfer). The last of the above suspensive conditions were met on 15 November 2018, with DMR approval of the section 11 transfer, on which date Zeerust was sold for a purchase consideration of R1 million, payable by 15 November 2020 (refer note 6). The group realised a gain on disposal of Zeerust of R2 669 000 included as part of other income.

On 6 February 2018, Rustenburg Mineral Development Company Proprietary Limited (Rustenburg Minerals), in which the group has a 56% interest entered into a sale of business agreement. In terms of the agreement, Rustenburg Minerals agreed to sell its chrome mining business, comprising the assets and liabilities required for the income-earning activity of the chrome mining business. At the 2018 and 2019 financial year-end the sale was contingent upon certain suspensive conditions being met, with the purchase price being agreed at nominal value, payable to Rustenburg Minerals, for the transfer of its assets and liabilities. The agreement specifically excludes any contingent liabilities arising after the effective date, 1 October 2018, of the transaction.

Management regarded the net asset value to be disposed of as disposal groups.

These identified disposal groups comprised the following assets and liabilities at the reporting period.

These identified disposal groups comprised the following assets and liabilities at 30 June 2019:

Assets held-for-sale as part of identified disposal groups:

- trade and other receivables
- cash resources

Liabilities associated with assets held-for-sale:

- trade and other payables

These identified disposal groups comprised the following assets and liabilities at 30 June 2018:

Assets held-for-sale as part of identified disposal groups:

- inventories
- trade and other receivables
- cash resources

Liabilities associated with assets held-for-sale:

- long-term provisions
- short-term provisions
- trade and other payables

	Rustenburg	Zeerust	Total
Assets held-for-sale as part of identified disposal groups:			
— trade and other receivables	287	—	287
— cash resources	1	—	1
			<u>288</u>
Liabilities associated with assets held-for-sale:			
— trade and other payables	651	—	651
			<u>651</u>
Assets held-for-sale as part of identified disposal groups:			
— inventories	545	6	551
— trade and other receivables	259	190	449
— cash resources	273	78	351
			<u>1 351</u>
Liabilities associated with assets held-for-sale:			
— long-term provisions	9 950	1 607	11 557
— short-term provisions	4 293	1 033	5 326
— trade and other payables	251	40	291
			<u>17 174</u>

The asset value of Rustenburg Minerals and Zeerust (for the 2018 financial year only) have accordingly been disclosed as disposal groups held-for-sale in accordance with IFRS 5: *Non-current Assets Held-for-Sale and Discontinued Operations*.