2. Property, plant and equipment

	At the beginning of year - 2018			Movements during the year					At the end of year - 2018		
	Cost	Accumulated depreciation and	Carrying value	Additions	Disposals - cost	Disposals - accumulated depreciation	Depreciation	Movement in CWIP	Cost	Accumulated depreciation and	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Group 2018											
Land, mineral and surface rights	**124 002**	**(68 069)**	**55 933**	**-**	**-**	**-**	**(4 557)**	**-**	**124 002**	**(72 626)**	**51 376**
Boschoek smelter	**1 294 430**	**(265 616)**	**1 028 814**	**169 781**	**(115 849)**	**106 369**	**(116 131)**	**-**	**1 348 362**	**(275 378)**	**1 072 984**
Wonderkop smelter	**349 807**	**(147 066)**	**202 741**	**33 017**	**(19 044)**	**19 044**	**(35 178)**	**-**	**363 780**	**(163 200)**	**200 580**
Lion smelter	**1 484 891**	**(449 542)**	**1 035 349**	**80 746**	**(106 159)**	**101 018**	**(153 420)**	**-**	**1 459 478**	**(501 944)**	**957 534**
Tswelopele pelletising	**170 557**	**(37 565)**	**132 992**	**3 461**	**(3 543)**	**2 969**	**(12 717)**	**-**	**170 475**	**(47 313)**	**123 162**
Bokamoso pelletising	**208 519**	**(67 278)**	**141 241**	**16 374**	**(9 335)**	**9 024**	**(17 685)**	**-**	**215 558**	**(75 939)**	**139 619**
Western mines	**239 061**	**(95 565)**	**143 496**	**36 491**	**(11 980)**	**11 980**	**(31 714)**	**-**	**263 572**	**(115 299)**	**148 273**
Eastern mines	**555 240**	**(195 127)**	**360 113**	**23 665**	**(7 294)**	**6 311**	**(48 052)**	**-**	**571 611**	**(236 868)**	**334 743**
Corporate assets	**3 549**	**(2 703)**	**846**	**936**	**(127)**	**127**	**(606)**	**-**	**4 358**	**(3 182)**	**1 176**
Capital work in progress (CWIP)	**169 630**	**-**	**169 630**	**-**	**-**	**-**	**-**	**78 511**	**248 141**	**-**	**248 141**
Total	**4 599 686**	**(1 328 531)**	**3 271 155**	**364 471**	**(273 331)**	**256 842**	**(420 060)***	**78 511**	**4 769 337**	**(1 491 749)**	**3 277 588**
Company 2018											
Corporate assets	**1 562**	**(1 208)**	**354**	**86**	**(127)**	**127**	**(165)**	**-**	**1 521**	**(1 246)**	**275**
Total	**1 562**	**(1 208)**	**354**	**86**	**(127)**	**127**	**(165)**	**-**	**1 521**	**(1 246)**	**275**

Change in accounting estimate

In the prior year, management reassessed the useful lives of the permanenet sturctures and furnaces to zero. Depreciation has increased in the current year as a result of the reassesments done. This has resulted in an acceleration of depreciation. The impact on depreciation was an increase of R38m in the current year.

Impairment assessment

As a result of an impairment indicator arising from Merafe's market capitalisation being lower than the net asset value at 31 December 2018, management performed an impairment assessment on the basis set out in note 1.20.2 and note 31. The recoverable amount was determined by using the value-in-use calculation via a discounted cash flow model. Based on the model the recoverable amount was higher than the carrying value therefore no impairment was necessary.

Depreciation

* R405m depreciation is recognised in the statement of comprehensive income. R14.5m relates to depreciation capitalised to inventory.

2. Property, plant and equipment *(continued)*

	At the beginning of the year - 2017			Movements during the year - 2017					At the end of the year - 2017		
	Cost	Accumulated depreciation and impairment	Carrying value	Additions	Disposals – Cost	Disposals – Accumulated Depreciation	Depreciation	Movement in CWIP	Cost	Accumulated depreciation and impairment	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Group 2017											
Land, mineral and surface rights	118 341	(64 105)	54 236	7 463	(1 802)	959	(4 923)	-	124 002	(68 069)	55 933
Boshoek smelter	1 238 583	(218 617)	1 019 966	129 029	(73 182)	73 182	(120 181)	-	1 294 430	(265 616)	1 028 814
Wonderkop smelter	309 005	(128 789)	180 216	53 595	(12 793)	12 793	(31 070)	-	349 807	(147 066)	202 741
Lion smelter	1 416 545	(334 564)	1 081 981	69 445	(1 099)	1 099	(116 077)	-	1 484 891	(449 542)	1 035 349
Tswelopele pelletising plant	170 898	(28 759)	142 139	3 983	(4 324)	4 324	(13 130)	-	170 557	(37 565)	132 992
Bokamoso pelletising plant	209 229	(61 235)	147 994	14 100	(14 810)	14 810	(20 853)	-	208 519	(67 278)	141 241
Western mines	207 307	(70 745)	136 562	34 334	(2 580)	2 580	(27 400)	-	239 061	(95 565)	143 496
Eastern mines	462 391	(153 948)	308 443	93 103	(254)	254	(41 433)	-	555 240	(195 127)	360 113
Corporate assets	3 297	(2 226)	1 071	294	(42)	42	(519)	-	3 549	(2 703)	846
Capital work in progress (CWIP)	162 596	-	162 596	-	-	-	-	7 034	169 630	-	169 630
Total	4 298 192	(1 062 988)	3 235 204	405 346	(110 886)	110 043	(375 586)*	7 034	4 599 686	(1 328 531)	3 271 155
Company 2017											
Corporate assets	1 310	(1 101)	209	294	(42)	42	(149)	-	1 562	(1 208)	354
Total	1 310	(1 101)	209	294	(42)	42	(149)	-	1 562	(1 208)	354

Change in accounting estimate

Residual values of assets are assessed annually. During the 2017 year, management assessed the residual values of all permanent structures as nil and therefore depreciation was calculated on this basis. The impact on depreciation was an increase of R30m for the year. At 31 December 2017, the carrying value of these assets is R958m.

Impairment assessment

As a result of an impairment indicator arising from Merafe's market capitalisation being lower than the net asset value at 31 December 2017, management performed an impairment assessment on the basis set out in note 1.20.2 and note 31. The recoverable amount was determined by using the value-in-use calculation via a discounted cash flow model. Based on the model the recoverable amount was higher than the carrying value therefore no impairment was necessary.

Depreciation

* R368.2m depreciation is recognised in the statement of comprehensive income. R7.4m relates to depreciation capitalised to inventory