CHAPTER 4:
FINANCIAL STATEMENTS

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Financial statements

4.1 STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December	Note	Group 2020 Rm	Group (Re-presented)[1] 2019 Rm	Company 2020 Rm	Company 2019 Rm
Revenue	6.1.2	28 924	25 726	1 765	2 164
Operating expenses	6.1.3	(22 749)	(21 422)	(1 797)	(1 501)
Operating profit/(loss)		6 175	4 304	(32)	663
Impairment charges	8.5	(1 882)	(35)	(2 235)	(285)
Net operating profit/(loss)		4 293	4 269	(2 267)	378
Finance income	12.1.2	215	318	2 115	2 140
Finance costs	12.1.2	(1 047)	(355)	(2 054)	(1 890)
Income from financial assets		4		4	
Share of income of equity-accounted investments	9.3	6 411	4 693		
Dividend income from equity-accounted investments	9.3			3 263	4 196
Dividend income from investments in subsidiaries	17.3.2			569	461
Profit before tax		9 876	8 925	1 630	5 285
Income tax (expense)/benefit	7.3	(719)	(968)	127	(16)
Profit for the year from continuing operations		9 157	7 957	1 757	5 269
Profit for the year from discontinued operations	6.1.4	69	2 112	825	2 087
Profit for the year		9 226	10 069	2 582	7 356
Other comprehensive (loss)/income, net of tax		(251)	(710)		2
Items that will not be reclassified to profit or loss:		10	71		
– Remeasurement of retirement employee obligations		21	19		
– Changes in fair value of equity investments at FVOCI		(13)	50		
– Share of OCI of equity-accounted investments		2	2		
Items that may subsequently be reclassified to profit or loss:		(281)	58		(1)
– Unrealised exchange differences on translation of foreign operations		55	(7)		(1)
– Fair value losses recognised on cash flow hedges		(385)			
– Share of OCI of equity-accounted investments		49	65		
Items that have subsequently been reclassified to profit or loss:		20	(839)		3
– Recycling of exchange differences on translation of foreign operations		(103)	(7)		3
– Recycling of cash flow hedging gains		77			
– Recycling of share of OCI of equity-accounted investments		46	(832)		
Total comprehensive income for the year		8 975	9 359	2 582	7 358

[1] *Refer note 18.3 for the reclassification of Black Mountain from discontinued operations to continuing operations.*

4.1 STATEMENTS OF COMPREHENSIVE INCOME continued

For the year ended 31 December	Group 2020 Rm	Group (Re-presented)[1] 2019 Rm
Profit attributable to:		
Owners of the parent	7 283	9 809
– Continuing operations	7 229	7 699
– Discontinued operations	54	2 110
Non-controlling interests	1 943	260
– Continuing operations	1 928	258
– Discontinued operations	15	2
Profit for the year	9 226	10 069
Total comprehensive income attributable to:		
Owners of the parent	7 103	9 108
– Continuing operations	7 049	7 829
– Discontinued operations	54	1 279
Non-controlling interests	1 872	251
– Continuing operations	1 857	249
– Discontinued operations	15	2
Total comprehensive income for the year	8 975	9 359

[1] *Refer note 18.3 for the reclassification of Black Mountain from discontinued operations.*

	Note	Group 2020 Cents	Group (Re-presented)[1] 2019 Cents
Attributable earnings per share	5.2		
Aggregate[2]			
– Basic		2 902	3 908
– Diluted		2 902	3 908
Continuing operations			
– Basic		2 880	3 067
– Diluted		2 880	3 067
Discontinued operations			
– Basic		22	841
– Diluted		22	841
[1] *Refer note 18.3 for the reclassification of Black Mountain from discontinued operations to continuing operations.*			
[2] *The number of months in the year for which the BEE Parties have shared in the consolidated Eyesizwe results is:*		*12*	*2*

4.2 STATEMENTS OF FINANCIAL POSITION

		Group		Company	
At 31 December	Note	2020 Rm	(Re-presented)[1] 2019 Rm	2020 Rm	2019 Rm
ASSETS					
Non-current assets		65 824	57 978	12 576	20 521
Property, plant and equipment	10.1.3	38 395	33 562	599	602
Intangible assets[2]	10.2.3	3 095	16	6	8
Right-of-use assets	11.3	453	462	391	439
Inventories	6.2.2	128	101		
Equity-accounted investments	9.4	20 006	17 502	1 324	2 735
Investments in subsidiaries	17.4			8 390	9 287
Financial assets	10.3.2	2 141	2 674	1 406	7 153
Deferred tax	7.5	1 076	467	459	296
Other assets[2]	10.4	530	3 194	1	1
Current assets		9 033	9 121	13 917	6 905
Inventories	6.2.2	1 821	1 809	7	3
Financial assets	10.3.2	169	272	11 386	4 539
Trade and other receivables	6.2.3	2 827	3 241	646	630
Cash and cash equivalents		3 196	2 695	1 864	1 649
Other assets[2]	10.4	1 020	1 104	14	84
Non-current assets held-for-sale	8.4	3 749	1 741	4 002	2 377
Total assets		78 606	68 840	30 495	29 803

[1] *Refer note 18.3 for the reclassification of Black Mountain from non-current assets held-for-sale to equity-accounted investments.*

[2] *2019 has, in addition, been re-presented as a result of the following reclassifications:*
- *Intangible assets have been disaggregated from other assets due to it becoming material for 2020 in light of the business combination*
- *Lease receivables have been aggregated as part of other assets so as to remove immaterial items from the face of the statement of financial position to provide a better presentation of assets for the users.*

4.2 STATEMENTS OF FINANCIAL POSITION continued

At 31 December	Note	Group 2020 Rm	Group (Re-presented)[1] 2019 Rm	Company 2020 Rm	Company 2019 Rm
EQUITY AND LIABILITIES					
Capital and other components of equity					
Share capital	12.2.2	1 021	1 021	11 265	11 265
Other components of equity		2 495	2 723	1 053	1 055
Retained earnings/(accumulated deficit)		35 265	31 032	(7 611)	(5 856)
Equity attributable to owners of the parent		38 781	34 776	4 707	6 464
Non-controlling interests	17.7	9 340	8 111		
Total equity		48 121	42 887	4 707	6 464
Non-current liabilities		19 103	19 364	3 217	7 528
Interest-bearing borrowings	12.1.3	7 448	6 991	2 748	6 991
Lease liabilities	11.4	493	461	432	448
Other payables	6.2.4	24	121		
Provisions	13.3	1 946	4 305	37	37
Retirement employee obligations	14.4	147	181		
Financial liabilities	12.1.7	782			
Deferred tax	7.5	8 236	7 138		
Other liabilities	12.1.8	27	167		52
Current liabilities		10 244	5 179	22 571	15 811
Interest-bearing borrowings	12.1.3	6 163	50	6 053	50
Lease liabilities	11.4	29	27	23	17
Trade and other payables	6.2.4	2 940	2 603	200	177
Provisions	13.3	185	99		
Financial liabilities	12.1.7	49	498	16 071	14 398
Overdraft	12.1.3	17	976	17	976
Other liabilities	12.1.8	861	926	207	193
Non-current liabilities held-for-sale	8.4	1 138	1 410		
Total liabilities		30 485	25 953	25 788	23 339
Total equity and liabilities		78 606	68 840	30 495	29 803

[1] *Refer note 18.3 for the reclassification of Black Mountain from non-current assets held-for-sale to equity-accounted investments.*

4.3 STATEMENTS OF CHANGES IN EQUITY

4.3.1 GROUP STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital Rm	Other components of equity: Foreign currency translation Rm	Financial instruments revaluation Rm	Equity-settled Rm
At 31 December 2018		1 021	2 691	(32)	5 534
Adjustment on initial application of IFRS 16 *Leases*, net of tax					
Adjusted balance at 1 January 2019		1 021	2 691	(32)	5 534
Total comprehensive (loss)/income			(785)	(3)	10
– Profit for the year					
– Other comprehensive (loss)/income for the year	7.7		(785)	(3)	10
Transactions with owners in their capacity as owners					(4 483)
– Dividends paid	5.6				
– Share-based payments movement[1]					(1 875)
– Reclassifications within equity[2]					(2 608)
Changes in ownership interest					(178)
– Recognition of NCI[3]	17.7				
– Loss of control of subsidiary[4]	8.6				
– Partial disposal of associate classified as non-current asset held-for-sale[5]					(178)
At 31 December 2019		1 021	1 906	(35)	883
Total comprehensive (loss)/income			(37)	(220)	68
– Profit for the year					
– Other comprehensive (loss)/income for the year	7.7		(37)	(220)	68
Transactions with owners in their capacity as owners					10
– Dividends paid	5.6				
– Distributions to NCI share option holders					
– Share-based payments movement					10
Changes in ownership interest					(58)
– Deemed disposal of JV[6]					(58)
– Acquisition of subsidiaries[7]	8.3				
– Recognition of NCI[3]	17.7				
At 31 December 2020		1 021	1 869	(255)	903

[1] *2019: Includes an amount of R1 391 million paid to the BEE Parties as a dividend.*

[2] *2019: An amount of R2 608 million was reclassified within equity upon the BEE Parties exercising their option subsequent to the settlement of the preference share liability.*

[3] *2020: Relates to the recognition of an NCI's share of Tsitsikamma SPV's net asset value, amounting to R189 million, upon the exercise of its in-substance share option, amounting to R115 million (cash received).*
2019: Recognition of the NCI's share of Eyesizwe's net asset value upon the exercise of the option held by the BEE Parties.

[4] *2019: Derecognition of NCI reserve upon the loss of control of Tumelo.*

[5] *2019: Tronox Holdings plc repurchased 14 000 000 Tronox Holdings plc ordinary shares from Exxaro, which resulted in a net reclassification within equity from the retirement employee obligations reserve and equity-settled reserve to retained earnings.*

[6] *2020: Relates to a reclassification within equity arising from the Cennergi business combination which requires the pre-existing interest in the equity-accounted investment to be derecognised as a deemed disposal.*

[7] *2020: Relates to the recognition of the NCI option holders within the Cennergi group arising from the Cennergi business combination at acquisition (refer note 8.3.2.5).*

	Retirement employee obligations Rm	Financial asset FVOCI revaluation Rm	Other Rm	Retained earning Rm	Attributable to owners of the parent Rm	Non-controlling interests Rm	Total equity Rm
	(113)	(53)	1	32 797	41 846	(701)	41 145
				(12)	(12)		(12)
	(113)	(53)	1	32 785	41 834	(701)	41 133
	17	57	3	9 809	9 108	251	9 359
				9 809	9 809	260	10 069
	17	57	3		(701)	(9)	(710)
				(3 204)	(7 687)		(7 687)
				(5 812)	(5 812)		(5 812)
					(1 875)		(1 875)
				2 608			
	57			(8 358)	(8 479)	8 561	82
				(8 479)	(8 479)	8 479	
						82	82
	57			121			
	(39)	4	4	31 032	34 776	8 111	42 887
	18	(9)		7 283	7 103	1 872	8 975
				7 283	7 283	1 943	9 226
	18	(9)			(180)	(71)	(251)
				(3 034)	(3 024)	(979)	(4 003)
				(3 034)	(3 034)	(978)	(4 012)
						(1)	(1)
					10		10
				(16)	(74)	336	262
				58			
						147	147
				(74)	(74)	189	115
	(21)	(5)	4	35 265	38 781	9 340	48 121

FOREIGN CURRENCY TRANSLATION

Arises from the translation of financial statements of foreign operations within the group.

FINANCIAL INSTRUMENTS REVALUATION

Comprises the share of equity-accounted investments' hedging reserves and the group's cash flow hedge reserve.

EQUITY-SETTLED

Represents the fair value, net of tax, of services received from employees and settled by equity instruments granted.

RETIREMENT EMPLOYEE OBLIGATIONS

Comprises remeasurements, net of tax, on the retirement employee obligations.

FINANCIAL ASSET FVOCI REVALUATION

Comprises the fair value adjustments, net of tax, on the financial assets classified at FVOCI.

4.3 STATEMENTS OF CHANGES IN EQUITY continued

4.3.2 COMPANY STATEMENT OF CHANGES IN EQUITY

	Note	Share capital Rm	Other components of equity: Foreign currency translation Rm	Other components of equity: Equity-settled Rm	Other components of equity: Other Rm	Retained earnings Rm	Total equity Rm
At 31 December 2018		11 265	(2)	1 513	(572)	(4 903)	7 301
Adjustment on initial application of IFRS 16 *Leases*, net of tax						(1)	(1)
Adjusted balance at 1 January 2019		11 265	(2)	1 513	(572)	(4 904)	7 300
Total comprehensive income			2			7 356	7 358
– Profit for the year						7 356	7 356
– Other comprehensive income for the year	7.7		2				2
Transactions with owners of the company				(458)	572	(8 308)	(8 194)
– Lapse of put option[1]					572		572
– Share-based payments movement				(458)			(458)
– Dividends paid	5.6					(8 308)	(8 308)
At 31 December 2019		11 265		1 055		(5 856)	6 464
Total comprehensive income						2 582	2 582
– Profit for the year						2 582	2 582
Transactions with owners of the company				(2)		(4 337)	(4 339)
– Share-based payments movement				(2)			(2)
– Dividends paid	5.6					(4 337)	(4 337)
At 31 December 2020		11 265		1 053		(7 611)	4 707

[1] *Exxaro derecognised its obligation to buy back its shares in terms of the put option issued to Eyesizwe which lapsed during 2019.*

4.4 STATEMENTS OF CASH FLOWS

For the year ended 31 December	Note	Group 2020 Rm	Group (Re-presented)[1] 2019 Rm	Company 2020 Rm	Company (Re-presented)[1; 2] 2019 Rm
Cash flows from operating activities		5 493	3 483	1 194	680
Cash generated by operations	6.3.1	7 770	5 273	1 355	805
Settlement of contingent consideration		(198)	(344)	(198)	(344)
Interest paid	12.1.6	(1 305)	(558)	(2 042)	(1 881)
Interest received	12.1.6	192	289	2 115	2 140
Tax paid	7.6	(966)	(1 177)	(36)	(40)
Cash flows from investing activities		(1 556)	2 974	2 758	5 894
Property, plant and equipment acquired		(3 175)	(6 076)	(101)	(256)
Intangible assets acquired		(2)	(5)		(2)
Proceeds from disposal of property, plant and equipment		34	83		
Decrease in other financial assets at amortised cost		79	82		
Increase in ESD loans		(41)	(121)	(41)	(121)
Decrease in ESD loans		61	39	61	39
Decrease in non-current financial assets					408
Deferred consideration paid for acquisition of associates		(349)	(306)	(349)	(306)
Decrease in loan to JV			250		
Decrease in loan to associate		13			
Increase in loan to associate			(40)		
Decrease in lease receivables		15	15		
Cash transferred on transfer of operation	8.6	(14)			
Acquisition of subsidiaries	8.3.2	(1 402)		(1 739)	
Increase in environmental rehabilitation funds		(111)	(148)		(1)
Proceeds from disposal of operation			76		
Proceeds from disposal of subsidiaries	8.6			924	
Acquisition of associates	9.5		(14)		(14)
Increase in investment in subsidiaries				(36)	(307)
Increase in non-interest-bearing loans to subsidiaries				(5)	(19)
Increase in non-interest-bearing loans from subsidiaries				220	256
Increase in interest-bearing loans to subsidiaries				(81)	(2 973)
Proceeds from disposal of associates classified as non-current assets held-for-sale	6.1.4; 8.6		4 486		4 486
Dividend income received from equity-accounted investments	9.3	3 263	4 146	3 263	4 146
Dividend income from financial assets and non-current assets held-for-sale		73	507	73	97
Dividend income from subsidiaries	17.3.2			569	461
Cash flows from financing activities		(2 469)	(5 286)	(2 778)	(5 531)
Interest-bearing borrowings raised	12.1.5	1 750	4 250	1 750	4 250
Interest-bearing borrowings repaid	12.1.5	(88)	(1 622)		(1 020)
Lease liabilities paid	12.1.5	(32)	(33)	(17)	(15)
NCI option exercised	17.7	115			
Distributions to NCI option holders	17.7	(1)			
Loan from NCI	12.1.7	69			
Dividends paid	5.6	(3 034)	(5 812)	(4 337)	(8 308)
Shares acquired in the market to settle share-based payments		(270)	(678)	(174)	(438)
Dividends paid to BEE Parties		(978)	(1 391)		
Net increase in cash and cash equivalents		1 468	1 171	1 174	1 043
Cash and cash equivalents/(overdraft) at beginning of the year		1 719	549	673	(370)
Translation difference on movement in cash and cash equivalents of foreign entities			(1)		
Cash and cash equivalents at end of the year		3 187	1 719	1 847	673
Cash and cash equivalents		3 196	2 695	1 864	1 649
Cash and cash equivalents classified as non-current assets held-for-sale		8			
Overdraft		(17)	(976)	(17)	(976)

[1] *Dividends paid have been re-presented as a financing activity (previously presented as an operating activity). This re-presentation was done to align the presentation of cash flows with the revised dividend policy.*

[2] *An amount of R48 million was reclassified from translation difference on movement in cash and cash equivalents to cash generated by operations for better presentation. The translation differences relate to operating activities and not the translation difference on movement in cash and cash equivalents of foreign entities.*