2014

BUILDING BLOCKS FOR GROWTH

SEPHAKU
HOLDINGS LTD

ANNUAL FINANCIAL STATEMENTS


J.T. ROSS
Métier

FINANCIAL STATEMENTS

The reports and statements set out below comprise the annual financial statements presented to the shareholders:

Index

The annual financial statements have been audited by Grant Thornton (Jhb) Inc. in compliance with the applicable requirements of the Companies Act, 71 of 2008 and have been prepared under the supervision of NR Crafford-Lazarus, CA(SA).

Issued 30 June 2014

AUDIT AND RISK COMMITTEE REPORT

The information below constitutes the report of the audit and risk committee (the committee) for the 2014 financial year of Sephaku Holdings Limited (SepHold) and its subsidiaries. This report is in compliance with the Companies Act, 71 of 2008 (Companies Act) and the King III recommendations.

1. Mandate and terms of reference

The committee acts according to a formal mandate and terms of reference that has been approved by the board of directors of SepHold. The committee has executed its duties during the past financial year according to this mandate and terms of reference, and has discharged its responsibilities contained therein. The terms of reference are reviewed each year.

2. Composition and attendance at meetings

The committee for the year under review comprised MG Mahlare (chairman), B Williams and PM Makwana, each of whom is an independent non-executive director. In addition, the chief executive officer and financial director are permanent invitees to the meeting. The committee meets at least twice per annum and special committee meetings are convened as required.

The external auditors attended and reported at all meetings of the audit and risk committee. The external auditors have unrestricted access to the committee.

Full details of the attendance and dates of the meetings have been disclosed in the corporate governance section of the integrated review on page 68.

3. Statutory duties

The committee's roles and responsibilities include its statutory duties as per the Companies Act and the responsibilities assigned to it by the board.

The committee has performed the following statutory duties:

- Nominated and recommended the re-appointment of Grant Thornton (Jhb) Inc. as the external auditors of SepHold, and noted Mr RM Huiskamp as the responsible individual. Grant Thornton (Jhb) Inc. is, in the opinion of the committee, independent of the company;
- Determined the fees to be paid to the external auditors and their terms of engagement;
- Ensured that the appointment of the external auditors complies with the Companies Act and any other legislation relating to the appointment of auditors;
- Determined the nature and extent of allowable non-audit services and pre-approved any proposed agreement with the external auditors for the provision of non-audit services to SepHold;
- Received no complaints relating to the accounting practices, the auditing or content of annual financial statements, and the internal financial controls of SepHold; and
- Considered and, when appropriate, made recommendations to the board on internal financial controls, accounting policies, records and reporting.

4. External auditors

The committee has satisfied itself that the external auditors, Grant Thornton (Jhb) Inc. was independent of SepHold, as defined by the Companies Act and other relevant legislation. Further, the approval of all non-audit related services is governed by an appropriate approval framework.

The committee agreed to the engagement letter, terms, audit plan and budgeted audit fees for the financial year ended 31 March 2014. This was done after consultation with executive management.

The external auditors are invited to and attend all audit and risk committee meetings. Findings by the external auditors arising from their annual statutory audit are tabled and presented at a committee meeting following the audit. The external auditors have expressed an unqualified opinion on the annual financial statements for the year ended 31 March 2014. This will be presented at the annual general meeting.

SepHold has satisfied itself that Grant Thornton (Jhb) Inc. is accredited to appear on the JSE's list of accredited auditors.

5. Internal financial controls

The committee has reviewed:

- the effectiveness of the risk management, controls and governance processes including receiving assurance from management and external audit;
- significant issues raised by the external audit process; and
- policies and procedures for preventing and detecting fraud.

The committee believes that significant internal financial controls are effective and form a basis for the preparation of reliable annual financial statements. No findings have come to the attention of the committee to indicate that any material breakdown in internal financial controls has occurred during the financial year.

6. Annual financial statements

The committee reviews the annual financial statements, preliminary results announcements, interim financial information and integrated review; this culminates in a recommendation to the board to adopt them. The annual financial statements were prepared in accordance with the International Financial Reporting Standards, the JSE Listings Requirements and the requirements of the Companies Act.

7. Expertise and experience of financial director and the finance function

The committee has satisfied itself that the financial director of SepHold, Mr Neil Crafford-Lazarus, has appropriate expertise and experience to meet his responsibilities in that position as required in terms of the JSE Listings Requirements.

The committee also satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function of the company.

8. Duties assigned by the board

The duties and responsibilities of the members of the committee are set out in the audit and risk committee terms of reference which is approved by the board. The committee fulfils an oversight role regarding SepHold's annual financial statements, integrated review and the reporting process, including the system of internal financial control.

The committee is satisfied that it has complied, in all material respects, with its legal, regulatory and other responsibilities during the year.

9. Internal audit

Due to the nature and size of head office, the accounting function is structured to accommodate current requirements and as such, the committee does not believe that an internal audit function is viable at this stage. The committee believes that new appointments would strengthen the accounting function and improve control through the division of duties. As such, this is better suited to the company's needs than the performance of an internal audit function.

10. Risk management

The committee is responsible for the following:

- Recommending to the board SepHold's risk appetite;
- Monitoring the emerging risk profile of SepHold on a regular basis and reporting its findings to the board;
- Receiving and reviewing reports that assess the nature and extent of the risks facing SepHold;
- Ensuring steps are taken by executive management to embed risk management practices within the day-to-day operations of the business;
- Monitoring the level of available capital and reporting to the board on the adequacy of the available capital relative to the emerging risk profile of SepHold; and
- Ensuring that risk and capital management policies, processes and practices are adopted in SepHold and reviewing the adequacy and effectiveness of the risk-type control frameworks and policies.

11. Recommendation of the annual financial statements for approval by the board

The audit and risk committee held a meeting on 19 June 2014 at which time they reviewed and recommended the annual financial statements and integrated review for approval by the board of directors.

On behalf of the audit committee

MG Mahlare
Chairman

18 June 2014

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Sephaku Holdings Limited

Report on the annual financial statements

We have audited the consolidated and separate annual financial statements of Sephaku Holdings Limited, as set out on pages 10 to 53, which comprise the statements of financial position as at 31 March 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the annual financial statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate annual financial statements in accordance with International Financial Reporting Standards and requirements of the Companies Act, 71 of 2008 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated and separate annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated and separate annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of Sephaku Holdings Limited as at 31 March 2014, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate annual financial statements for the year ended 31 March 2014, we have read the directors' report, the audit and risk committee report and the certificate of the company secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate annual financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate annual financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Grant Thornton (JHB) Inc

Grant Thornton (Jhb) Inc.
Registration number: 1994/001166/21
Chartered Accountants (SA)
Registered Auditors

Director: R Huiskamp
Chartered Accountant (SA)
Registered Auditor

42 Wierda Road West
Wierda Valley
2196

25 June 2014

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group and company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 31 March 2015 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the corporation has adequate resources in place to continue in operation for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group and company's annual financial statements. The annual financial statements have been examined by the group's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 6 to 54 were approved by the board on 25 June 2014 and were signed on its behalf by:

NR Crafford-Lazarus
Financial director

Dr L Mohuba
Chief executive officer

Centurion, South Africa
25 June 2014

CERTIFICATE BY COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, I declare that to the best of my knowledge, for the year ended 31 March 2014, SepHold has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Act and that such returns are true, correct and up to date.

Jennifer Bennette
Company secretary

Centurion, South Africa
25 June 2014

DIRECTORS' REPORT

The directors submit their report for the year ended 31 March 2014.

1. Review of activities

Main business and operations

The group is engaged as a construction materials company and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment other than those expressed in other parts of the annual financial statements and the integrated review.

2. Going concern

We draw attention to the fact that the net loss of the group was R2 817 779 (2013: R16 304 829) and that the group's current liabilities exceed its current assets by R83 178 862.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after the reporting period

The directors are not aware of any material fact or circumstance arising between the end of the financial year and the date of this report that would require adjustments to or disclosure in the annual financial statements.

4. Accounting policies

As a result of the adoption of the new and amended standards and interpretations in issue that were effective for the first time in the current reporting period, a number of new policies were introduced. However, the adoption of these new and amended standards and interpretations did not have a material impact on the annual financial statements in the current period.

5. Authorised, issued stated capital and dividends

There were no changes in the authorised stated capital of the company during the year under review.

1 971 136 shares were issued during the year, the total amount issued relates to share options that were exercised by employees.

All the authorised and issued shares have no par value.

Refer to note 17 for further details on authorised and issued stated capital.

6. Borrowing limitations

In terms of the memorandum of incorporation of the company, the directors may exercise all the powers of the company to borrow money, as they consider appropriate. The memorandum of incorporation authorises unlimited borrowing powers.

7. Share incentive scheme

Refer to note 18 for details about share-based payments during the current financial year.

8. Non-current assets

Details of major changes in the nature of the non-current assets of the group during the year were as follows:

Additions to property, plant and equipment of the group amounted to R40 706 776 (2013: R113 461 513 through the acquisition of Métier Mixed Concrete Proprietary Limited (Métier) and subsequent additions of R5 145 027 during the month of March 2013) (note 4).

9. Dividends

No dividends were declared or paid to shareholders during the year.

10. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Position	Changes
B Williams	Chairman – Independent non-executive director	
MG Mahlare	Independent non-executive director	
PM Makwana	Independent non-executive director	
MM Ngoasheng	Independent non-executive director	
Dr L Mohuba	Chief executive officer	
NR Crafford-Lazarus	Financial director	
RR Matjiu	Executive director	
KJ Capes	Executive director	Appointed 29 July 2013
PF Fourie	Non-executive director	
Dr D Twist	Non-executive director	
CRDW de Bruin	Non-executive director	Resigned 21 April 2014
J Bennette	Alternate director to RR Matjiu	Resigned as alternate director on 21 August 2013
JW Wessels	Alternate director to CRDW de Bruin	Passed away 23 March 2014

11. Secretary

The secretary of the company is J Bennette of:

Business address
South Downs Office Park
Block A, Ground Floor
Cnr John Vorster and Karee Street
Irene, X54
0062

Postal address
PO Box 68149
Highveld
0169

12. Interest in subsidiaries

Name of subsidiary	Net income after tax R
Métier Mixed Concrete Proprietary Limited	41 619 763
Sephaku Cement Investment Holdings Limited	–

Details of the company's investment in subsidiaries are set out in note 7.

13. Special resolutions

No special resolutions of material interest or of a substantive nature were passed by the company's subsidiary after the date of acquisition.

14. Auditors

Grant Thornton (Jhb) Inc. was re-appointed as the group's auditors during the financial period in accordance with section 90 of the Companies Act. At the annual general meeting shareholders will be requested to re-appoint Grant Thornton (Jhb) Inc. as auditors of the group.

15. Comparative figures

The 2013 reporting period is for nine months with the inclusion of Métier for one month. The comparative amounts are therefore not comparable to the current balances.

Certain comparative figures have been restated for the allocation of goodwill performed during the current financial year (notes 33 and 38).

DIRECTORS' REPORT CONTINUED

16. Shareholder information

An analysis of shareholders and the respective percentage shareholdings appear in the Shareholders' analysis on page 54.

Beneficial shareholdings of directors, directors' associates and prescribed officers

	2014			2013		
Director/prescribed officer	**Direct**	**Indirect**	**Associates**	Direct	Indirect	Associates
MG Mahlare	**93 172**	**–**	**–**	42 407	–	–
MM Ngoasheng	**–**	**–**	**–**	–	–	720 000
Dr L Mohuba	**487 202**	**9 263 767**	**340 000**	487 202	9 263 767	390 000
NR Crafford-Lazarus	**2 262 728**	**–**	**–**	1 512 728	–	–
RR Matjiu	**2 085 923**	**–**	**–**	3 585 923	–	–
KJ Capes[1]	**4 539 556**	**–**	**–**	4 539 556	–	–
PF Fourie	**–**	**6 433 559**	**–**	–	6 533 559	–
Dr D Twist	**8 354 333**	**–**	**1 895 000**	10 654 333	–	1 895 000
CRDW de Bruin[2]	**4 621 237**	**–**	**1 272 134**	9 999 908	–	1 272 134
J Bennette[3]	**550 000**	**–**		600 000	–	–
JW Wessels[4]	**1 348 381**	**–**	**–**	1 265 048	–	–
Dr GS Mahlati[5]	**–**	**–**	**–**	1 198 653	–	–
Prescribed officer 1	**4 377 444**	**–**	**–**	4 377 444	–	–
Prescribed officer 2	**4 377 444**	**–**	**–**	4 377 444	–	–
	33 097 420	**15 697 326**	**3 507 134**	42 640 646	15 797 326	4 277 134

[1] *Appointed on 29 July 2013*
[2] *Resigned on 21 April 2014*
[3] *Resigned on 21 August 2013*
[4] *Passed away on 23 March 2014*
[5] *Resigned on 2 July 2012*

There have been no changes in the beneficial interests of the directors in the stated capital between the end of the financial period and the date of approval of these annual financial statements.

16. Shareholders information (continued)

Directors' interest in share options

	Opening balance number of share options	Exercise price	Options exercised	Date exercised	Market price on exercise date	Options vested at year-end	Closing balance number of share options	Pre-taxation gain
MM Ngoasheng								
Granted 31/03/2008	500 000	R2,50	(500 000)	31/03/2014	R6,50	–	–	R2 000 000
Granted 15/10/2010	200 000	R3,50	–	–	–	66 667	200 000	–
Dr L Mohuba								
Granted 31/03/2008	1 000 000	R2,50	–	–	–	1 000 000	1 000 000	–
Granted 15/10/2010	715 000	R3,50	–	–	–	238 333	715 000	–
Granted 29/06/2012	750 000	R1,90	–	–	–	–	750 000	–
NR Crafford-Lazarus								
Granted 31/03/2008	750 000	R2,50	(750 000)	22/07/2013	R5,04	–	–	R1 905 000
Granted 15/10/2010	715 000	R3,50	–	–	–	238 333	715 000	–
Granted 29/06/2012	750 000	R1,90	–	–	–	–	750 000	–
Granted 31/08/2012	750 000	R1,90	–	–	–	–	750 000	–
RR Matjiu								
Granted 31/08/2008	300 000	R2,50	–	–	–	300 000	300 000	–
Granted 15/10/2010	200 000	R3,50	–	–	–	66 667	200 000	–
Granted 29/06/2012	300 000	R1,90	–	–	–	–	300 000	–
PF Fourie								
Granted 15/10/2010	715 000	R3,50	–	–	–	238 333	715 000	–
Dr D Twist								
Granted 31/03/2008	150 000	R2,50	–	–	–	150 000	150 000	–
CRDW de Bruin								
Granted 15/10/2010	500 000	R3,50	–	–	–	166 667	500 000	–
J Bennette								
Granted 31/03/2008	175 000	R2,50	–	–	–	175 000	175 000	–
Granted 15/10/2010	150 000	R3,50	–	–	–	50 000	150 000	–
Granted 29/06/2012	250 000	R1,90	–	–	–	–	250 000	–
JW Wessels								
Granted 31/03/2008	250 000	R2,50	(83 333)	2/08/2013	R5,32	166 667	166 667	R234 999
Granted 15/10/2010	715 000	R3,50	–	–	–	238 333	715 000	–
Granted 29/06/2012	750 000	R1,90	–	–	–	–	750 000	–
Granted 31/08/2012	750 000	R1,90	–	–	–	–	750 000	–
	11 335 000		(1 333 333)			3 095 000	10 001 667	R4 139 999

Refer to note 18 for more details on share options and the vesting conditions.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014

		GROUP		COMPANY	
	Notes	2014 R	2013 (Restated) R	2014 R	2013 R
Assets					
Non-current assets					
Investment property	3	–	–	4 051 135	–
Property, plant and equipment	4	129 180 045	116 878 108	–	–
Goodwill	5	223 421 981	223 421 981	–	–
Intangible asset	6	14 337 752	19 914 643	–	–
Investments in subsidiaries	7	–	–	209 967 288	209 967 288
Investment in associate	8	616 388 706	631 134 362	635 117 284	635 117 284
Other financial assets	10	6 924 311	9 805 298	6 924 311	4 905 054
Operating lease asset	13	–	–	118 097	–
		990 252 795	1 001 154 392	856 178 115	849 989 626
Current assets					
Inventories	14	7 973 118	6 730 225	–	–
Loans to group companies	9	–	337 058	4 149	341 207
Other financial assets	10	6 648 582	8 588 729	6 648 582	8 588 729
Trade and other receivables	15	75 936 662	60 600 275	227 482	296 566
Cash and cash equivalents	16	26 001 268	22 337 824	3 021 146	13 793 993
		116 559 630	98 594 111	9 901 359	23 020 495
Total assets		1 106 812 425	1 099 748 503	866 079 474	873 010 121
Equity and liabilities					
Equity					
Stated capital	17	585 573 235	580 590 616	585 573 235	580 590 616
Reserves		17 624 536	13 568 918	18 832 199	14 776 581
Retained income		144 525 951	145 987 793	147 849 665	171 849 898
		747 723 722	740 147 327	752 255 099	767 217 095
Liabilities					
Non-current liabilities					
Other financial liabilities	19	142 576 783	249 390 922	–	105 266 332
Operating lease liability	13	1 640 263	–	–	–
Deferred income	20	1 577 232	1 102 738	–	–
Deferred taxation	12	13 555 933	15 461 556	–	–
		159 350 211	265 955 216	–	105 266 332
Current liabilities					
Other financial liabilities	19	140 907 240	39 583 332	112 157 240	–
Current taxation payable		1 192 809	11 402 043	–	–
Operating lease liability	13	336 348	–	–	–
Trade and other payables	21	56 994 212	42 471 544	1 667 135	526 694
Deferred income	20	307 883	189 041	–	–
		199 738 492	93 645 960	113 824 375	526 694
Total liabilities		359 088 703	359 601 176	113 824 375	105 793 026
Total equity and liabilities		1 106 812 425	1 099 748 503	866 079 474	873 010 121
Net asset value per share (cents)	42	393,80	393,90		
Tangible net asset value per share (cents)	42	270,70	267,37		

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

		GROUP		COMPANY	
	Notes	**12 months ended 31 March 2014 R**	9 months ended 31 March 2013 (Restated) R	**12 months ended 31 March 2014 R**	9 months ended 31 March 2013 R
Revenue	23	**571 544 796**	37 195 338	**–**	–
Cost of sales	24	**(319 156 121)**	(21 574 848)	**–**	–
Gross profit		**252 388 675**	15 620 490	**–**	–
Other income		**13 945 386**	356 081	**329 250**	–
Operating expenses		**(215 181 485)**	(36 349 368)	**(19 057 804)**	(109 510 821)
Operating profit/(loss)	25	**51 152 576**	(20 372 797)	**(18 728 554)**	(109 510 821)
Investment income	26	**2 693 264**	820 287	**263 308**	110 652 050
(Loss)/profit from equity-accounted investment	8	**(14 745 655)**	6 191 410	**–**	–
Finance costs	27	**(25 675 522)**	(1 949 268)	**(6 890 924)**	(554 762)
Profit/(loss) before taxation		**13 424 663**	(15 310 368)	**(25 356 170)**	586 467
Taxation	28	**(16 242 442)**	(994 461)	**–**	–
(Loss)/profit for the year/period		**(2 817 779)**	(16 304 829)	**(25 356 170)**	586 467
Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss:					
Share of other comprehensive loss of associate		**–**	(1 207 663)	**–**	–
Other comprehensive loss for the period net of taxation	30	**–**	(1 207 663)	**–**	–
Total comprehensive (loss)/income for the year/period		**(2 817 779)**	(17 512 492)	**(25 356 170)**	586 467
Basic loss per share (cents)	42	**(1,49)**	(9,39)		
Diluted loss per share (cents)	42	**(1,39)**	(8,93)		

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014

	Notes	Stated capital R	Revaluation reserve (relating to land of associate) R	Equity-based share option reserve	Total reserves R	Retained income R	Total equity R
Group							
Balance at 1 July 2012		500 035 061	–	10 295 477	10 295 477	162 292 622	672 623 160
Loss for the period (restated)		–	–	–	–	(16 304 829)	(16 304 829)
Other comprehensive loss for the period		–	(1 207 663)	–	(1 207 663)	–	(1 207 663)
Total comprehensive loss for the period		–	(1 207 663)	–	(1 207 663)	(16 304 829)	(17 512 492)
Issue of shares	33	80 555 555	–	–	–	–	80 555 555
Employees' share option scheme		–	–	4 481 104	4 481 104	–	4 481 104
Balance at 31 March 2013		**580 590 616**	**(1 207 663)**	**14 776 581**	**13 568 918**	**145 987 793**	**740 147 327**
Loss for the year		**–**	**–**	**–**	**–**	**(2 817 779)**	**(2 817 779)**
Total comprehensive loss for the year		**–**	**–**	**–**	**–**	**(2 817 779)**	**(2 817 779)**
Issue of shares		**4 982 619**	**–**	**–**	**–**	**–**	**4 982 619**
Employees' share option scheme		**–**	**–**	**4 055 618**	**4 055 618**	**1 355 937**	**5 411 555**
Balance at 31 March 2014		**585 573 235**	**(1 207 663)**	**18 832 199**	**17 624 536**	**144 525 951**	**747 723 722**
Notes		17	30	18			

	Notes	Stated capital R	Equity-based share option reserve	Total reserves R	Retained income R	Total equity R
Company						
Balance at 1 July 2012		500 035 061	10 295 477	10 295 477	171 263 431	681 593 969
Profit for the period		–	–	–	586 467	586 467
Other comprehensive income for the period		–	–	–	–	–
Total comprehensive income for the period		–	–	–	586 467	586 467
Issue of shares	33	80 555 555	–	–	–	80 555 555
Employees' share option scheme		–	4 481 104	4 481 104	–	4 481 104
Balance at 31 March 2013		**580 590 616**	**14 776 581**	**14 776 581**	**171 849 898**	**767 217 095**
Loss for the year		**–**	**–**	**–**	**(25 356 170)**	**(25 356 170)**
Total comprehensive loss for the year		**–**	**–**	**–**	**(25 356 170)**	**(25 356 170)**
Issue of shares		**4 982 619**	**–**	**–**	**–**	**4 982 619**
Employees' share option scheme		**–**	**4 055 618**	**4 055 618**	**1 355 937**	**5 411 555**
Balance at 31 March 2014		**585 573 235**	**18 832 199**	**18 832 199**	**147 849 665**	**752 255 099**
Notes		17	18			

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2014

		GROUP		COMPANY	
	Notes	12 months ended 31 March 2014 R	9 months ended 31 March 2013 R	12 months ended 31 March 2014 R	9 months ended 31 March 2013 R
Cash flows from operating activities					
Cash generated from/(utilised in) operations	31	**84 437 984**	(21 570 600)	**(12 225 572)**	(9 508 021)
Interest income		**2 693 264**	820 287	**263 308**	652 050
Dividends received		**–**	–	**–**	110 000 000
Finance costs		**(17 939 091)**	(1 394 506)	**(16)**	–
Taxation (paid)/received	32	**(28 357 299)**	55 518	**–**	–
Net cash from operating activities		**40 834 858**	(22 089 301)	**(11 962 280)**	101 144 029
Cash flows from investing activities					
Purchase of property, plant and equipment	4	**(40 706 776)**	(5 145 027)	**–**	–
Sale of property, plant and equipment	4	**4 929 319**	87 719	**–**	–
Purchase of investment property	3	**–**	–	**(4 051 135)**	–
Acquisition of shares in wholly owned subsidiary	33	**–**	(89 200 006)	**–**	(110 000 000)
Acquisition costs		**–**	(4 110 902)	**–**	(4 110 902)
Proceeds on disposal of other financial assets		**5 760 244**	–	**–**	–
Net loans advanced		**1 932 773**	1 396 508	**1 932 773**	1 540 738
Government grant received		**831 895**	–	**–**	–
Net cash from investing activities		**(27 252 545)**	(96 971 708)	**(2 118 362)**	(112 570 164)
Cash flows from financing activities					
Proceeds on share issue	17	**2 970 737**	–	**2 970 737**	–
Proceeds from other financial liabilities		**123 848 444**	116 178 705	**–**	110 000 000
Repayment of other financial liabilities		**(137 075 108)**	–	**–**	(110 000 000)
Decrease in loans with group companies		**337 058**	590 992	**337 058**	590 992
Net cash from financing activities		**(9 918 869)**	116 769 697	**3 307 795**	590 992
Total cash and cash equivalents movement for the year/period		**3 663 444**	(2 291 312)	**(10 772 847)**	(10 835 143)
Cash and cash equivalents at the beginning of the year/period		**22 337 824**	24 629 136	**13 793 993**	24 629 136
Total cash and cash equivalents at the end of the year/period	16	**26 001 268**	22 337 824	**3 021 146**	13 793 993

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2014

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), the Companies Act, the Listings Requirements of the JSE Limited, and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Standards Council. The annual financial statements have been prepared on the historical cost basis, except for the measurement of investment property/land which is carried at fair value, and incorporate the principal accounting policies set out below. They are presented in South African rand. Accounting policies that refer to "consolidated or group" apply equally to the company financial statements where relevant.

These accounting policies are consistent with the previous year except where the group has adopted new or revised accounting standards and interpretations of those standards.

1.1 Consolidation

Basis of consolidation

The group consolidates its subsidiaries. The group's interest in its associate is accounted for using the equity method of accounting. Accounting policies are applied consistently in all group companies.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

All intra-group transactions, balances, income and expenses relating to subsidiaries (and not the associate) are eliminated in full on consolidation.

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt, which are amortised as part of the effective interest, and costs to issue equity, which are included in equity.

Contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liabilities or equity which arise as a result of the contingent consideration are not effected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested at least annually for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Investment in associate

An investment in associate is accounted for using the equity method. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

The group recognises its share of losses of the associate to the extent of the group's net investment in the associate unless the group has incurred legal or constructive obligations or made payments on behalf of the associate, in which case additional losses are provided for.

The group's share of unrealised intra-company gains is eliminated upon consolidation and the group's share of intra-company losses is also eliminated provided they do not provide evidence that the asset transferred is impaired.

The group's share of post-acquisition profits or losses, other comprehensive income and movements in equity of the associate is included in the group's profit or loss, other comprehensive income and equity reserves respectively.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Loans, trade receivables and other receivables

The group assesses its loans, trade receivables and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Options granted

Management used the Black Scholes model to determine the fair value of the options at issue date. Additional details regarding the estimates are included in note 18 Share-based payments.

Revaluation of property

Revaluation of property is performed when there is an indication that the fair value of the property is materially different from the carrying amount.

Impairment testing of goodwill and investment in subsidiary

The recoverable amount of the cash-generating units has been determined on a value-in-use calculation, using cash flow projections which cover a three-year period.

The following assumptions have been applied when reviewing goodwill impairment:

- A growth rate of 5,50% was applied and cash flows were discounted at a rate of 18,75%;
- Asset values were based on the carrying amounts for the financial period;
- Future profits were estimated using historical information and approved three-year budgets;
- Sales growth/gross margins were based on historical achievement/known future prospects;
- Costs were assumed to grow in line with expansion and expected inflation; and
- Cash flows have been extended into perpetuity at the growth rates noted above as management has no reason to believe the company will not continue past the budget period.

These assumptions were also used to test the investment in subsidiary for impairment.

Taxation

Judgement is required in determining the provision for income taxation due to the complexity of legislation. There are many transactions and calculations for which the ultimate taxation determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated taxation audit issues based on estimates of whether additional taxations will be due. Where the final taxation outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income taxation and deferred taxation provisions in the period in which such determination is made.

The group recognises the net future taxation benefit related to deferred income taxation assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income taxation assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing taxation laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred taxation assets recorded at the end of the reporting period could be impacted.

Estimation of useful lives and residual values

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the consolidated statement of comprehensive income.

Residual values and useful lives of property, plant and equipment are assessed at a minimum on an annual basis, or when there are indicators present that there is a change from the previous estimate. Estimates and judgements in this regard are based on historical experience and expectations of the manner in which assets are to be used, together with expected proceeds likely to be realised when assets are disposed of at the end of their useful lives. Such expectations could change over time and therefore impact both depreciation charges and carrying values of property, plant and equipment in the future. Residual value assessments consider issues such as future market conditions, the remaining life of the assets and projected disposal values.

The useful life of the intangible asset is assessed at a minimum on an annual basis, or when there are indicators present that there is a change from the previous estimate. Estimates are based on the remaining customer contractual period of the asset. The useful life has during the current reporting period been adjusted from a five-year to a seven-year amortisation period due to the extension of the contract during December 2013.

Business combinations

Management has, in conjunction with external valuers, assessed the likelihood and estimated that the future share price at measurement date of 1 December 2014 will be in excess of R9 per share. Assumptions regarding certain factors such as future production capacity of Sephaku Cement Proprietary Limited (SepCem), future earnings and profits have been applied in the calculation.

The company will have a potential liability for the additional amount of shares if the share price is below R9 per share on 1 December 2014.

1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably. Land held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or for administrative purposes, is classified as investment property.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

ACCOUNTING POLICIES CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014

1. Presentation of annual financial statements (continued)

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in profit or loss for the period in which it arises.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The fair value of the land is assessed based on the value of similar properties in the area.

1.4 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses, except for land which is carried at revalued amounts being the fair value at the date of revaluation.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The fair value of land is assessed based on the fair value of similar properties in the area.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised to other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current period. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation surplus in equity.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained income when the asset is derecognised.

Plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Land and buildings	*
Plant and machinery	10 years
Furniture and fixtures	6 years
Motor vehicles	4 years
Computer equipment	3 years

** If the residual value of the building exceeds the carrying value no depreciation is recognised for the period under review.*

Land is not depreciated as it has an indefinite useful life.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.5 Intangible asset

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets acquired in a business combination are initially recognised at fair value, whilst all other intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at every period-end.

Amortisation is provided to write down the Vulindlela Development Association customer contract classified as an intangible asset on a straight-line basis over the remaining contractual period. The residual value for the contract is nil.

1.6 Investments in subsidiaries

Company annual financial statements

In the company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

1.7 Investment in associate

Company annual financial statements

An investment in an associate is carried at cost less any accumulated impairment.

1.8 Financial instruments

Classification

The group classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the group's right to receive payment is established.

Financial liabilities (loans payable, trade and other payables and bank overdrafts) are subsequently measured at amortised cost, using the effective interest rate method.

No discounting is applied for instruments at amortised cost where the effects of the time value of money are not considered to be material.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date the group assesses all financial assets to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

ACCOUNTING POLICIES CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014

1. Presentation of annual financial statements (continued)

1.8 Financial instruments (continued)

Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write-off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Derecognition

Financial assets are derecognised if the group's contractual rights to the cash flows from the financial assets expire or if the group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

Financial liabilities are derecognised if the group's obligations specified in the contract expire or are discharged or cancelled.

Loans to/(from) group companies

These include loans to and from holding company, subsidiaries and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables and are subsequently measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Transaction costs are included in the initial value recognised. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 180 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Transaction costs are included in the initial value recognised.

Trade and other payables are classified as financial liabilities at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Cash and cash equivalents are classified as loans and receivables.

Bank overdraft and other financial liabilities

Bank overdrafts and other financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of other financial liabilities is recognised over the term of the other financial liabilities in accordance with the group's accounting policy for borrowing costs.

Other financial liabilities are classified as financial liabilities at amortised cost.

1.9 Taxation

Current taxation assets and liabilities

Current taxation for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current taxation liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the taxation rates (and taxation laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxation assets and liabilities

A deferred taxation asset is recognised for the carry forward of unused taxation losses to the extent that it is probable that future taxable profit will be available against which the unused taxation losses can be utilised.

Deferred taxation assets and liabilities are measured at the taxation rates that are expected to apply to the period when the asset is realised or the liability is settled, based on taxation rates (and taxation laws) that have been enacted or substantively enacted by the end of the reporting period.

Taxation expenses

Current and deferred taxations are recognised as income or an expense and included in profit or loss for the period, except to the extent that the taxation arises from:

- a transaction or event which is recognised, in the same or a different period, in other comprehensive income; or
- a business combination.

Current taxation and deferred taxations are charged or credited in other comprehensive income if the taxation relates to items that are credited or charged, in the same or a different period, in other comprehensive income.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term. The difference between the amounts recognised as an income and the contractual payments are recognised as an operating lease asset. This asset is not discounted.

Income for leases is disclosed under other income in profit or loss.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred and are disclosed under operating expenses in profit or loss.

1.11 Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the group.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. Slow moving stock assessed to be impaired or obsolete is written down. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed annually; and
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognised as an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. An impairment loss of assets carried at revalued amounts is recorded first against previously recognised revaluation gains in other comprehensive income in respect of that asset and thereafter recognised in profit or loss.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

ACCOUNTING POLICIES CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014

1. Presentation of annual financial statements (continued)

1.12 Impairment of assets (continued)

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:
- first, to reduce the carrying amount of any goodwill allocated to the cash generating unit; and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

The group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.13 Stated capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of taxation, from the proceeds.

1.14 Share-based payments

Goods or services received or acquired in a share-based payment transaction are recognised when the goods or as the services are received. A corresponding increase in equity is recognised if the goods or services were received in an equity-settled share-based payment transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions the goods or services received and the corresponding increase in equity are measured, directly, at the fair value of the goods or services received provided that the fair value can be estimated reliably.

If the fair value of the goods or services received cannot be estimated reliably, or if the services received are employee services, their value and the corresponding increase in equity are measured, indirectly, by reference to the fair value of the equity instruments granted.

If the share-based payments granted do not vest until the counterparty completes a specified period of service, the group accounts for those services as they are rendered by the counterparty during the vesting period (or on a straight-line basis over the vesting period).

If the share-based payments vest immediately the services received are recognised in full in profit or loss.

For all equity-settled share-based payment transactions management assesses, at each reporting period, until vesting the number of options expected to vest. Changes in the estimated number of options expected to vest will be accounted for as part of the cost recognised in each period with the corresponding adjustment taken to equity.

For equity-settled share-based payment transactions the fair value of the options is determined on grant date and is not subsequently adjusted.

1.15 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave, sick leave, bonuses, and non-monetary benefits such as medical care) is recognised in the period in which the services are rendered and is not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.16 Contingencies

Contingent liabilities are not recognised.

1.17 Government grants

Government grants are recognised when there is reasonable assurance that:

- the group will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are presented as a credit in profit or loss (separately).

1.18 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added taxation.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.19 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.20 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs not directly attributable to the acquisition, construction or production of a qualifying asset are expensed.

1.21 Operating segments

Operating segments are reported on in a manner consistent with internal reporting provided to the chief operating decision-maker.

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segments and assess its performance; and
- for which concrete financial information is available.

Business segments for management purposes are determined based on the minerals regarded as key to the company's business model and which are actively managed by the company.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the reportable operating segment, has been identified as the executive board members of the group.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IFRS 10 Consolidated Financial Statements

This standard replaces the consolidation sections of IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. The standard sets out a new definition of control, which exists only when an entity is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to effect those returns through power over the investee.

The effective date of the standard is for years beginning on or after 1 January 2013.

The group has adopted the standard for the first time in the 2014 annual financial statements.

The impact of the standard is not material.

IAS 27 Separate Financial Statements

Consequential amendment as a result of IFRS 10. The amended standard now only deals with separate financial statements.

The effective date of the amendment is for years beginning on or after 1 January 2013.

The group has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

IFRS 12 Disclosure of Interests in Other Entities

The standard sets out disclosure requirements for investments in subsidiaries, associates, joint ventures and unconsolidated structured entities. The disclosures are aimed to provide information about the significance and exposure to risks of such interests. The most significant impact is the disclosure requirement for unconsolidated structured entities or off-balance sheet vehicles.

The effective date of the standard is for years beginning on or after 1 January 2013.

The group has adopted the standard for the first time in the 2014 annual financial statements.

The impact of the standard is not material.

IFRS 13 Fair Value Measurement

This is a new standard setting out guidance on the measurement and disclosure of items measured at fair value or required to be disclosed at fair value in terms of other IFRSs.

The effective date of the standard is for years beginning on or after 1 January 2013.

The group has adopted the standard for the first time in the 2014 annual financial statements.

The impact of the standard is not material.

IAS 1 Presentation of Financial Statements

The amendment now requires items of other comprehensive income to be presented as:

- those which will be reclassified to profit or loss
- those which will not be reclassified to profit or loss.

The related tax disclosures are also required to follow the presentation allocation.

In addition, the amendment changed the name of the statement of comprehensive income to the statement of profit or loss and other comprehensive income.

The effective date of the amendment is for years beginning on or after 1 July 2012.

The group has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

IAS 19 Employee Benefits Revised

- Require recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlement
- Introduce enhanced disclosures about defined benefit plans
- Modify accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits
- Clarification of miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, taxation and administration costs and risk-sharing and conditional indexation features

The effective date of the amendment is for years beginning on or after 1 January 2013.

The group has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)
Amendment requires additional disclosures for financial assets and liabilities which are offset and for financial instruments subject to master netting arrangements.

The effective date of the amendment is for years beginning on or after 1 January 2013.

The group has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

IAS 1 – Annual Improvements for 2009 – 2011 cycle
Clarification is provided on the requirements for comparative information. Specifically, if a retrospective restatement is made, a retrospective change in accounting policy or a reclassification, the statement of financial position at the beginning of the previous period is only required if the impact on the beginning of the previous period is material. Related notes are not required, other than disclosure of specified information.

The effective date of the amendment is for years beginning on or after 1 January 2013.

The group has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

IAS 16 – Annual Improvements for 2009 – 2011 cycle
Spare parts, stand-by equipment and servicing equipment should only be classified as property, plant and equipment if they meet the definition.

The effective date of the amendment is for years beginning on or after 1 January 2013.

The group has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
Clarification of certain aspects concerning the requirements for offsetting financial assets and financial liabilities.

The effective date of the amendment is for years beginning on or after 1 January 2013.

The group has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective
The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 April 2014 or later periods and are relevant to the group's operations:

IFRS 9 Financial Instruments
This new standard is the first phase of a three-phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities. The following are main changes from IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Financial liabilities shall not be reclassified.
- Investments in equity instruments may be measured at fair value through profit or loss. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remain unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.

The effective date of the standard is for years beginning on or after 1 January 2018.

The group does not envisage the adoption of the standard until such time as it becomes applicable to the group's operations.

It is unlikely that the standard will have a material impact on the group's annual financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014

2. New Standards and Interpretations (continued)

2.2 Standards and interpretations not yet effective (continued)

IAS 36 – Recoverable Amount Disclosures for Non-financial Assets

The amendment brings the disclosures for impaired assets whose recoverable amount is fair value less costs to sell in line with the disclosure requirements of IFRS 13 Fair Value Measurements.

The effective date of the amendment is for years beginning on or after 1 January 2014.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IFRS 2 – Annual Improvements for 2010 – 2012 cycle

Amendments added the definition of performance conditions and service conditions and amended the definitions of vesting conditions and market conditions.

The effective date of the amendment is for years beginning on or after 1 July 2014.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IFRS 3 – Annual Improvements for 2010 – 2012 cycle

Requires all contingent consideration assets and liabilities including those accounted for under IFRS 9 to be measured at fair value at each reporting date.

The effective date of the amendment is for years beginning on or after 1 July 2014.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's annual financial statements.

IFRS 8 – Annual Improvements for 2010 – 2012 cycle

Amendments to some disclosure requirements regarding the judgements made by management in applying the aggregation criteria to operating segments and clarify that reconciliations of segment assets are only required if segment assets are reported regularly.

The effective date of the amendment is for years beginning on or after 1 July 2014.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's annual financial statements.

IFRS 13 – Annual Improvements for 2010 – 2012 cycle

Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends the basis for conclusion only).

The effective date of the amendment is for years beginning on or after 1 July 2014.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's annual financial statements.

IAS 16 and IAS 38 – Annual Improvements for 2010 – 2012 cycle

Amendments to the revaluation method to include proportionate restatement of accumulated depreciation. The amendments clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

The effective date of the amendment is for years beginning on or after 1 July 2014.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's annual financial statements.

IAS 24 Related Party Disclosure

Clarification has been provided of the definition of a related party.

The effective date of the amendment is for years beginning on or after 1 July 2014.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

2.2 Standards and interpretations not yet effective (continued)

IAS 36 Impairment Assets

Amendment to IAS 36 reduces the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarifies the disclosures required, and introduces an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where the recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

The effective date of the amendment is for years beginning on or after 1 January 2014.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's annual financial statements.

IAS 40 – Annual Improvements for 2011 – 2013 cycle

Amendments to clarify the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner occupied property.

The effective date of the amendment is for years beginning on or after 1 July 2014.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the group's annual financial statements.

3. Investment property

		2014			2013	
COMPANY	**Cost R**	**Accumulated fair value adjustment R**	**Carrying value R**	Cost R	Accumulated fair value adjustment R	Carrying value R
Investment property	**4 051 135**	**–**	**4 051 135**	–	–	–

Reconciliation of investment property – Company – 2014

	Opening balance R	**Additions R**	**Total R**
Investment property	**–**	**4 051 135**	**4 051 135**

The land was acquired by SepHold on 10 December 2013 for R4 051 135 in an arm's length transaction from an independent party. Management has assessed that the carrying value of the land is not materially different from the fair value as at acquisition date and that the fair value has not changed from the fair value as at reporting date. Therefore no revaluation of land has been performed.

Pledged as security

The land is pledged as security for the R2 million overdraft facility of SepHold.

Other disclosures

The investment property has been acquired by SepHold and is leased out under an operating lease to Métier. Since the land is owner-occupied on group level, it has been reclassified to property, plant and equipment for consolidation purposes. The initial operating lease contract commenced 10 December 2013 and is for a period of nine years and 11 months which may be renewed for a five-year period. The rentals payable are subject to an increase of 8% per annum or the increase in the Consumer Price Index, whichever is the higher.

	GROUP		**COMPANY**	
	2014 R	2013 R	**2014 R**	2013 R
Total straight-lined rental income from investment property	**–**	–	**320 355**	–
Details of property				
Erf 398 Randjespark Ext 121				
– Purchase price: 10 December 2013	**–**	–	**4 017 750**	–
– Capitalised expenditure	**–**	–	**33 385**	–
	–	–	**4 051 135**	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014

4. Property, plant and equipment

GROUP	2014 Cost/ valuation R	2014 Accumulated depreciation R	2014 Carrying value R	2013 Cost/ valuation R	2013 Accumulated depreciation R	2013 Carrying value R
Land and buildings	**6 717 444**	**–**	**6 717 444**	2 666 309	–	2 666 309
Plant and machinery	**64 213 695**	**(15 537 769)**	**48 675 926**	49 892 623	(425 711)	49 466 912
Furniture and fixtures	**467 281**	**(273 807)**	**193 474**	265 449	(5 570)	259 879
Motor vehicles	**118 998 360**	**(45 704 081)**	**73 294 279**	65 403 003	(1 243 234)	64 159 769
Computer equipment	**1 758 912**	**(1 459 990)**	**298 922**	341 466	(16 227)	325 239
Total	**192 155 692**	**(62 975 647)**	**129 180 045**	118 568 850	(1 690 742)	116 878 108

Reconciliation of property, plant and equipment – Group – 2014

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Land and buildings	**2 666 309**	**4 051 135**	**–**	**–**	**6 717 444**
Plant and machinery	**49 466 912**	**4 528 888**	**–**	**(5 319 874)**	**48 675 926**
Furniture and fixtures	**259 879**	**–**	**–**	**(66 405)**	**193 474**
Motor vehicles	**64 159 769**	**31 926 163**	**(3 852 559)**	**(18 939 094)**	**73 294 279**
Computer equipment	**325 239**	**200 590**	**–**	**(226 907)**	**298 922**
	116 878 108	**40 706 776**	**(3 852 559)**	**(24 552 280)**	**129 180 045**

Reconciliation of property, plant and equipment – Group – 2013

	Opening balance R	Additions R	Additions through business combinations R	Disposals R	Depreciation R	Total R
Land and buildings	–	–	2 666 309	–	–	2 666 309
Plant and machinery	–	94 458	49 798 165	–	(425 711)	49 466 912
Furniture and fixtures	–	–	265 449	–	(5 570)	259 879
Motor vehicles	–	5 030 194	60 410 499	(37 690)	(1 243 234)	64 159 769
Computer equipment	–	20 375	321 091	–	(16 227)	325 239
	–	5 145 027	113 461 513	(37 690)	(1 690 742)	116 878 108

The land was acquired by SepHold on 10 December 2013 for R4 051 135 in an arm's length transaction from an independent party. Management has assessed that the carrying value of the land is not materially different from the fair value as at acquisition date and that the fair value has not changed from the fair value as at reporting date. Therefore no revaluation of land has been performed.

Land and buildings owned by Métier at a carrying value of R2 666 309 has not been revalued during the financial year as management has assessed that the fair value is not materially different from the fair value determined at the purchase price acquisition performed on 28 February 2013, which fair value was determined to be not materially different from the carrying value at date of acquisition.

Pledged as security
All movable assets are pledged as security for other financial liabilities as per note 19. Land of R4 051 135 is pledged as security for the R2 million overdraft facility of SepHold.

	GROUP 2014 R	GROUP 2013 R	COMPANY 2014 R	COMPANY 2013 R
Details of land and buildings				
Portion 0 of Erf 233, Phoenix Industrial Park				
– Purchase price: 12 June 2009	**2 400 000**	2 400 000	**–**	–
– Capitalised expenditure	**266 309**	266 309	**–**	–
	2 666 309	2 666 309	**–**	–
Erf 398 Randjespark Ext 121				
– Purchase price: 10 December 2013	**4 017 750**	–	**–**	–
– Capitalised expenditure	**33 385**	–	**–**	–
	4 051 135	–	**–**	–

5. Goodwill

GROUP	2014 Cost R	2014 Accumulated impairment R	2014 Carrying value R	2013 Cost R	2013 Accumulated impairment R	2013 Carrying value R
Goodwill on acquisition of subsidiary	**223 421 981**	**–**	**223 421 981**	223 421 981	–	223 421 981

Reconciliation of goodwill – Group – 2014

	Opening balance R	Total R
Goodwill	**223 421 981**	**223 421 981**

Reconciliation of goodwill – Group – 2013

	Opening balance R	Additions through business combinations R	Total R
Goodwill	–	223 421 981	223 421 981

The purchase price allocation relating to the acquisition of Métier was not performed during the prior financial year, which resulted in goodwill amounting to R238 137 854 as on 31 March 2013 based on the net asset value of Métier on 28 February 2013. The initial purchase price allocation has been finalised during the current financial period and an amount of R20 438 713 has been allocated from goodwill to intangible assets retrospectively based on the fair value determined for the Vulindlela Development Association customer contract as on acquisition date. Deferred tax on the customer contract of R5 722 840 has also been retrospectively added to the goodwill balance (notes 33 and 38).

Impairment testing during 2014 financial reporting year

In accordance with IAS 36 Impairment of Assets, goodwill and intangible assets with indefinite useful lives are reviewed annually for impairment, or more frequently if there is an indication that goodwill might be impaired.

The recoverable amount of goodwill relating to the cash-generating unit (Métier at entity level) has been determined on the basis of a value-in-use calculation. The calculation uses cash flow projections based on financial projections, covering a two-year period and a discount rate of 18,75% for the cash-generating unit. Cash flows beyond the two-year period were extrapolated using a steady 5,5% nominal growth rate. Any changes in revenue or costs are based on past predictions and expectations of future changes in the market. Based on the results of the impairment test, no impairment is required.

6. Intangible assets

GROUP	2014 Cost/ valuation R	2014 Accumulated amortisation R	2014 Carrying value R	2013 Cost/ valuation R	2013 Accumulated amortisation R	2013 Carrying value R
Customer contract	**20 438 713**	**(6 100 961)**	**14 337 752**	20 438 713	(524 070)	19 914 643

Reconciliation of intangible assets – Group – 2014

	Opening balance R	Additions R	Amortisation R	Impairment loss R	Total R
Customer contract	**19 914 643**	**–**	**(5 576 891)**	**–**	**14 337 752**

Reconciliation of intangible assets – Group – 2013

	Opening balance R	Additions through business combinations R	Amortisation R	Total R
Customer contract	–	20 438 713	(524 070)	19 914 643

With the exception of the Vulindlela Development Association customer contract, we did not identify any significant long-term contracts with customers which meet the criteria for separate recognition as intangible assets.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014

6. Intangible assets (continued)

Amortisation and change in accounting estimate

The initial five-year contract stipulated the contract period as 1 June 2011 to 30 June 2016. The 2013 financial statements have been retrospectively adjusted for the one month of amortisation for March 2013 (subsequent to the finalisation of the purchase price allocation of the Métier acquisition on 28 February 2013 (refer to note 33)), based on 39 months remaining of the five-year contract period.

On 31 December 2013 the contract was extended to a seven-year contract period. Amortisation for the 2014 reporting period has been based on the 39 months remaining of the five-year contract up until 31 December 2013 and the carrying value of the intangible asset has thereafter been amortised over the 53 months remaining of the seven-year extended contract period.

The effect of this change in accounting estimate reduced the amortisation expense and increased profit before taxation for the year ended 31 March 2014 by R711 944.

Fair value determination

Under a discounted cash flow approach, the forecast cash flows for the five-year Vulindlela Development Association customer contract period has been discounted back over the remaining period of the contract of three and a half years, at a discount rate of 18,75% and a steady nominal growth rate of 6% generating a net present value at the acquisition date of 28 February 2013 of R20 438 713.

The amount of R20 438 713 has been re-allocated for the 2013 reporting period from goodwill to intangible assets as part of the remeasurement adjustment for the purchase price allocation performed within the annual period after acquisition of Métier as permitted by IFRS 3 (note 33).

Impairment testing performed on 31 March 2014

The extension of the contract period to seven years as detailed above was considered to be a possible indicator of impairment. The recoverable amount of the intangible asset has been re-assessed over the seven-year contract period and at the renegotiated higher selling price per square metre supplied. The discount rate of 18,75% and the growth rate of 6% as stipulated above have been used and the recoverable amount over the new expected useful life has been determined as R17 368 039. As this amount exceeds the carrying value of the intangible assets of R14 337 752, no impairment is required.

7. Investments in subsidiaries

COMPANY	% holding 2014	% holding 2013	Carrying amount 2014 R	Carrying amount 2013 R
Name of company				
Sephaku Cement Investment Holdings Limited	**100,00**	100,00	**1**	1
Métier Mixed Concrete Proprietary Limited	**100,00**	100,00	**209 967 287**	295 267 125
Capitalised costs of acquisition of Métier Mixed Concrete Proprietary Limited			**–**	4 110 902
			209 967 288	299 378 028
Impairment of investment in Métier Mixed Concrete Proprietary Limited			**–**	(89 410 741)
			209 967 288	209 967 287

Subsidiaries are shown at carrying amounts, net of impairment.

All the subsidiaries are registered and operate within South Africa.

Impairment testing

2013

A dividend of R110 million was received by SepHold from Métier shortly after obtaining control. This dividend was an indicator that the investment in Métier may have been impaired. Using the same inputs as detailed under goodwill impairment testing (note 5) an impairment has been performed with the resulting impairment of R89 410 741.

The impairment test results are sensitive to the discount rate applied by management. For every 0,25% change in the discount rate, the amount impaired changes by approximately R7 million.

2014

No indicators of impairment or reversal of impairment were identified during the current financial year.

8. Investment in associate

The following table lists all the associates in the group:

GROUP	% ownership interest 2014	% ownership interest 2013	Carrying amount 2014 R	Carrying amount 2013 R
Name of company				
Sephaku Cement Proprietary Limited	**36,00**	36, 00	**616 388 706**	631 134 362
COMPANY				
Sephaku Cement Proprietary Limited	**36,00**	36,00	**635 117 284**	635 117 284

The associate is unlisted and is registered and operates within South Africa.

On 15 October 2010 the investment in SepCem as an associate was recognised at a fair value of R634 956 656 and on consolidation adjusted using the equity method for the change in SepHold's share of the post-acquisition (loss)/profit of the investee amounting to (R14 745 655) (2013: R6 191 410) and share of the post-acquisition other comprehensive loss of the investee of R1 207 663 for 2013 (note 30). The investment was increased during the 2013 reporting period with the cost of an additional 0,006% interest acquired in the associate from minority shareholders for R160 628.

SepCem has a December year-end so as to agree with Dangote Cement Plc's year-end. In line with the requirements of IAS 28, the year-end results of SepCem as at 31 December 2013 have been included in these financial statements.

	COMPANY 2014 R	COMPANY 2013 R
Summary of group interest in Sephaku Cement Proprietary Limited and its subsidiaries		
Non-current assets	**3 319 954 465**	2 741 931 152
Current assets	**110 351 889**	115 929 285
Total assets	**3 430 306 354**	2 857 860 437
Total equity	**1 073 422 528**	1 114 382 682
Non-current liabilities	**2 148 277 262**	1 642 010 413
Current liabilities	**208 606 564**	101 467 342
Total liabilities	**2 356 883 826**	1 743 477 755
Revenue for the period	**36 889 399**	16 394 882
(Loss)/profit after taxation for the period	**(40 960 154)**	17 198 361
Other comprehensive loss for the period	**–**	(3 354 619)
Total comprehensive (loss)/income for the period	**(40 960 154)**	13 843 742

2013:

The revenue and profit for the 2013 financial period reflected above are based on SepCem's six months ended 31 December 2012 audited results. The loss of SepCem for the six months ended 30 June 2012 has already been equity accounted in SepHold's 2012 results, that consists of the group's share of the loss of SepCem for the 12 months ended 30 June 2012.

There have been no unrecognised losses in the associate for which the group has not accounted.

9. Loans to group companies

	GROUP 2014 R	GROUP 2013 R	COMPANY 2014 R	COMPANY 2013 R
Subsidiary				
Sephaku Cement Investment Holdings Limited	**–**	–	**4 149**	4 149
The loan is unsecured, bears no interest and is repayable by mutual agreement.				
Associate				
Sephaku Cement Proprietary Limited	**–**	337 058	**–**	337 058
The loan is unsecured, bears no interest and is repayable on demand.				
Total	**–**	337 058	**4 149**	341 207

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
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10. Other financial assets

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R	R	**R**	R
Available-for-sale				
Liberty Investment Builder	**–**	1 081 243	**–**	–
Métier Mixed Concrete Proprietary Limited made monthly contributions to this investment of R77 232.				
Liberty Endowment Investment	**–**	3 819 001	**–**	–
Métier Mixed Concrete Proprietary Limited made monthly contributions to this investment of R67 000.				
	–	4 900 244	**–**	–
The value of the available-for-sale investments above are based on the premiums paid to date which is considered to be a close approximation of fair value, and were disposed of during the current financial year for a total gain of R860 000. There were no movements accumulated in other comprehensive income in the past that were required to be recycled to profit or loss during the current period.				
Loans and receivables				
African Nickel Holdings Proprietary Limited	**2 000 000**	3 200 000	**2 000 000**	3 200 000
Cross Company Management Proprietary Limited	**11 572 893**	10 293 783	**11 572 893**	10 293 783
The loans are unsecured, bear no interest and are repayable on demand. An impairment of R6 835 864 has been recognised during the 2013 reporting period on the receivable from Cross Company Management Proprietary Limited. No change has been made to this provision in the current year.				
	13 572 893	13 493 783	**13 572 893**	13 493 783
Total other financial assets	**13 572 893**	18 394 027	**13 572 893**	13 493 783
Non-current assets				
Available-for-sale	**–**	4 900 244	**–**	–
Loans and receivables	**6 924 311**	4 905 054	**6 924 311**	4 905 054
	6 924 311	9 805 298	**6 924 311**	4 905 054
Current assets				
Loans and receivables	**6 648 582**	8 588 729	**6 648 582**	8 588 729
	13 572 893	18 394 027	**13 572 893**	13 493 783

Fair value information

The carrying amount of the investments is based on premiums paid to date which is considered by management to be a close approximation of the fair value.

Fair value hierarchy of available–for–sale financial assets

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R	R	**R**	R
Level 3				
Investment portfolios	**–**	4 900 244	**–**	–

The group has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior financial period.

11. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

GROUP	Loans and receivables R	Non-financial instruments R	Total R
2014			
Other financial assets	**13 572 893**	**–**	**13 572 893**
Trade and other receivables	**75 775 645**	**161 017**	**75 936 662**
Cash and cash equivalents	**26 001 268**	**–**	**26 001 268**
	115 349 806	**161 017**	**115 510 823**

	Loans and receivables R	Available-for-sale R	Non-financial instruments R	Total R
2013				
Loans to group companies	337 058	–	–	337 058
Other financial assets	13 493 783	4 900 244	–	18 394 027
Trade and other receivables	60 237 799	–	362 476	60 600 275
Cash and cash equivalents	22 337 824	–	–	22 337 824
	96 406 464	4 900 244	362 476	101 669 184

COMPANY	Loans and receivables R	Non-financial instruments R	Total R
2014			
Loans to group companies	**4 149**	**–**	**4 149**
Other financial assets	**13 572 893**	**–**	**13 572 893**
Trade and other receivables	**132 375**	**95 107**	**227 482**
Cash and cash equivalents	**3 021 146**	**–**	**3 021 146**
	16 730 563	**95 107**	**16 825 670**

	Loans and receivables R	Non-financial instruments R	Total R
2013			
Loans to group companies	341 207	–	341 207
Other financial assets	13 493 783	–	13 493 783
Trade and other receivables	–	296 566	296 566
Cash and cash equivalents	13 793 993	–	13 793 993
	27 628 983	296 566	27 925 549

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12. Deferred taxation

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R	R	**R**	R
Deferred taxation asset/(liability)				
Property, plant and equipment	**(12 113 023)**	(10 346 246)	**–**	–
Income received in advance	**–**	347 687	**–**	–
S24C allowances	**–**	(201 673)	**–**	–
Doubtful debt allowance	**210 000**	210 000	**–**	–
Provision for leave pay	**170 531**	123 230	**–**	–
Prepaid expenses	**(18 454)**	(18 454)	**–**	–
Provision for management bonus	**1 623 065**	–	**–**	–
Intangible assets	**(4 014 571)**	(5 576 100)	**–**	–
Operating lease accrual	**586 519**	–	**–**	–
Total deferred taxation liability	**(13 555 933)**	(15 461 556)	**–**	–
Reconciliation of deferred taxation asset/(liability)				
Acquired through business combination (note 33)	**(15 461 556)**	(9 680 685)	**–**	–
Originating temporary difference on property, plant and equipment	**(1 766 777)**	(167 713)	**–**	–
Reversing temporary difference on income received in advance	**(347 687)**	(109 929)	**–**	–
Originating temporary difference on accrual for leave pay	**47 301**	21 822	**–**	–
Reversing temporary difference on S24C allowance	**201 673**	51 049	**–**	–
Originating temporary difference on provision for management bonus	**1 623 065**	–	**–**	–
Originating/(reversing) temporary difference on intangible assets	**1 561 529**	(5 576 100)	**–**	–
Originating temporary difference on operating lease accrual	**586 519**	–	**–**	–
	(13 555 933)	(15 461 556)	**–**	–
Unrecognised deferred taxation asset				
Deductible temporary differences not recognised as deferred taxation assets	**64 989 890**	51 936 182	**64 989 890**	51 936 182
13. Operating lease (accrual)/asset				
Non-current assets	**–**	–	**118 097**	–
Non-current liabilities	**(1 640 263)**	–	**–**	–
Current liabilities	**(336 348)**	–	**–**	–
	(1 976 611)	–	**118 097**	–
Refer to note 3 and note 34 for the terms of the operating lease asset and liability respectively.				
14. Inventories				
Raw materials	**6 576 690**	5 508 680	**–**	–
Diesel	**1 396 428**	1 221 545	**–**	–
	7 973 118	6 730 225	**–**	–

Inventory pledged as security

Inventory is pledged as security for other financial liabilities per note 19.

15. Trade and other receivables

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R	R	**R**	R
Trade receivables	**72 691 521**	58 888 140	**–**	–
Prepayments	**65 910**	65 910	**–**	–
Deposits	**1 136 266**	1 330 754	**–**	–
Value added taxation	**95 107**	296 566	**95 107**	296 566
Other receivables	**1 947 858**	18 905	**132 375**	–
	75 936 662	60 600 275	**227 482**	296 566

Trade and other receivables pledged as security
Trade and other receivables of Métier of R75 709 180 are pledged as security for other financial liabilities as per note 19.

Credit quality of trade and other receivables
Management has made an assessment of the debts neither past due nor impaired and is satisfied with the credit quality of these debtors, as all such debts are expected to be recovered without default.

Fair value of trade and other receivables
The fair values of trade and other receivables are substantially the same as the carrying amounts reflected on the statement of financial position, as the financial instruments are short-term in nature.

Trade and other receivables past due but not impaired
At 31 March 2014, R22 155 961 (2013: R5 748 090) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R	R	**R**	R
1 month past due	**16 299 021**	1 561 305	**–**	–
2 months past due	**1 128 013**	526 029	**–**	–
3 months past due	**4 728 927**	3 660 756	**–**	–

Of the above amounts past due but not impaired, R14,3 million was recovered subsequent to year-end by the end of May 2014.

Trade and other receivables – provision for impairment
As of 31 March 2014, trade and other receivables of R1 000 000 (2013: R1 000 000) were provided for.

The following factors were considered in determining the amounts of the impairment:
- Each account was assessed based on past credit history; and
- Any knowledge of particular insolvency or other risk.

180 days overdue are considered indicators that the trade receivable is impaired.

Reconciliation of provision for impairment of trade and other receivables

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R	R	**R**	R
Opening balance	**1 000 000**	–	**–**	–
Acquired through business combination	**–**	1 000 000	**–**	–
	1 000 000	1 000 000	**–**	–

Exposure to credit risk
The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The company does not hold any collateral as security.

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16. Cash and cash equivalents

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R	R	**R**	R
Cash and cash equivalents consist of:				
Cash on hand	**57 000**	53 500	**–**	–
Bank balances	**25 944 268**	22 284 324	**3 021 146**	13 793 993
	26 001 268	22 337 824	**3 021 146**	13 793 993
The fair values of cash and cash equivalents are considered to be equal to the carrying value.				
Sephaku Holdings Limited has an available Absa overdraft facility of R2 000 000 and Métier Mixed Concrete Proprietary Limited has an available Standard Bank overdraft facility of R2 000 000.				
The total amount of undrawn overdraft and term loan facilities available for future operating activities and commitments	**12 778 247**	–	**2 000 000**	–
Credit facilities are secured as per note 19.				
Credit quality of cash at bank and short-term deposits, excluding cash on hand				
The credit quality of cash at bank and short-term deposits, excluding cash on hand, that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:				
Credit rating				
Fitch short-term rating: F1+	**25 944 268**	22 284 324	**3 021 146**	13 793 993

17. Stated capital

	GROUP 2014 R	GROUP 2013 R	COMPANY 2014 R	COMPANY 2013 R
Authorised				
1 000 000 000 ordinary shares with no par value				
Reconciliation of number of shares issued:				
Number of shares at beginning of period	**187 901 843**	171 790 732	**187 901 843**	171 790 732
Number of ordinary shares issued during the period	**1 971 136**	16 111 111	**1 971 136**	16 111 111
Number of ordinary shares at end of period	**189 872 979**	187 901 843	**189 872 979**	187 901 843
The total amount of 1 971 136 shares issued during the year relates to share options that were exercised by employees and directors during the year (note 18). Shares issued for cash amounted to R2 970 737 and an amount of R2 011 883 was still receivable by the company at year-end for shares issued to option holders that were still to trade subsequent to year-end.				
The unissued ordinary shares are under the control of the directors.				
Issued				
Ordinary shares with no par value	**585 573 235**	580 590 616	**585 573 235**	580 590 616

18. Share–based payments

Share Option Group	Number R	Weighted exercise price R	Total value R
2014			
Share options granted during 2008 year (30/06/2008 to 30/06/2011)	**200 000**	**1,50**	**300 000**
Share options granted on 31 March 2008	**5 740 000**	**2,50**	**14 350 000**
Share options granted on 15 October 2010	**10 000 000**	**3,50**	**35 000 000**
Share options granted on 29 June 2012	**3 500 000**	**1,90**	**6 650 000**
Share options granted on 31 August 2012	**1 500 000**	**1,90**	**2 850 000**
Share options granted at R2,50 on 31 March 2008 exercised during the year (note 17)	**(1 666 803)**	**–**	**–**
Share options granted at R3,50 on 15 October 2010 exercised during the year (note 17)	**(304 333)**	**–**	**–**
Exercised and expired during prior periods*	**(516 530)**	**–**	**–**
Outstanding at the end of the financial period	**18 452 334**	**–**	**–**
Exercisable at the end of the financial period	**6 785 667**	**–**	**–**
2013			
Share options granted during 2008 year (30/06/2008 to 30/06/2011)	200 000	1,50	300 000
Share options granted on 31 March 2008	5 740 000	2,50	14 350 000
Share options granted on 15 October 2010	10 000 000	3,50	35 000 000
Share options granted on 29 June 2012	3 500 000	1,90	6 650 000
Share options granted on 31 August 2012	1 500 000	1,90	2 850 000
Exercised and expired during prior periods*	(516 530)	–	–
Outstanding at the end of the financial period	20 423 470	–	–
Exercisable at the end of the financial period	5 423 470	–	–

** relating to share options granted during 2008 year*

Information on options granted on 31 March 2008

On 31 March 2008, 5 740 000 American style share options with an exercise price of R2,50 were granted of which 5 423 470 options are still outstanding at period-end. These options vest over a three-year period on the anniversary of the grant and expire on 31 March 2015.

Fair value was determined by using the Black Scholes method. The following inputs were used:

- Exercise price, R2,50
- Expected volatility, 30%
- Option life: 1,2 and 3 years
- Expected dividends, Nil
- The risk-free interest rate, 6,65%

As the options have vested in full, no staff cost related to equity-settled share-based payments transactions was recognised in the current period.

During 2012, 5 373 470 SepFluor Limited shares were sold to Cross Company Management Proprietary Limited for R0,58875, to be held for the benefit of the holders of certain vested options over SepHold shares. On exercise date SepHold will acquire the shares at R0,58875 from Cross Company Management Proprietary Limited.

Information on options granted on 15 October 2010

On 15 October 2010, 10 million American style share options were granted with an exercise price of R3,50, all of which are still outstanding at period-end. These options vest over a five-year period on the anniversary of the grant of the third, fourth and fifth year and expire on 15 October 2017. No option premium was paid on the date of the grant.

Fair value was determined by using the Black Scholes method. The following inputs were used:

- Exercise price, R3,50
- Expected volatility, 55%
- Option life: 3,4 and 5 years
- Expected dividends, Nil
- The risk-free interest rate, 7,14%

Total staff cost of R3 511 018 related to equity-settled share-based payment transactions was recognised in 2014 (2013: R3 187 083), of which R1 372 808 (2013: R1 246 150) relates to directors and key management personnel.

Expected volatility is based on share price history. Annualised volatility up to grant date was 93%. This dropped significantly to approximately 80% in February 2011, 56% in March 2011 and 52% in June 2011. Therefore 55% was considered to be reasonable for future volatility.

On 9 February 2012, PSG Capital Proprietary Limited prepared a report as an independent expert for the value attributable to SepHold and SepFluor Limited on the grant date of 15 October 2010 so as to ensure that participants are placed in no worse position with the SepFluor Limited unbundling. Based on their report it was concluded that SepHold's strike price changed to R2,68 and an option holder will also receive a SepFluor Limited share at a strike price of R0,82 at the date of exercise.

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18. Share–based payments (continued)

Information on options granted on 29 June 2012

On 29 June 2012, 3,5 million American style share options with an exercise price of R1,90 were granted, all of which are still outstanding at year–end. These options vest over a five–year period on the anniversary of the grant of the third, fourth and fifth year and expire on 29 June 2019. No option premium was paid on the date of the grant.

Fair value was determined by using the binomial valuation method. The following inputs were used:

- Exercise price, R1,90
- Expected volatility, 55%
- Option life: 3,4 and 5 years
- Expected dividends, Nil
- The risk-free interest rate, 6,82%

Total staff cost of R1 112 241 related to equity–settled share–based payment transactions was recognised in 2014 (2013: R834 181), of which R889 793 (2013: R667 345) relates to directors and key management personnel.

Expected volatility is based on share price history and 55% was considered to be reasonable for future volatility.

Information on options granted on 31 August 2012

On 31 August 2012, 1,5 million American style share options with an exercise price of R1,90 were granted, all of which are still outstanding at year-end. These options vest over a five–year period on the anniversary of the grant of the third, fourth and fifth year and expire on 31 August 2019. No option premium was paid on the date of the grant.

Fair value was determined by using the binomial valuation method. The following inputs were used:

- Exercise price, R1,90
- Expected volatility, 55%
- Option life: 3,4 and 5 years
- Expected dividends, Nil
- The risk-free interest rate, 6,82%

Total staff cost of R788 296 related to equity-settled share-based payment transactions was recognised in 2014 (2013: R459 839), of which R788 296 (2013: R459 839) relates to directors and key management personnel.

Expected volatility is based on share price history and 55% was considered to be reasonable for future volatility.

19. Other financial liabilities

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R	R	**R**	R
Held at amortised cost				
Deferred vendor loan A final cash payment of R125 million is due on 1 December 2014 to the sellers of Métier Mixed Concrete Proprietary Limited (note 33). The final cash payment has been reduced by an amount of R8 million due to uncertainty whether Métier Mixed Concrete Proprietary Limited can recover this amount from TBP Buildings and Civils Proprietary Limited. The net of the above amounts were discounted over 21 months at a rate of 0,53% per month to the net present value of R104 711 570 and finance charges of R6 890 908 (2013: R554 762 for the one month of March 2013) (note 27) relating to the unwinding of the liability/imputed interest for the financial period have been recognised.	**112 157 240**	105 266 332	**112 157 240**	105 266 332
Standard Bank – Facility A The loan bore interest repaid monthly in arrears at the JIBAR rate. The loan was fully repaid during the financial year.	**–**	77 643 332	**–**	–
Standard Bank – Facility B This loan bears interest at the variable JIBAR rate, currently 9,33%. Capital and interest are repayable quarterly in arrears until 28 December 2018. This loan facility amounts to R150 million with a maximum drawdown on 1 December 2014 of R125 million. Capital payments based on estimated free cash flow have been estimated as follows: – R7,5 million on 30/06/2014 – R7,5 million on 30/09/2014 – R7,5 million on 31/12/2014 – R6,25 million on 31/03/2015 The balance will be paid in periods thereafter and has been included in the non-current portion of the other financial liabilities disclosed.	**80 416 668**	38 000 000	**–**	–
Standard Bank – Facility C This loan bears interest at a fixed rate of 10,32% per annum and is repayable in February 2018, with interest payments made quarterly in arrears.	**63 221 753**	63 221 753	**–**	–
Standard Bank – Facility D This loan bears interest at a fixed rate of 10,32% per annum and is repayable in February 2018, with interest payments made quarterly in arrears.	**31 000 000**	9 000 000	**–**	–
Capitalised transaction costs Transaction costs of the above loans are capitalised and released to operating expenses over the terms of the loans.	**(3 311 638)**	(4 157 163)	**–**	–
	283 484 023	288 974 254	**112 157 240**	105 266 332

The Standard Bank loans ("Facilities A, B, C and D" and facilities as per note 16) are secured as follows:

- General notarial bond by Métier in favour of the debt guarantor over all its movable assets, including inventory;
- Pledge and cession by SepHold in favour of the debt guarantor, in which SepHold *inter alia* pledges and cedes *in securitatem debiti* to the debt guarantor all its shares in and claims against the borrower;
- Cession of insurances by Métier in favour of the debt guarantor, in terms of which Métier cedes *in securitatem debiti* to the debt guarantor all of its right, title and interest in and to all insurances over its assets;
- Cession of debts by Métier in favour of the debt guarantor, in terms of which Métier cedes *in securitatem debiti* to the debt guarantor, all of its right, title and interest in and to all of its debtors;
- Special notarial bond by Métier in favour of the debt guarantor over specified movable assets; and
- The deed of security over the domain name www.metiersa.co.za entered into between Métier (as cedent) and the debt guarantor (as cessionary) and any notices or acknowledgements required thereunder, in terms of which Métier cedes *in securitatem debiti* to the debt guarantor all of its right, title and interest in and to the domain name.

Total term lending facilities are R260 000 000 (2013: R260 000 000).

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19. Other financial liabilities (continued)

	GROUP 2014 R	GROUP 2013 R	COMPANY 2014 R	COMPANY 2013 R
Non-current liabilities				
At amortised cost	**142 576 783**	249 390 922	**–**	105 266 332
Current liabilities				
At amortised cost	**140 907 240**	39 583 332	**112 157 240**	–
	283 484 023	288 974 254	**112 157 240**	105 266 332

The fair values of these financial liabilities are substantially the same as the carrying amounts reflected on the statement of financial position as they bear interest at market-related rates.

20. Deferred income

Government grants of R831 894 relating to assets were received during the 2014 financial year (2013: R1 307 532). These grants are recognised as deferred income, and released to operating profit over the average useful lives of the assets, which is seven years. The total recognised in operating profit for 2014 amounts to R238 558 (2013: R15 753).

	GROUP 2014 R	GROUP 2013 R	COMPANY 2014 R	COMPANY 2013 R
Movement for the period:				
Opening balance	**1 291 779**	–	**–**	–
Acquired through business combination (note 33)	**–**	1 307 532	**–**	–
Received during the year	**831 894**	–	**–**	–
Amortisation	**(238 558)**	(15 753)	**–**	–
Closing balance	**1 885 115**	1 291 779	**–**	–
Non-current liabilities	**1 577 232**	1 102 738	**–**	–
Current liabilities	**307 883**	189 041	**–**	–
	1 885 115	1 291 779	**–**	–

21. Trade and other payables

	GROUP 2014 R	GROUP 2013 R	COMPANY 2014 R	COMPANY 2013 R
Trade payables	**44 120 090**	33 548 454	**677 035**	150 694
Value added taxation	**1 897 654**	539 488	**–**	–
Accrued expenses	**2 028 191**	3 032 325	**670 000**	36 000
Accrued bonus	**5 796 663**	5 011 277	**–**	–
Accrued audit fees	**320 100**	340 000	**320 100**	340 000
Sundry suppliers	**2 831 514**	–	**–**	–
	56 994 212	42 471 544	**1 667 135**	526 694

Fair value of trade and other payables

The fair values of trade and other payables are substantially the same as the carrying amounts reflected on the statement of financial position, as the financial instruments are short-term in nature.

22. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

GROUP	Financial liabilities at amortised cost R	Non-financial instruments R	Total R
2014			
Other financial liabilities	**283 484 023**	**–**	**283 484 023**
Trade and other payables	**47 880 748**	**9 113 464**	**56 994 212**
	331 364 771	**9 113 464**	**340 478 235**

	Financial liabilities at amortised cost R	Non-financial instruments R	Total R
2013			
Other financial liabilities	288 974 254	–	288 974 254
Trade and other payables	36 884 779	5 586 765	42 471 544
	325 859 033	5 586 765	331 445 798

COMPANY	Financial liabilities at amortised cost R	Non-financial instruments R	Total R
2014			
Other financial liabilities	**112 157 240**	**–**	**112 157 240**
Trade and other payables	**997 135**	**670 000**	**1 667 135**
	113 154 375	**670 000**	**113 824 375**

	Financial liabilities at amortised cost R	Non-financial instruments R	Total R
2013			
Other financial liabilities	105 266 332	–	105 266 332
Trade and other payables	490 694	36 000	526 694
	105 757 026	36 000	105 793 026

23. Revenue

	GROUP		COMPANY	
	2014 R	2013 R	**2014 R**	2013 R
Sale of goods	**571 544 796**	37 195 338	**–**	–

24. Cost of sales

	GROUP 2014 R	GROUP 2013 R	COMPANY 2014 R	COMPANY 2013 R
Cost of goods/inventory sold	**319 156 121**	21 574 848	**–**	–

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25. Operating profit/(loss)

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R	R	**R**	R
Operating profit/(loss) for the period is stated after accounting for the following:				
Operating lease charges				
Lease rentals on operating lease				
– Contractual amounts straight-lined	**(9 879 742)**	(387 266)	**–**	–
Profit on sale of property, plant and equipment	**1 076 760**	50 029	**–**	–
Profit on disposal of other financial assets	**860 000**	–	**–**	–
Straight–lined operating rent received from related party on investment property	**–**	–	**320 355**	–
Impairment of investment in subsidiary	**–**	–	**–**	(89 410 741)
Impairment of loan receivable	**–**	(6 835 864)	**–**	(6 835 864)
Amortisation on intangible assets	**(5 576 891)**	(524 070)	**–**	–
Depreciation on property, plant and equipment	**(24 552 280)**	(1 690 742)	**–**	–
Employee costs	**(40 388 366)**	(9 136 159)	**(8 797 187)**	(7 108 863)
Management fees paid to Cross Company Management Proprietary Limited relating to employee costs	**(17 325 843)**	(2 773 189)	**(5 757 024)**	(2 773 189)
Auditors' remuneration	**(793 001)**	(559 523)	**(337 110)**	(476 610)

26. Investment revenue

Dividend revenue				
Subsidiaries – Local	**–**	–	**–**	110 000 000
Interest revenue				
Bank	**259 314**	672 558	**259 314**	652 050
Other interest received	**2 433 950**	147 729	**3 994**	–
	2 693 264	820 287	**263 308**	652 050
	2 693 264	820 287	**263 308**	110 652 050

27. Finance costs

Bank	**16**	55 518	**16**	–
Other financial liabilities	**17 939 073**	1 338 988	**–**	–
Imputed interest charge on deferred vendor loan (note 19)	**6 890 908**	554 762	**6 890 908**	554 762
Capitalised transaction costs (note 19)	**845 525**	–	**–**	–
	25 675 522	1 949 268	**6 890 924**	554 762

28. Taxation

	GROUP 2014 R	GROUP 2013 R	COMPANY 2014 R	COMPANY 2013 R
Major components of the taxation expense				
Current				
Local income taxation – current period	**18 152 375**	929 899	**–**	–
Donations taxation	**(4 310)**	6 530	**–**	–
	18 148 065	936 429	**–**	–
Deferred				
Originating and reversing temporary differences	**(1 905 623)**	58 032	**–**	–
	16 242 442	994 461	**–**	–
Reconciliation of the taxation expense				
Reconciliation between accounting profit and taxation expense.				
(Profit)/loss before taxation	**13 424 663**	(15 310 368)	**(25 356 170)**	586 467
Taxation at the applicable taxation rate of 28%	**3 758 906**	(4 286 903)	**(7 099 728)**	164 211
Taxation effect of adjustments on taxable income				
Non-deductible items and exempt income	**8 799 741**	2 998 137	**3 444 690**	(2 440 908)
Taxable temporary difference not recognised as deferred tax liability	**–**	–	**(33 067)**	–
Deferred taxation not raised on taxation loss	**3 688 105**	2 276 697	**3 688 105**	2 276 697
Donations taxation	**(4 310)**	6 530	**–**	–
	16 242 442	994 461	**–**	–

No provision has been made by the company for 2014 or 2013 taxation as the company has no taxable income. The estimated taxation loss available for set-off against future taxable income for the group is R65 107 985 (2013: R51 936 182) and for the company is R65 107 985 (2013: R51 936 182).

	GROUP 2014 R	GROUP 2013 R	COMPANY 2014 R	COMPANY 2013 R
29. Auditor's remuneration				
Fees for audit services	**642 050**	554 523	**332 850**	476 610
Consulting	**86 720**	5 000	**4 260**	–
Tax and secretarial services	**22 235**	–	**–**	–
Disbursements	**41 996**	–	**–**	–
	793 001	559 523	**337 110**	476 610

30. Other comprehensive income

Components of other comprehensive income Group – 2013

	Share of other comprehensive income of associates R	Net of taxation R
Items that will not be reclassified to profit or loss		
Movements on revaluation		
Loss on property revaluation	(1 207 663)	(1 207 663)

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31. Cash generated from/(used in) operations

	GROUP		COMPANY	
	2014 R	2013 R	**2014 R**	2013 R
Profit/(loss) for the year/period	**13 424 663**	(15 310 368)	**(25 356 170)**	586 467
Adjustments for:				
Depreciation and amortisation	**30 129 171**	2 214 812	**–**	–
Profit on sale of non-current assets	**(1 076 760)**	(50 029)	**–**	–
Profit on disposal of other financial assets	**(860 000)**	–	**–**	–
Loss/(profit) from equity-accounted investments	**14 745 655**	(6 191 410)	**–**	–
Dividends received	**–**	–	**–**	(110 000 000)
Interest received – investment	**(2 693 264)**	(820 287)	**(263 308)**	(652 050)
Finance costs	**25 675 522**	1 949 268	**6 890 924**	554 762
Impairment loss	**–**	6 835 864	**–**	96 246 605
Movements in operating lease assets and accruals	**1 976 611**	–	**(118 097)**	–
Acquisition costs	**–**	4 110 902	**–**	–
Deferred income	**(238 558)**	(15 753)	**–**	–
Share options recorded against salary expense	**5 411 555**	4 481 104	**5 411 555**	4 481 104
Changes in working capital:				
Inventories	**(1 242 893)**	(913 370)	**–**	–
Trade and other receivables	**(15 336 387)**	(6 929 848)	**69 084**	(269 676)
Trade and other payables	**14 522 669**	(10 931 485)	**1 140 440**	(455 233)
	84 437 984	(21 570 600)	**(12 225 572)**	(9 508 021)

32. Taxation (paid)/received

	GROUP 2014 R	GROUP 2013 R	COMPANY 2014 R	COMPANY 2013 R
Balance at beginning of the year	**(11 402 043)**	–	**–**	–
Current taxation for the period recognised in profit or loss	**(18 148 065)**	(936 429)	**–**	–
Balance acquired on the acquisition of the subsidiary	**–**	(10 410 096)	**–**	–
Balance at end of the period	**1 192 809**	11 402 043	**–**	–
	(28 357 299)	55 518	**–**	–

33. Acquisition of subsidiary

	GROUP 2014 R	GROUP 2013 R	COMPANY 2014 R	COMPANY 2013 R
Business combination				
Property, plant and equipment	–	113 461 513	–	–
Intangible assets (note 6)	–	20 438 713	–	–
Investment in subsidiary (note 7)	–	–	–	295 267 125
Other financial assets	–	4 756 013	–	–
Inventories	–	5 816 855	–	–
Trade and other receivables	–	53 643 537	–	–
Cash and cash equivalents	–	20 799 994	–	–
Other loans and payables	–	(67 529 217)	–	–
Deferred taxation	–	(15 403 525)	–	–
Current taxation payable	–	(10 410 096)	–	–
Trade and other payables	–	(52 421 111)	–	–
Deferred income	–	(1 307 532)	–	–
Net assets acquired at fair values/investment in subsidiary	–	71 845 144	–	295 267 125
Goodwill	–	223 421 981	–	–
	–	295 267 125	–	295 267 125
Consideration paid				
Cash	–	110 000 000	–	110 000 000
Equity instruments	–	80 555 555	–	80 555 555
Deferred vendor loan of R125 million discounted to net present value (note 19)	–	104 711 570	–	104 711 570
	–	295 267 125	–	295 267 125
Net cash outflow on acquisition				
Cash consideration paid	–	(110 000 000)	–	(110 000 000)
Cash acquired	–	20 799 994	–	–
	–	(89 200 006)	–	(110 000 000)

On 28 February 2013, the group acquired 100% of the issued share capital of Métier which resulted in the group obtaining control over Métier.

Métier is a supplier of quality ready-mixed concrete products. The company has a full–service technical division, provides a concrete-pumping service, and has capacity to supply specialised concrete to the higher end of the market.

The acquisition is expected to have synergistic benefits for SepHold and its associate SepCem, currently a new entrant into the cement production industry in South Africa. Synergistic benefits for SepHold include: building a broader revenue base in the construction materials market; providing earlier cash flows; diversification of company assets; regional diversification of SepHold; and the creation of shareholder growth. Further potential exists for vertical integration as Métier is a consumer of cement and fly ash, both of which can potentially be provided by SepCem.

The acquisition is consistent with the stated growth and investment strategy of SepHold to increase its focus on cement and cement-related products and services.

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33. Acquisition of subsidiary (continued)

Purchase consideration

The total nominal purchase consideration consists of R365 million in a combination of acquisition finance and SepHold securities. The total fair value of the purchase consideration amounted to R295 267 125.

On closing the following settlement took place (as per the agreement):
- Cash payment of R110 million;
- Five million SepHold shares were issued at R6 per share amounting to R30 million; and
- 11,1 million SepHold shares were issued at R9 per share amounting to R100 million.

The above share issues were recorded at fair value in terms of IFRS based on the listed share price of SepHold at 28 February 2013 of R5 per share amounting to R80 555 555.

On 1 December 2014 the balance of the purchase consideration will be settled as follows:
- Cash payment of R125 million; and
- Agterskot: if the SepHold share price, based on a 60-day volume weighted average price, is below R9 and above R4 at 1 December 2014, additional shares will be issued to settle the purchase consideration. The additional shares to be issued would be calculated by dividing R100 million by the share price to calculate an amount of shares. This amount less 11 111 111 shares would be the additional shares to be issued.

The company will therefore have a potential liability for the additional amount of shares if the share price is below R9 per share on 1 December 2014. Management has in conjunction with external valuers assessed the likelihood and estimated that the future share price at measurement date of 1 December 2014 will be in excess of R9 per share, and therefore no further liability has been recognised.

Goodwill

In terms of IFRS, goodwill acquired in a business combination should be allocated to each of the acquirer's cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units. This allocation of goodwill should be performed at acquisition date. If the initial allocation cannot be completed before the end of the annual period in which the business combination is effected, that initial allocation should be completed before the end of the first annual period beginning after acquisition date.

The purchase price allocation was not completed during the prior financial year, which resulted in goodwill amounting to R238 137 854 as on 31 March 2013 based on the net asset value of Métier on 28 February 2013. The initial allocation has been completed during the current financial period and an amount of R20 438 713 has been allocated from goodwill to intangible assets retrospectively based on the fair value determined for the Vulindlela Development Association customer contract as on acquisition date. Deferred tax on the customer contract of R5 722 840 has also been adjusted retrospectively against the goodwill balance. Amortisation has been provided on the intangible asset balance retrospectively from the date of acquisition (note 38).

The fair value of the Vulindlela Development Association customer contract was determined based on estimated future cash flows over the contract period as on acquisition date (note 6). The remainder of the goodwill balance of R223 421 981 can not be allocated to a specific asset as this relates to synergistic benefits such as the future revenue base Métier will provide, Métier management's expertise obtained and the possible vertical integration between Métier and SepCem. The remaining goodwill balance is tested annually for impairment (note 5).

Equity issued as part of consideration paid

The fair value of the 5 000 000 and the further 11 111 111 SepHold ordinary shares issued as part of the consideration for the business combination has been based on the listed share price of the company at 28 February 2013 of R5 per share.

Acquisition-related costs

The company incurred acquisition-related costs of R4 110 902 relating to external legal fees, due diligence costs, consulting and competition commission fees. These costs have been capitalised to the investment in subsidiary on company level and have been included in 'operating expenses' in the consolidated statement of comprehensive income on group level.

Group revenue and profit or loss for full financial period (2013)

Revenue of R37 195 338 and profit before taxation of R3 135 986 for the month of March 2013 of Métier has been included in the 2013 reporting period results of SepHold. Had the acquisition been effective at the beginning of the 2013 reporting period, management estimated that Métier would have contributed R292 215 435 to revenue and R38 322 894 to profit before taxation. This estimate has been based on management accounts for the nine-month period. Métier earned revenue of R414 267 766 and profit before taxation of R63 356 713 for the 12 months ended 28 February 2013 based on their audited annual financial statements.

34. Commitments

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R	R	**R**	R
Authorised capital expenditure				
Operating leases – as lessee (expense)				
Minimum lease payments due				
– within one year	**8 506 241**	18 035 013	**–**	–
– in second to fifth year inclusive	**36 739 506**	35 409 380	**–**	–
– later than five years	**30 636 782**	33 881 879	**–**	–
	75 882 529	87 326 272	**–**	–
Operating lease payments represent rentals payable by the group for certain of its plant sites. Leases are negotiated for an average term of seven years per lease. The average escalation rate per lease is 9% per annum. No contingent rent is payable.				
Operating leases – as lessor (income)				
Minimum lease payments due				
– within one year	**–**	–	**(682 000)**	–
– in second to fifth year inclusive	**–**	–	**(3 319 022)**	–
– later than five years	**–**	–	**(5 309 542)**	–
	–	–	**(9 310 564)**	–

The investment property has been acquired by SepHold and is leased out under an operating lease to Métier. Since the property is owner-occupied on group level, it has been reclassified to property, plant and equipment for consolidation purposes. The initial operating lease contract commenced 10 December 2013 and is for a period of nine years and 11 months which may be renewed for a five-year period. The rentals payable are subject to an increase of 8% per annum or the increase in the Consumer Price Index, whichever is the higher.

35. Contingencies

SepHold has a possible obligation to issue additional shares to the sellers of Métier to settle the purchase consideration should the SepHold share price, based on a 60-day volume weighted average price, be below R9 at 1 December 2014. To the extent that the issue of 11 111 111 SepHold shares multiplied by the future share price be less than R100 million, SepHold shall issue to the sellers a number of additional consideration shares, to be calculated by dividing the shortfall by the future share price.

36. Related parties

Relationships

Subsidiaries	Refer to note 7
Associate	Refer to note 8
Shareholder with significant influence	Dangote Industries Limited
Company with common shareholders	Incubex Minerals Limited SepFluor Limited
Directors	B Williams MG Mahlare PM Makwana MM Ngoasheng Dr L Mohuba NR Crafford-Lazarus RR Matjiu KJ Capes PF Fourie Dr D Twist CRDW de Bruin J Bennette JW Wessels
Key management personnel of the group	Refer to directors as listed above. Also included two prescribed officers.

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36. Related parties (continued)

Relationships (continued)

Companies with common directors

Métier Concrete Products Proprietary Limited
Plazatique Corp 27 CC
JT Ross Proprietary Limited (2013)
JT Ross and Son Proprietary Limited (2013)
The JTR Trust
Meadowland Estates Proprietary Limited
WKRD Properties Proprietary Limited (Formerly Métier Aggregates Proprietary Limited)
Cross Company Management Proprietary Limited

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R	R	**R**	R
Related party balances				
Loan accounts – Owing by related parties				
Sephaku Cement Proprietary Limited	**–**	337 058	**–**	337 058
Cross Company Management Proprietary Limited	**11 572 893**	17 129 647	**11 572 893**	17 129 647
Sephaku Cement Investment Holdings Limited	**–**	–	**4 149**	4 149
Amounts included in trade receivables/(trade payables) regarding related parties				
Cross Company Management Proprietary Limited	**–**	(4 699)	**–**	(4 699)
Métier Concrete Products Proprietary Limited	**137 677**	142 838	**–**	–
Meadowland Estates Proprietary Limited	**112 436**	–	**–**	–
Related party transactions				
Sales to related parties				
Métier Concrete Products Proprietary Limited	**2 738 681**	(142 838)	**–**	–
Meadowland Estates Proprietary)Limited	**642 272**	–	**–**	–
Purchases from related parties				
WKRD Properties Proprietary Limited	**7 184 618**	510 655	**–**	–
Plazatique Corp 27 CC	**1 275 317**	–	**–**	–
Métier Concrete Products Proprietary Limited	**239 800**	–	**–**	–
Rent paid to/(received from) related parties				
Plazatique Corp 27 CC	**751 773**	59 950	**–**	–
WKRD Properties Proprietary Limited	**5 015 662**	27 216	**–**	–
Métier Mixed Concrete Proprietary Limited	**–**	–	**(320 355)**	–
Fees paid to related parties for management services				
Cross Company Management Proprietary Limited	**17 808 951**	3 039 781	**6 203 232**	3 039 781
Utilities paid to related parties				
Plazatique Corp 27 CC	**366 926**	33 751	**–**	–
WKRD Properties Proprietary Limited	**1 199 593**	–	**–**	–

Refer to note 37 for remuneration of directors and prescribed officers.

Refer to note 18 for the share-based payment expense that relates to key management personnel of the group.

37. Directors' and prescribed officers' emoluments

Executive	Remuneration R	Performance bonuses R	Travel allowances R	Pension fund R	Total R
2014					
Dr L Mohuba	**972 594**	**217 000**	**–**	**–**	**1 189 594**
NR Crafford-Lazarus	**1 302 095**	**1 105 083**	**75 204**	**–**	**2 482 382**
RR Matjiu	**299 194**	**84 222**	**40 015**	**–**	**423 431**
KJ Capes[(1)]	**2 255 169**	**1 561 281**	**–**	**–**	**3 816 450**
J Bennette[(2)]	**913 846**	**298 615**	**38 400**	**38 269**	**1 289 130**
JW Wessels[(3)]	**429 709**	**902 999**	**–**	**–**	**1 332 708**
	6 172 607	**4 169 200**	**153 619**	**38 269**	**10 533 695**

	Remuneration R	Performance bonuses R	Travel allowances R	Pension fund R	Total R
2013					
Dr L Mohuba	479 205	189 637	–	–	668 842
NR Crafford-Lazarus	562 234	1 012 994	36 000	–	1 611 228
RR Matjiu	210 784	26 133	30 000	–	266 917
KJ Capes*[(1)]	183 333	–	–	–	183 333
J Bennette[(2)]	930 614	113 288	57 600	48 904	1 155 406
JW Wessels[(3)]	272 938	760 378	–	–	1 033 316
	2 639 108	2 107 430	123 600	48 904	4 919 042

[(1)] *Appointed on 29 July 2013.*
[(2)] *Resigned on 21 August 2013. All remuneration paid by the associate company, SepCem, has been disclosed till date of resignation as director of SepHold.*
[(3)] *Passed away on 23 March 2014.*
* *For the one month of March 2013 since date of acquisition of Métier.*

Non-executive	Fees for services as director R	Remuneration R	Committees fees R	Pension fund R	Consulting fees R	Medical aid R	Allowances R	Total R
2014								
B Williams	**167 999**	**–**	**132 000**	**–**	**–**	**–**	**–**	**299 999**
MG Mahlare	**96 000**	**–**	**78 000**	**–**	**–**	**–**	**–**	**174 000**
PM Makwana	**72 000**	**–**	**90 000**	**–**	**–**	**–**	**–**	**162 000**
MM Ngoasheng	**16 000**	**–**	**18 000**	**–**	**–**	**–**	**–**	**34 000**
PF Fourie	**–**	**2 232 318**	**–**	**297 572**	**–**	**107 064**	**261 600**	**2 898 554**
CRDW de Bruin[(1)]	**–**	**–**	**–**	**–**	**554 060**	**–**	**–**	**554 060**
	351 999	**2 232 318**	**318 000**	**297 572**	**554 060**	**107 064**	**261 600**	**4 122 613**

[(1)] *Resigned on 21 April 2014*

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37. Directors' and prescribed officers' emoluments (continued)

Non-executive	Fees for services as director R	Remune-ration R	Performance bonuses R	Committees fees R	Consulting fees R	Pension fund R	Medical aid R	Allowances R	Total R
2013									
B Williams	132 000	–	–	32 000	–	–	–	–	164 000
MG Mahlare	60 000	–	–	48 000	–	–	–	–	108 000
PM Makwana	20 000	–	–	16 000	–	–	–	–	36 000
MM Ngoasheng	6 600	–	–	16 500	–	–	–	–	23 100
PF Fourie	–	2 006 647	202 154	–	–	134 639	95 736	282 497	2 721 673
CRDW de Bruin[(1)]	–	–	–	–	446 944	–	–	–	446 944
	218 600	2 006 647	202 154	112 500	446 944	134 639	95 736	282 497	3 499 717

[(1)] *Resigned on 21 April 2014*

A management fee is paid to Cross Company Management Proprietary Limited for the services of all executive directors and staff of SepHold. The fees are calculated on the basis of time spent on group activities. The amounts included as directors' emoluments are the amounts paid to Cross Company Management Proprietary Limited for the services rendered by the SepHold directors to the group.

Cross Company Management Proprietary Limited also provides administrative services to Métier and all the executive directors of Métier are paid by Cross Company Management Proprietary Limited and recovered from Métier in the form of a management fee.

PF Fourie is a director of both SepHold and SepCem and all remuneration paid to him by the associate company, SepCem, has therefore also been disclosed above.

Service contracts
None of the directors of the company have written service contracts with the company. Directors are employed by the board and rotate in terms of the memorandum of incorporation.

Prescribed officers	Remuneration R	Performance bonuses R	Travel allowances R	Total R
2014				
Prescribed officer 1	**2 255 169**	**1 561 281**	**–**	**3 816 450**
Prescribed officer 2	**2 067 666**	**1 561 281**	**187 503**	**3 816 450**
	4 322 835	**3 122 562**	**187 503**	**7 632 900**

	Remuneration R	Travel allowances R	Total R
2013*			
Prescribed officer 1	183 333	–	183 333
Prescribed officer 2	167 722	15 611	183 333
	351 055	15 611	366 666

* *For the one month of March 2013*

38. Comparative figures

The 2013 reporting period is for nine months with the inclusion of Métier for one month. The comparative amounts are therefore not comparable to the current balances.

Certain comparative figures have been restated as a result of the purchase price allocation for the Métier acquisition being completed in the current financial year as permitted by IFRS 3 (note 33).

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	R	R	**R**	R
The effects of the restatement on the 2013 results are as follows:				
Statement of financial position				
Intangible assets	–	20 438 713	–	–
Goodwill	–	(14 715 873)	–	–
Deferred taxation liability	–	(5 576 100)	–	–
Accumulated amortisation of intangible assets	–	(524 070)	–	–
Net asset value per share as previously reported (cents)	–	394,10	–	–
Statement of comprehensive income				
Amortisation	–	524 070	–	–
Deferred taxation	–	(146 740)	–	–
Basic loss per share as previously reported (cents)	–	(9,17)	–	–
Diluted loss per share as previously reported (cents)	–	(8,93)	–	–
Headline loss per share as previously reported (cents)	–	(9,20)	–	–

39. Risk management

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure.

The capital structure of the group consists of cash and cash equivalents disclosed in note 16, borrowings disclosed in note 19 and equity as disclosed in the statement of financial position.

There are no externally imposed capital requirements.

There have been no changes to what the group manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Liquidity risk

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The tables below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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39. Risk management (continued)

Liquidity risk (continued)

GROUP	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R
2014			
Other financial liabilities	**41 847 601**	**162 834 720**	**138 211 423**
Trade and other payables	**47 880 748**	**–**	**–**
	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R
2013			
Other financial liabilities	53 899 559	166 245 185	136 864 434
Trade and other payables	36 884 779	–	–

COMPANY	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R
2014			
Other financial liabilities	**–**	**125 000 000**	**–**
Trade and other payables	**997 135**	**–**	**–**
	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R
2013			
Other financial liabilities	–	125 000 000	–
Trade and other payables	490 694	–	–

Interest rate risk

The company and the group are exposed to interest rate risk through their variable rate cash balances, as well as their other financial liabilities. Surplus cash flows exposed to interest rate risk are placed with institutions and facilities which yield the highest rate of return.

An interest rate sensitivity analysis is set out below. The analysis indicates the financial assets and liabilities sensitive to interest rate fluctuations and the profit or loss and taxation effects of possible changes in interest rates to which the financial assets are linked.

At 31 March 2014, if interest rates on cash and cash equivalents had been 1% higher/lower with all other variables held constant, pre-taxation profit of the company and the group for the year would have been R51 856 (2013: R130 410) higher/lower, mainly as a result of higher/lower interest income on funds invested on call. The resulting taxation effect would have been Rnil.

At 31 March 2014, if interest rates on Rand-denominated borrowings had been 1% higher/lower with all other variables held constant, pre-tax profit of the group would have been R1 878 460 (2013: R133 898) lower/higher, as a result of higher/lower interest expense on floating rate borrowings. The resulting taxation effect would have been R525 969 (2013: R37 491).

Any changes in the fair value of the Liberty Investments would be considered to be insignificant.

Cash flow interest rate risk	Current interest rate %	Due in less than a year R	Due in one to two years R	Due in two to three years R	Due in three to four years R
Financial instrument					
Cash in current banking institutions	**5,00**	**19 382 952**	**–**	**–**	**–**
Fixed rate financial liabilities	**10,32**	**–**	**–**	**–**	**94 221 753**
Floating rate financial liabilities	**5,73**	**28 750 000**	**24 750 000**	**26 911 668**	**–**

39. Risk management (continued)

Credit risk

Credit risk is managed on a group basis.

Credit risk consists of cash deposits, cash equivalents, other financial assets, trade and loans receivable. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade and other receivables relate mainly to the subsidiary's customers. The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the standard payment terms and conditions are offered which include, in the majority of cases, the provision of a deposit for significant contracts. When available, the review includes external ratings.

The carrying amount of financial assets represents the maximum exposure to credit risk.

Financial assets exposed to credit risk are as follows:

	GROUP		COMPANY	
	2014	2013	**2014**	2013
Financial instrument	**R**	R	**R**	R
Loans to group companies	**–**	337 058	**4 149**	341 207
Other financial assets	**13 572 893**	18 394 027	**13 572 893**	13 493 783
Trade and other receivables	**75 775 645**	60 237 799	**132 375**	–
Cash and cash equivalents	**26 001 268**	22 337 824	**3 021 146**	13 793 993

40. Going concern

Refer to the directors' report on page 6.

41. Events after the reporting period

Refer to the directors' report on page 6.

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42. Net asset value per share and earnings per share

	GROUP 2014 R	GROUP 2013 (Restated) R
Net asset value and tangible net asset value per share		
Total assets	**1 106 812 425**	1 099 748 503
Total liabilities	**(359 088 703)**	(359 601 176)
Net asset value attributable to equity holders of parent	**747 723 722**	740 147 327
Goodwill	**(223 421 981)**	(223 421 981)
Intangible assets	**(14 337 752)**	(19 914 643)
Deferred tax raised on intangible assets	**4 014 571**	5 576 100
Tangible net asset value	**513 978 560**	502 386 803
Shares in issue	**189 872 979**	187 901 843
Net asset value per share (cents)	**393,80**	393,90
Tangible net asset value per share (cents)	**270,70**	267,37
Earnings, diluted earnings and headline earnings per share		
Reconciliation of basic earnings to diluted earnings and headline earnings:		
Basic loss and diluted loss from total operations attributable to equity holders of parent	**(2 817 779)**	(16 304 829)
Profit on sale of non-current assets	**(1 076 760)**	(50 029)
Profit on disposal of other financial assets held for sale	**(860 000)**	–
Total taxation effect of adjustments	**301 493**	–
Headline loss and diluted headline loss attributable to equity holders of parent	**(4 453 046)**	(16 354 858)
Basic weighted average number of shares	**188 987 697**	173 613 522
Dilutive effect of share options	**9 556 129**	4 646 656
Contingent issuable shares*	**3 747 730**	4 297 210
Diluted weighted average number of shares	**202 291 556**	182 557 388
Basic loss per share (cents)	**(1,49)**	(9,39)
Diluted loss per share (cents)	**(1,39)**	(8,93)
Headline loss per share (cents)	**(2,36)**	(9,42)
Diluted headline loss per share (cents)	**(2,20)**	(8,96)

** Diluted loss per share has been adjusted for 3 747 730 (2013: 4 297 210) contingent issuable shares to the sellers of Métier to provide for the contingency that the SepHold share price, based on a 60-day volume-weighted average price, is below R9 and above R4 at 1 December 2014 (refer to note 33). The contingent issuable shares were calculated based on the SepHold share price at year-end of R6,73 (2013: R6,49) as required by IAS 33.*

The net asset value and earnings for 2013 has also been restated for the purchase price allocation performed during the current financial period (note 33).

43. Segment information

	Ready-mix concrete R	Head office R	Group totals R
2014			
Segment revenue – external revenue	**571 544 796**	**–**	**571 544 796**
Segment expenses	**(190 867 146)**	**(24 314 339)**	**(215 181 485)**
Loss from equity-accounted investment	**–**	**(14 745 655)**	**(14 745 655)**
Profit on sale of property, plant and equipment	**1 076 760**	**–**	**1 076 760**
Profit on disposal of other financial assets	**860 000**	**–**	**860 000**
Segment profit/(loss) after taxation	**41 299 405**	**(44 117 184)**	**(2 817 779)**
Taxation	**(17 803 973)**	**1 561 531**	**(16 242 442)**
Interest received	**2 429 956**	**263 308**	**2 693 264**
Interest paid	**(18 784 598)**	**(6 890 924)**	**(25 675 522)**
Depreciation and amortisation	**(24 552 280)**	**(5 576 891)**	**(30 129 171)**
Segment assets	**231 791 330**	**875 021 095**	**1 106 812 425**
Investment in associate included in the above total segment assets	**–**	**616 388 706**	**616 388 706**
Capital expenditure included in segment assets	**36 655 641**	**4 051 135**	**40 706 776**
Segment liabilities	**(241 367 871)**	**(117 720 832)**	**(359 088 703)**

	Ready-mix concrete R	Head office R	Group totals R
2013			
Segment revenue – external revenue	37 195 338	–	37 195 338
Segment expenses	(11 614 316)	(24 735 052)	(36 349 368)
Profit from equity-accounted investment	–	6 191 410	6 191 410
Profit on sale of property, plant and equipment	50 029	–	50 029
Impairment of loan receivable	–	(6 835 864)	(6 835 864)
Segment profit/(loss) after taxation	1 994 786	(18 299 615)	(16 304 829)
Taxation	(1 141 200)	146 739	(994 461)
Interest received	168 237	652 050	820 287
Interest paid	(1 394 506)	(554 762)	(1 949 268)
Depreciation and amortisation	(1 690 742)	(524 070)	(2 214 812)
Segment assets	197 356 117	902 392 386	1 099 748 503
Investment in associate included in above total segment assets	–	631 134 362	631 134 362
Capital expenditure included in segment assets	5 145 027	–	5 145 027
Segment liabilities	(248 232 064)	(111 369 112)	(359 601 176)

The only commodity actively managed by Métier is ready-mix concrete.

The group does not rely on any single external customer or group of entities under common control for 10% or more of the group's revenue as disclosed in the annual financial statements.

SepCem is an associate of SepHold. No segment report has been presented for Cement as the amounts attributable to Cement have been included in the "Head office segment".

SHAREHOLDERS' ANALYSIS

Sephaku Holdings Limited

Ordinary shares as at 31 March 2013

Number of ordinary shares issued: 189 872 979

Total holders: 1 967

Issued capital

Type of shares	Number of shareholders	% of shareholders	Number of shares
Certificated shares	184	9,35	52 068 853
Dematerialised shares	1 783	90,65	137 804 126
Total issued capital	1 967	100,00	189 872 979

Shareholders holding greater than 5% of the issued share capital at year-end	Number of shares	%
Credit Suisse AG Zurich Nominees	21 585 610	11,37
Safika Resources Proprietary Limited Nominees	15 580 823	8,21

Range of shareholdings

Share range	Number of shareholders	% of shareholders	Number of shares
1 – 1 000	410	20,84	212 853
1 001 – 10 000	938	47,69	4 187 111
10 001 – 50 000	361	18,35	8 982 210
50 001 – 100 000	93	4,73	6 396 451
100 001 – 500 000	100	5,08	25 659 872
500 001 – 1 000 000	30	1,53	21 597 996
1 000 001 shares and over	35	1,78	122 836 486
Total	1 967	100,00	189 872 979

Breakdown by domicile

Domicile	Number of shareholders	% of shareholders	Number of shares
Resident shareholders	1 932	98,22	161 717 588
Non-resident shareholders	35	1,78	28 155 391
Total	1 967	100,00	189 872 979

Public and non-public shareholders	Shares held	%	Number of shareholders
Public	137 571 099	72,45	1 951
Non-public	52 301 880	27,55	16
– Directors' direct holdings	24 342 532	12,82	9
– Directors' indirect holdings	15 697 326	8,27	2
– Directors' associates	3 507 134	1,85	3
– Directors of a subsidiary's direct holdings	8 754 888	4,61	2
	189 872 979	100,00	1 967

CORPORATE INFORMATION

Directors
B Williams° (chairman)
MG Mahlare°
PM Makwana°
MM Ngoasheng°
Dr L Mohuba*(chief executive officer)
NR Crafford-Lazarus*(financial director)
RR Matjiu*
KJ Capes*
PF Fourie
Dr D Twist
**Executive*
° Independent

Company secretary
Jennifer Bennette
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Centurion, 0046
Telephone: +27 12 622 9400
Website: www.sephakuholdings.co.za

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Transfer secretaries
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70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107, South Africa
Telephone: +27 11 370 5000

JSE sponsor
QuestCo Proprietary Limited
Claudia Adamson
Telephone: +27 11 011 9209
Email: claudia.adamson@questco.co.za

Auditors
Grant Thornton (Jhb) Inc.
Chartered accountants (SA)
Registered auditors

Bankers
Absa Bank

Métier Mixed Concrete (Wholly owned subsidiary)
Physical address:	Romead Business Park, 23 Malone Road Maxmead, 3610
Postal address:	Postnet Suite #546, Private Bag X4, Kloof, 3640
Telephone:	+27 31 716 3600/0861 638437
Website:	www.metiersa.co.za

Sephaku Cement (Associate)
Physical address:	Southdowns Office Park, Block A, Ground Floor Cnr John Vorster & Karee St, Irene X54, 0062
Postal address:	PO Box 68149, Highveld, 0169
Telephone:	+27 12 684 6300
Website:	www.sephakucement.co.za

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