SEPHAKU
HOLDINGS LTD

Sephaku Holdings Limited and its subsidiaries
(Incorporated in the Republic of South Africa)
Share code: SEP
ISIN: ZAE000138459
(Registration number 2005/003306/06)
Financial statements
for the year ended 31 March 2025

Sephaku Holdings Limited and its subsidiaries
(Registration number 2005/003306/06)
Financial Statements for the year ended 31 March 2025

General Information

Country of incorporation and domicile	South Africa	
Nature of business and principal activities	Construction materials company	
Directors	B Williams	Chairperson - independent non-executive director
	MJ Janse van Rensburg	Independent non-executive director
	MM Sedikela	Independent non-executive director
	MM Ngoasheng	Independent non-executive director
	Dr. L Mohuba	Non-executive director
	KJ Capes	Chief executive officer
	NR Crafford-Lazarus	Financial director

Registered office

Southdowns Office Park
First Floor, Block A
Cnr Karee and John Vorster Streets
Irene X54, Pretoria
0062

Postal address

PO Box 7651
Centurion
0046

Banker

Nedbank

Secretary

Acorim Proprietary Limited
Telephone: +27 11 325 6363
Email: sephaku@acorim.co.za

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

Dangote Cement South Africa (associate)

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

Company registration number

2005/003306/06

Preparer

The financial statements were internally compiled under the supervision of:

NR Crafford-Lazarus CA(SA)

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196
Private Bag X9000, Saxonwold, 2132
Telephone: +27 11 370 5000

JSE Sponsor

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Investor relations officer

NR Crafford-Lazarus
Email: info@sepman.co.za
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Index

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

The following supplementary information does not form part of the financial statements and is unaudited:

The financial statements have been audited by PricewaterhouseCoopers Incorporated in compliance with the applicable requirements of the Companies Act, 71of 2008 of South Africa, as amended, and have been prepared under the supervision of NR Crafford-Lazarus CA(SA).

Published

30 June 2025

Statement of compliance by audit and risk committee

1. Mandate and terms of reference

The audit and risk committee (ARC) has executed its duties and responsibilities in accordance with its terms of reference which are inferred by the Companies Act of South Africa, paragraph 3.84(g) of the JSE Limited Listings Requirements (JSE Limited Requirements) and the King Report on Corporate Governance™ for South Africa, 2016 (King IV)*, except for the chairperson being part of the audit committee, and are approved by the board. In addition, the audit committee ensured compliance with JSE Listings Requirements paragraph 7.F.6. dealing with compliance with the laws of establishment and the memorandum of incorporation (MOI) of the Group.

The members of the ARC are all independent non-executive directors of the Group and include:

Name	
MJ Janse van Rensburg	(chairperson)
MM Sedikela	
B Williams	

The committee is satisfied that the members thereof have the required knowledge and experience as set out in section 94(5) of the Companies Act of South Africa and Regulation 42 of the Companies Regulation, 2011.

2. Composition and attendance at meetings

There was a change to the committee members during the year. B Bulo resigned on 12 September 2024 as non-executive director. MM Sedikela was appointed in her place on the same date. In addition, the chief executive officer (CEO) and financial director (FD) are permanent invitees to meetings. The committee performs the duties laid upon it by section 94(7) of the Companies Act by holding meetings at least three times per annum and special committee meetings are convened as required.

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

Full details of the attendance and dates of the meetings are disclosed in the corporate governance section of the integrated annual report.

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, which are reviewed annually.

The committee has performed the following statutory duties:

- Nominated and recommended the appointment of PricewaterhouseCoopers Incorporated as the external auditor of Sephaku Holdings Limited (SepHold), with Y Kharwa as the lead engagement partner. PricewaterhouseCoopers Incorporated is, in the opinion of the committee, independent of the Group.
- Reviewed and agreed to the fees to be paid to the external auditor and their terms of engagement in consultation with executive management.
- Ensured that the appointment of the external auditor complies with the Companies Act and any other legislation relating to the appointment of an auditor.
- Determined the nature and extent of allowable non-audit services and pre-approved any proposed agreement with the external auditor for the provision of non-audit services to SepHold.
- Attended to any complaints relating to the accounting practices, the auditing or content of annual financial statements, and the internal financial controls of SepHold.
- Considered and, when appropriate, made recommendations to the board on internal financial controls, accounting policies, records and reporting.
- Ensure, on an annual basis, that the financial director has the appropriate expertise and experience.
- Ensure that the Group and the Company has established appropriate financial reporting procedures and that those procedures are operating.
- Ensure suitability of the appointment of external auditor and the designated individual partner, specifically taking into account any information pursuant to paragraph 22.15(h) of the JSE Listings Requirements.

Statement of compliance by audit and risk committee

4. External auditor

The ARC has nominated PricewaterhouseCoopers Incorporated as the independent auditor and Y Kharwa as the designated partner, who is a registered independent auditor, for appointment of the FY 2025 audit.

The ARC in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The external auditor is invited to and attends all committee meetings. Findings by the external auditor arising from his annual statutory audit are tabled and presented at a committee meeting following the audit. The external auditor has expressed an unqualified opinion on the financial statements for the year ended 31 March 2025. This will be presented at the annual general meeting.

SepHold has satisfied itself of the independence, suitability and accreditation of PricewaterhouseCoopers Incorporated and Y Kharwa. The committee also acted according to the JSE Listings Requirements and the auditor approval process per 3.84(g) in requesting from the audit firm (and if necessary consulting with the audit firm on) the information detailed in paragraph 3.84(g) in their assessment of the suitability for appointment of their current or a prospective audit firm and designated individual partner both when they are appointed for the first time and thereafter annually for every re-appointment as well as for an applicant issuer prior to listing.

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 internal financial controls are effective and form a sound 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 annual report – this culminates in a recommendation to the board to approve them. The annual financial statements were prepared in accordance with the IFRS® Accounting Standards (IFRS Accounting Standards), the JSE Listings Requirements and the requirements of the Companies Act.

7. Going concern

The committee reviewed a documented assessment by management of the going concern premise of the Group and the Company. Based on this assessment, the committee agrees with management's assessment that the Group and the Company will be a going concern in the foreseeable future. Refer to note 33 for further details.

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

The committee has satisfied itself that the financial director of SepHold, Mr. NR 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.

Statement of compliance by audit and risk committee

9. Duties assigned by the board

The duties and responsibilities of the members of the committee are set out in the committee's terms of reference which are approved by the board. The committee fulfils an oversight role regarding SepHold's integrated annual report 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, which includes consideration of the JSE's findings contained in the latest monitoring report when preparing the annual financial statements for the year under review.

10. Internal audit

Due to the nature and size of the 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 should 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. On an operational level, Dangote Cement South Africa Proprietary Limited (SepCem) has a functional internal audit department that reports to the SepCem audit committee on which SepHold is also represented. The internal audit reports for Métier Mixed Concrete Proprietary Limited (Métier) are reviewed annually.

11. Risk management

The committee discussed and reviewed 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.
• 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.

12. IT governance

The committee considered and reviewed the IT policy and governance framework approved in the previous financial year and recommended to the board that no changes were required. While business continuity is not at risk the committee further reviewed the need for system upgrades for the Subsidiary.

13. Recommendations of the annual financial statements for approval by the board

The committee met with PricewaterhouseCoopers Incorporated prior to the commencement of the audit to discuss the potential key audit matters. The independent auditor's report on pages 15 to 23 details the following key audit matters:
• Impairment assessment of goodwill (group) and investments in subsidiaries (company).
• Impairment assessment of investment in associate (group).

The committee is satisfied that the key audit matters were adequately and appropriately addressed in the content of the audit and appropriately disclosed in the notes to the financial statements. The committee held a meeting on 18 June 2025 at which time they reviewed and recommended the annual financial statements for approval by the board.

On behalf of the audit committee

Martie Janse van Rensburg

MJ Janse van Rensburg
Chairperson

Statement of responsibility by the board

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board. The external auditor is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 directors set 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 pre-determined 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 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 and Company's cash flow forecast for the year to 31 March 2026 and considered other relevant factors and, in light of this review and the current financial position, they are satisfied that the Group and the Company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Group's and the Company's financial statements. The financial statements have been examined by the Group's and the Company's external auditor and their report is presented on pages 15 to 23.

The financial statements set out on pages 24 to 79, which have been prepared on the going concern basis, were approved and authorised by the board on 25 June 2025 and were signed on their behalf by:

Kenneth Capes

KJ Capes
Chief executive officer

Brent Williams

B Williams
Chairperson - non-executive director

Centurion, South Africa
Wednesday, 25 June 2025

Chief executive officer and financial director responsibility statement

The CEO and the financial director, whose names are stated below, hereby confirm that:

(a) the consolidated financial statements set out on pages 24 to 79, fairly present in all material respects the financial position, financial performance and cash flows of the Group in terms of IFRS Accounting Standards;

(b) to the best of their knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the Group and its subsidiaries have been provided to effectively prepare the consolidated financial statements of the Group;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies, and

(f) we are not aware of any fraud involving directors.

Kenneth Capes

KJ Capes
Chief executive officer

NR Crafford-Lazarus
Financial director

Statement of compliance by the company secretary

In terms of section 88(2)(e) of the Companies Act of South Africa (the Companies Act), I declare that to the best of my knowledge, for the year ended 31 March 2025, that the Group has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

Acorim Proprietary Limited
Company Secretary
Centurion, South Africa
Wednesday, 25 June 2025

Directors' report

The directors have pleasure in submitting their report on the financial statements of Sephaku Holdings Limited and its subsidiaries and the Group for the year ended 31 March 2025.

1. Review of financial results and activities

Main business and operations
SepHold ("the Company") offers investors a portfolio of assets focused on the construction materials value chain. SepHold's active investment portfolio comprises the 100% owned subsidiary, Métier ("the Subsidiary") and the 36% owned associate, SepCem ("the Associate"), which are collectively referred to as "the Group". As a subsidiary of Dangote Cement PLC (DCP), SepCem has a 31 December year-end, therefore the equity-accounted profit included in this report relates to SepCem's results in the period 1 January 2024 to 31 December 2024.

Métier is a leading supplier in quality ready-mix concrete and pumping services that range from standard ready-mixed concrete to highly specialised concrete.

SepCem is engaged in mining, exploration and the production and sale of cement.
Group
The salient features of the Group for the reporting period was as follows:
Group consolidated revenue: R1,18 billion (FY 2024: R1,16 billion)
Net profit after tax: R74 million (FY 2024: R67 million)
Basic earnings per share: 31.57 cents (FY 2024: 26.54 cents)
Diluted earnings per share: 31.57 cents (FY 2024: 26.54 cents)
Headline earnings per share: 31.52 cents (FY 2024: 25.71 cents)
Normalised headline earnings per share: 31.72 cents (FY 2024: 25.87 cents)

SepHold
During the year under review Ms. B Bulo, an independent non-executive director of SepHold and a member of the audit and risk committee, did not make herself available for re-election at the AGM on 12 September 2024. Ms. MM Sedikela was appointed as an independent non-executive director of the Company and a member of the audit and risk committee on that date.

Métier
Sales volumes
Total concrete sales volume decreased by 8% year-on-year (YoY) on the back of prior sales volume increases of 11% in FY 2024 and the 25% increase in FY 2023. Pump volumes increased by 15% due to a change in product segment. Volumes were negatively impacted by rainfall in the last three months of the year.

Métier maintained its track record of profitable growth by positioning its operations for new market opportunities and leveraging its reputation as a trusted partner to customers in the construction industry.
In a competitive, fragmented market with limited market data Métier estimates it retained market share in the regions it operates in.

Revenue and profitability
Métier's revenue increased by 2% YoY to R1,18 billion (FY 2024: R1,16 billion) due to a combination of price increases and product segmentation. Margin growth has been achieved through the Batch Accuracy programme and the focus on tight mix controls. Every region has improved margins above inflation. Consequently the EBITDA increased by 12% to R146 million (FY 2024: R133 million), and EBIT increased by 9% from R97 million to R104 million. Net profit after tax increased by 10%, from R69 million to R76 million, due to the improved margins and repayments from the shareholder loans.
Price increases applied in March were sustained, and Métier intends to continue with tight cost controls and grow its specialised concrete offerings. The team at Métier is committed to growing profitability in FY 2026 without being naive at the construction headwinds the country is experiencing.

Directors' report

1. Review of financial results and activities (continued)

Bank debt management
Métier repaid its bank term loan during FY 2023 and replaced it with an overdraft facility that was unutilised at the end of the last two financial years.

Borrowings increased to R124 million (FY 2024: R65 million) to fund the fleet renewal and loader programme, as well as the purchase of the new property. Finance charges increased from R11,6 million to R15,5 million year-on-year due to the increase in total debt.
Debtor management was well controlled and no extraordinary customer credit risks were experienced during the year.
The unutilised portion of the overdraft leaves enough headroom for servicing of all debts during this period.

Métier used cash generated by its operations to buy back undervalued SepHold shares.

SepCem
SepCem maintained its competitive position and improved financial performance in a persistently difficult cement market and a lackluster economic environment. Despite 75 basis point interest rate cuts since Sep 24, SA construction sector is experiencing a challenging landscape characterised by slow pace in private sector recovery, delayed public projects, weak momentum in economic recovery and consistent challenges at local government level. Public sector continuing to disappoint, with some rebound in private sector demand for building construction.

Sales volumes
Sales volumes decreased by 4% during the year to 31 December 2024 (CY 2023: 9% increase) in line with SepCem's estimates of the overall market performance. A change in sales mix were also experienced with slightly lower bulk sales proportions as compared with bags. SepCem saw strong competition in bag pricing due to the depressed market with an overall net delivered price per ton that was more than CY 2023 by about 4.2%.

Revenue and profitability ,
SepCem saw a reduction in its revenue by 1% to R2,78 billion (CY 2023: R2,82 billion). A reduction in volumes always impacts negatively on EBITDA as the fixed cost element of a capital-intensive industry raises production costs per ton. This resulted in an 11% decrease in EBITDA at R321,9 million (CY 2023: R361,2 million) at a margin of 11.6% (CY 2023: 12.8%). However, profitability still showed a marginal increase from R41.9m to R42.6m (1.6%) in net profit after tax, due to reductions in depreciation, net finance cost and taxation.

Debt management
The refinanced project loan bullet instalment of R377 million due in November 2022 was converted into a three-year term loan of R400 million at a rate of JIBAR plus 3.25%. This was serviced according to the repayment profile and stood at R135 million at SepCem year-end CY 2024. The normal quarterly payment was made during Q1 and the outstanding amount on 31 March was R101 million. This will be settled in three more payments April, July and October.

The R200 million revolving working capital facility remained unutilised during the year at a rate of prime minus 0.5% from one of the original major lenders.

The DCP shareholder loan that accrues interest at JIBAR plus 4% capitalised against the loan had a balance of R898 million by year-end.

Group focus
The Group will focus on cost management to ensure that the gains achieved from the numerous initiatives during FY 2025 are sustained. SepCem and Métier will continue to focus on strengthening their balance sheets by managing debt levels while seeking diversification opportunities within the construction value chain.

Directors' report

2. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

During the year under review the Subsidiary purchased a total of 8,910,707 (2024: 13,789,293) SepHold ordinary shares at a total amount of R9.714.135 (2024: R13.914.974), including transaction costs of R64,865 (2024: R92,779), under an approved share buyback scheme. The ultimate intention of management is to cancel the shares once the approved number has been reached.

All the authorised and issued shares have no par value.

Refer to note 16 to the financial statements for further details on authorised and issued stated capital.

3. Dividends

No dividends were declared or paid to shareholders during the current year (2024: Rnil).

4. Share incentive scheme

The remaining share options of 1,705,000 expired on 1 July 2024.

A total amount of R2,738,696 was transferred from the share-based payment reserve for share options to retained income during the current period.

Refer to note 17 of the consolidated financial statements for details of the Group share incentive scheme.

5. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
B Williams	Chairperson - Board	Independent non-executive	
MJ Janse van Rensburg	Chairperson - Audit committee	Independent non-executive	
MM Sedikela	Member - Audit committee	Independent non-executive	Appointed Thursday, 12 September 2024
MM Ngoasheng	Chairperson - Remuneration and nomination committee	Independent non-executive	
Dr. L Mohuba	Chairperson - Social and ethics committee	Non-executive	
KJ Capes	Chief executive officer - Métier & SepHold	Executive	
NR Crafford-Lazarus	Financial director	Executive	

Resignation of director

During the financial year Ms. B Bulo, an independent non-executive director of SepHold and a member of the audit and risk committee, did not make herself available for re-election at the AGM on 12 September 2024.

Directors' report

6. Shareholders' information

An analysis of shareholders and the respective percentage shareholdings appear in the shareholders' analysis section on page 80.

As at 31 March 2025, the directors of the Company held direct and indirect beneficial interests of 14% (2024: 14%) of its issued ordinary shares, as set out below.

Beneficial shareholdings of directors, directors' associates and prescribed officer:

Director/prescribed officer	2025 Direct number of shares	Indirect number of shares	Associates' number of shares	2024 Direct number of shares	Indirect number of shares	Associates' number of shares
Dr. L Mohuba	87,202	8,363,767	40,000	87,202	8,363,767	40,000
NR Crafford-Lazarus	4,211,985	-	108,679	4,211,985	-	-
KJ Capes	11,581,481	-	-	11,581,481	-	-
MM Ngoasheng*	-	12,515,569	-	-	12,515,569	-
	15,880,668	20,879,336	148,679	15,880,668	20,879,336	40,000

** He holds his indirect beneficial interest through an indirect beneficial interest in Safika Resources Proprietary Limited ("Safika"), who holds 19.56% SepHold shares. Safika is however not an associate of the director as defined in the JSE Listings Requirements.*

There have been no changes in the beneficial interests of the directors, directors' associates and prescribed officers in the stated capital between the end of the financial year and the date of approval of these annual financial statements.

Directors' interest in share options:

2025	Opening balance number of share options	Exercise price	Options expired	Date expired	Market price on exercise date	Options vested at year-end	Closing balance number of share options
Dr. L Mohuba							
Granted 01/07/2017	475,000	R 3.00	(475,000)	01/07/2024	-	-	-
NR Crafford-Lazarus							
Granted 01/07/2017	475,000	R 3.00	(475,000)	01/07/2024	-	-	-
	950,000		(950,000)			-	-

2024	Opening balance number of share options	Exercise price	Options expired	Date expired	Market price on exercise date	Options vested at year-end	Closing balance number of share options
Dr. L Mohuba							
Granted 01/07/2017	475,000	R 3.00	-	-	-	475,000	475,000
NR Crafford-Lazarus							
Granted 01/07/2017	475,000	R 3.00	-	-	-	475,000	475,000
	950,000		-			950,000	950,000

Directors' report

6. Shareholders' information (continued)

Refer to note 17 for more details on share options and the vesting conditions.

The register of interests of directors and others in shares of the Company is available to the shareholder on request.

There have been no changes in beneficial interest that occurred between the end of the reporting period and the date of this report.

7. Non-current assets

There was no change in the nature of the property, plant and equipment of the Group or in the policy regarding their use.

At 31 March 2025 the Group's investment in property, plant and equipment amounted to R282,068,060 (2024: R 189,868,104), of which R124,278,075 (2024: R 54,023,419) was added in the current year through additions.

Refer to note 3 of the consolidated financial statements for further details.

8. Interests in subsidiaries and associate

Details of material interests in subsidiary companies and associate are presented in the consolidated financial statements in notes 6 and 7.

There were no significant acquisitions or divestitures during the year ended 31 March 2025.

9. Borrowing powers

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.

10. Special resolutions

No special resolutions of material interest or of a substantive nature were made by the Group or any of its subsidiaries during the period covered by this report.

11. Events after the reporting period

Business Interruption Insurance Claim

On 26 March 2025, after the reporting period of SepCem it was agreed that the business interruption claim stemming from the COVID-19 hard lockdown would be settled at an amount of R46 million. This would be recognised in SepCem's CY 2025 and reported in the SepHold FY 2026 as final agreements have not yet been signed and payment is still outstanding.

12. Going concern

The 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

Directors' report

12. Going concern (continued)

The directors believe that the Group and the Company have adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group and the Company are in a sound financial position and have access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Company's current liabilities exceed the current assets, however if the loan from the Subsidiary is required to be repaid, the board will approve Métier to pay a dividend to SepHold. The dividend received will be utilised to repay the loan in full. The directors are not aware of any new material changes that may adversely impact the Group and the Company.

Métier's term loan was repaid during FY 2023 and replaced with an overdraft facility of R80 million. The R80 million overdraft facility provides enough headroom to ensure that all foreseeable cash requirements will be met.

The refinancing of the SepCem Nedbank and consortium loan of R376 714 000 was granted by Nedbank and Standard Bank during FY 2023. The loan was serviced according to the repayment profile and will be settled in full by Q4 of CY 2025. The working capital facility of R200 million remains unutilised and SepCem therefore also has enough headroom to ensure that all foreseeable cash requirements will be met.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group and the Company.

13. Auditors

PricewaterhouseCoopers Incorporated continued in office as auditor for the Company and its subsidiaries for 2025.

At the AGM, the shareholders will be requested to re-appoint PricewaterhouseCoopers Incorporated as the independent external auditor of the Company and to confirm Y Kharwa as the designated lead audit partner for the 2026 financial year.

A total audit fee of R1,205,000 (2024: R1,212,000) was agreed for SepHold and Métier. PricewaterhouseCoopers Incorporated did not perform any non-audit services for these companies during the period under review.

14. Secretary

The company secretary is Acorim Proprietary Limited.

Postal address:	PO Box 41480 Craighall 2024
Business address:	13th Floor, Illovo Point 68 Melville Road Illovo Sandton 2196

The company secretary provides the board with guidance in respect of the discharge of directors' duties and their responsibilities, and regarding legislation, regulatory and governance procedures and requirements. The board has access to, and is aware of, the responsibilities and duties of the company secretary and has committed itself to ensure that the company secretary is afforded the support required to perform its duties.

The company secretary acts as secretary to board-appointed committees. The board is satisfied that Acorim, represented by Ms. N Hunter, has the required knowledge, skill and discipline to perform the functions and duties of the company secretary. The board has concluded that Acorim maintains an arm's length relationship with the Company and its board.

No Acorim employees are directors of the Company, nor do they have any other interests or relations that may affect independence. In making this assessment, the board considered the independence of Acorim directors, shareholders and employees, as well as Acorim's collective qualifications and track record.

Independent auditor's report

To the shareholders of Sephaku Holdings Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Sephaku Holdings Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Sephaku Holdings Limited's consolidated and separate financial statements set out on pages 24 to 79 comprise:

- the consolidated and separate statements of financial position as at 31 March 2025;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

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Our audit approach

Overview

Final materiality

Overall group materiality of R9.5 million which represents 0.8% of consolidated revenue.

Overall company materiality of R10 million which represents 1% of total assets.

Group audit scope

The Group comprises four components, which include one wholly-owned subsidiary that produces ready-mix concrete, an associate that produces cement, the head office entity and one dormant entity.

We performed full scope audits on three of the components.

Key audit matters

Impairment assessment of goodwill and investments in subsidiaries.

Impairment assessment of investment in associate.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report final materiality and group audit scope below.

Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated and separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated and separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the consolidated and separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated and separate financial statements as a whole.

	Consolidated financial statements	*Separate financial statements*
Final materiality	R9.5 million	R10 million
How we determined it	0.8% of consolidated revenue	1% of total assets
Rationale for the materiality benchmark applied	We selected consolidated revenue as the benchmark for materiality because, in our view, it is a benchmark against which the performance of the Group can be consistently measured in circumstances of volatile year-on-year earnings. We chose 0.8% based on our professional judgement, after consideration of the range of quantitative materiality thresholds that we would typically apply when using revenue as a benchmark in calculating materiality.	We chose total assets as the benchmark as the company's purpose is to serve as an investment holding company within the Group and is the key benchmark against which the performance of the Company is most commonly measured by the users of the separate financial statements. We chose 1% based on our professional judgement, which is consistent with quantitative materiality thresholds used for companies of this nature.

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We considered the Group's legal structure and its financial reporting processes when identifying components for purposes of planning and performing audit procedures.

The group consists of four components, which includes one wholly-owned subsidiary that produces ready-mix concrete, an associate that produces cement, the head office entity and one dormant entity. Each component identified has a discrete set of financial information that is consolidated into the group results. Our scoping assessment included consideration of the financial significance of the components (based on contribution to consolidated assets, revenue and profit before taxation), whether the component contains financial statement line items that present a significant or elevated risk in the Group financial statements as well as any other additional risk factors impacting the component. Following this assessment, we identified three components that were considered to be significant due to size or risk and one component that is inconsequential to the Group.

We have determined that full scope audits will be performed over all significant components. There will be no further work performed over the inconsequential component.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by the Group engagement team and a non-PwC firm acting under our instruction. The Group engagement team was directly responsible for the audit of the Group consolidation and the full scope audit of the Company and one subsidiary.

Where the work was performed by the component auditor, we determined the level of involvement we needed to have in the audit work of that component to be able to conclude on whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

We issued group audit instructions and had various interactions with the component audit team, where we outlined key aspects such as recent developments at the component, audit risks, materiality, the scope of the audit and audit approaches. We discussed the report of the component team, the findings of their procedures and other matters which could be of relevance for the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of ISA 701 *Communicating key audit matters in the independent auditor's report* / the EAR Rule (as applicable), we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key audit matter	***How our audit addressed the key audit matter***
Impairment assessment of goodwill and investments in subsidiaries *This key audit matter relates to the consolidated and separate financial statements.* Refer to the following accounting policies and notes to the separate and consolidated financial statements for disclosures as it relates to this key audit matter: • Material accounting policies 1.4: Impairment of investment in subsidiaries and associate • Material accounting policies 1.20: Goodwill; • Note 5: Goodwill; and • Note 6: Investments in subsidiaries. As at 31 March 2025 the Group's consolidated statement of financial position included goodwill with a closing net book value of R223.4 million. The company's separate statement of financial position included investments in subsidiaries, with a carrying amount of R299.4 million. In accordance with IAS 36, Impairment of Assets ("IAS 36"), the Group reviews goodwill annually for impairment, or more frequently if there is an indication that goodwill might be impaired. Investments in subsidiaries are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Reduced profitability and general economic downturn in the construction industry were identified as indicators of impairment on the investments in subsidiaries.	Our audit addressed this key audit matter as follows: • We assessed the reasonableness of the valuation methodology applied by management by comparing the valuation methodology to generally accepted valuation methodology, and found this to be consistent; • We tested the mathematical accuracy of the value-in-use calculation and the discounted cash flow model prepared by management, noting no material differences; • We agreed management's cash flow forecast in respect of the first year of the forecast period to the 2026 Board approved budget, noting no material exceptions; • We compared the cash flow forecasts over the projected forecast periods to historically achieved sales growth rates, margins and net working capital. We noted that the forecasts used were within a reasonable range of historically achieved results; • We compared the prior year Board approved budget to the actual results to evaluate whether forecasted cash flows are reliable based on past experience. We obtained explanations from management for variances identified. We accepted the budgeting inputs used;

Key audit matter	How our audit addressed the key audit matter
Goodwill arose on the acquisition of Metier Mixed Concrete Proprietary Limited ("Metier") and the impairment assessment was performed at a Metier level, with Metier identified as the cash-generating unit ("Metier CGU"). The recoverable amount of the Metier CGU was determined based on a value-in-use calculation. Management performed their annual impairment assessment on the Metier CGU to which goodwill was allocated and based their assessment on the value-in-use discounted cash flow model in assessing the carrying value of goodwill. The value-in-use discounted cash flow model was applied in assessing the carrying value of goodwill. Cash flows were projected over a three-year period, and a projected terminal year, based on financial budgets or forecasts approved by management. In determining the value-in-use of the Metier CGU, the following key assumptions were applied by management: ● Discount rate; and ● Terminal value growth rate. Management's impairment testing performed over goodwill and the investment in Metier indicated that the respective carrying values were lower than the recoverable amounts, resulting in no impairment charge recognised on these assets. The impairment assessment of goodwill and the investment in Metier is considered to be a matter of most significance to our current year audit of the consolidated and separate financial statements due to: ● the significant judgement applied by management with regard to determining the key assumptions and future cash flows that are included in the value-in-use calculation; and ● the magnitude of these financial statement line items in relation to the consolidated and separate financial statements for the year ended 31 March 2025.	● Making use of our internal valuation expertise, we independently calculated a weighted average cost of capital discount rate range, taking into account independently obtained data such as the cost of debt, the risk-free rate, market risk premiums, debt/equity ratios and the beta of comparable companies. We noted that the discount rate used by management was slightly outside PwC's range. We have performed a sensitivity analysis using the PwC discount rate range and noted that there is still sufficient headroom such that no impairment will be required; ● We compared the terminal value growth rate used by management to long-term inflation rates obtained from independent sources. The independently determined rate was incorporated into our stress testing referred to below in order to assess the impact of any difference on the valuation results; ● We performed stress testing on the value-in-use model to determine the degree by which the key inputs and assumptions would need to fluctuate before an impairment was triggered and considered the likelihood of such fluctuations occurring as a reasonableness test. Based on the results of our assessment we accepted this to be unlikely; and ● We assessed the disclosures in the notes to the consolidated financial statements, including disclosures relating to sensitivity analysis, against the requirements of IAS 36, Impairment of assets, and we found them to be appropriate. *The below additional procedures were performed specifically on the Investments in subsidiaries:* ● We obtained an understanding of the approach followed by management in assessing the recoverable amount of the investment in Metier, and noted that the approach followed by management was reasonable; ● We assessed the recoverable amount of the investment in Metier based on the value-in-use calculation performed in respect of the impairment assessment of goodwill as noted in the audit procedures outlined above. The key assumptions used by management were the same as those noted above in the value-in-use calculations for the impairment of goodwill, and the audit procedures have therefore not been duplicated here; and

Key audit matter	*How our audit addressed the key audit matter*
	● We recalculated and compared the recoverable amount of the value-in-use calculation to the carrying value of the investment in Metier and found management's conclusion in recognising no impairment charge to be appropriate.
Impairment assessment of investment in associate *This key audit matter relates to the consolidated financial statements only.* Refer to the following accounting policies and notes to the consolidated financial statements for disclosures as it relates to this key audit matter: ● Material accounting policies 1.6: Investment in associates; and ● Note 7: Investment in associates. The Group has an equity-accounted investment in Dangote Cement South Africa Proprietary Limited that has been accounted for as an Associate in the consolidated financial statements. As at 31 March 2025, the Group's consolidated statement of financial position included the investment in associate with a closing net book value of R865.6 million. In terms of IAS 36, Impairment of assets, an impairment assessment should be performed if any indicators of impairment are identified. Reduced profitability experienced by the associate over the past few years and the continued economic downturn in the construction industry were factors indicating that the Group's investment in associate may be impaired. A value-in-use discounted cash flow model was applied in assessing the carrying value of the equity-accounted associate. Cash flows were projected over a three-year period, and a projected terminal year, based on financial budgets or forecasts approved by management. Management's impairment assessment was based on a value-in-use calculation, which has been estimated using a discounted cash flow model to derive an enterprise value attributable to the associate. The Group's ownership interest was then applied to this enterprise value in order to determine the recoverable amount of the investment in associate. In determining the value-in-use of the Group's investment in associate, the following key assumptions were used by management:	Our audit addressed this key audit matter as follows: ● We assessed the reasonableness of the valuation methodology applied by management by comparing the valuation methodology to generally accepted valuation methodology, and found this to be consistent; ● We tested the mathematical accuracy of the value-in-use calculation and the discounted cash flow model prepared by management, noting no material exceptions; ● We agreed management's cash flow forecast in respect of the first year of the forecast period to the 2025 Board approved budget, noting no material exceptions; ● We compared the cash flow forecasts over the projected forecast periods to historically achieved sales growth rates, margins and net working capital. We noted that the forecasts used were within a reasonable range of historically achieved results; ● We compared the prior year Board approved budget to the actual results to evaluate whether forecasted cash flows are reliable based on past experience. We obtained explanations from management for variances identified. We accepted the budgeting inputs used; ● Making use of our internal valuation expertise, we independently calculated a weighted average cost of capital discount rate range, taking into account independently obtained data such as the cost of debt, the risk-free rate, market risk premiums, debt/equity ratios and the beta of comparable companies. We found the discount rate used by management to be within a reasonable range of our independently computed discount rate;

Key audit matter	How our audit addressed the key audit matter
● Discount rate; and ● Terminal value growth rate. Management's impairment testing performed over the investment in associate indicated that the respective carrying value of the investment was lower than the recoverable amount, resulting in no impairment charge recognised. The impairment assessment of the investment in associate is considered to be a matter of most significance to the current year audit due to: ● the significant judgement applied by management with regard to determining the key assumptions and future cash flows of the associate which are included in the value-in use calculation; and ● the magnitude of the investment in associate in relation to the consolidated financial statements.	● We compared the associate's actual results for the first quarter of the new financial year to the Board approved budget, in order to assess the reasonableness of the budget used in the forecast cash flows. We obtained explanations from management for variances in excess of 5% and considered the impact of these variances on the forecast cash flows; ● We compared the terminal value growth rate used by management to long-term inflation rates obtained from independent sources. The independently determined rate was incorporated into our stress testing referred to below in order to assess the impact of any difference on the valuation results; ● We performed stress testing on the value-in-use model to determine the degree by which the key inputs and assumptions would need to fluctuate before an impairment was triggered and considered the likelihood of such fluctuations occurring as a reasonableness test. Based on the results of our assessment we accepted this to be unlikely; and ● We assessed the disclosures in the notes to the consolidated financial statements, including disclosures relating to sensitivity analysis, against the requirements of IAS 36, Impairment of assets, and we found them to be appropriate.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Sephaku Holdings Limited and its subsidiaries Financial Statements for the year ended 31 March 2025", which includes the Directors' report, the Statement of Compliance by Audit and Risk Committee and the Statement of Compliance by the company secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the document titled "Sephaku Holdings Limited Integrated Annual Report 2025", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated and separate financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Sephaku Holdings Limited for 2 year(s).

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Y Kharwa
Registered Auditor
Durban, South Africa
25 June 2025

Statements of financial position as at 31 March 2025

		Group		Company	
Figures in Rand	Note(s)	2025	2024	2025	2024
Assets					
Non-current assets					
Property, plant and equipment	3	282,068,060	189,868,104	62,865	7,950
Right-of-use assets	4	28,196,013	39,710,108	-	-
Goodwill	5	223,421,981	223,421,981	-	-
Investments in subsidiaries	6	-	-	299,378,029	299,378,029
Investments in associates	7	865,605,033	850,941,513	683,689,159	683,689,159
Other financial assets	12	7,272,626	10,138,140	7,272,626	10,138,140
Other investment	13	800,000	800,000	800,000	800,000
		1,407,363,713	**1,314,879,846**	**991,202,679**	**994,013,278**
Current assets					
Inventories	14	24,575,616	21,177,622	-	-
Loans to group companies	8	-	-	12,229	12,229
Loans receivable (at amortised cost)	9	94,279	-	-	-
Trade and other receivables	10	122,175,340	108,242,273	2,152,863	146,550
Current tax receivable		-	561,275	-	31,520
Cash and cash equivalents	15	29,768,153	13,404,463	2,389,367	2,675,840
		176,613,388	**143,385,633**	**4,554,459**	**2,866,139**
Total assets		**1,583,977,101**	**1,458,265,479**	**995,757,138**	**996,879,417**
Equity and liabilities					
Equity					
Share capital	16	682,965,910	682,965,910	682,965,910	682,965,910
Other equity		(23,629,110)	(13,914,974)	-	-
Reserves		-	2,738,696	-	2,738,696
Retained income		630,116,442	553,826,439	216,477,001	197,127,769
		1,289,453,242	**1,225,616,071**	**899,442,911**	**882,832,375**
Liabilities					
Non-current liabilities					
Borrowings	19	92,034,257	47,708,556	-	-
Lease liabilities	4	18,920,220	33,956,392	-	-
Deferred tax	11	27,608,027	21,274,525	-	-
		138,562,504	**102,939,473**	**-**	**-**
Current liabilities					
Trade and other payables	21	104,603,283	94,071,474	1,775,780	1,175,722
Loans from group companies	18	-	-	94,523,036	112,871,320
Borrowings	19	32,337,153	16,902,056	-	-
Lease liabilities	4	18,642,280	18,736,405	-	-
Current tax payable		378,639	-	15,411	-
		155,961,355	**129,709,935**	**96,314,227**	**114,047,042**
Total liabilities		**294,523,859**	**232,649,408**	**96,314,227**	**114,047,042**
Total equity and liabilities		**1,583,977,101**	**1,458,265,479**	**995,757,138**	**996,879,417**

Statements of profit or loss and other comprehensive income

		Group		Company	
Figures in Rand	Note(s)	2025	2024	2025	2024
Revenue	22	1,182,844,822	1,163,603,065	41,137,358	23,470,000
Other operating income	23	1,015,747	6,188,798	-	-
Other operating losses	24	(6,622)	(200,000)	(6,622)	(200,000)
Movement in credit loss allowances		1,047,994	(929,961)	(473,054)	(200,000)
Raw materials		(706,002,253)	(724,030,739)	-	-
Transportation		(146,341,586)	(146,953,255)	-	-
Production expenses		(28,986,737)	(28,747,130)	-	-
Employee benefit expenses		(111,871,889)	(102,757,446)	(18,212,144)	(18,214,163)
Depreciation on property, plant and equipment		(41,930,448)	(36,316,965)	(15,536)	(7,946)
Other operating expenses		(61,266,964)	(50,018,351)	(4,843,327)	(3,564,374)
Operating profit		**88,502,064**	**79,838,016**	**17,586,675**	**1,283,517**
Investment income	25	2,794,863	2,575,336	1,193	252
Finance costs	26	(15,484,113)	(11,590,195)	(564)	(1)
Income from equity-accounted investments		14,663,520	14,621,040	-	-
Profit before taxation		**90,476,334**	**85,444,197**	**17,587,304**	**1,283,768**
Taxation	27	(16,925,027)	(18,819,253)	(976,768)	(155,061)
Profit for the year		**73,551,307**	**66,624,944**	**16,610,536**	**1,128,707**
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**73,551,307**	**66,624,944**	**16,610,536**	**1,128,707**
Basic earnings per share (cents)	35	31.57	26.54		
Diluted earnings per share (cents)	35	31.57	26.54		

Statements of changes in equity

Figures in Rand	Share capital	Other equity	Total share capital	Other NDR	Retained income	Total equity
Group						
Balance at 1 April 2023	**682,965,910**	**-**	**682,965,910**	**2,738,696**	**487,201,495**	**1,172,906,101**
Profit for the year	-	-	-	-	66,624,944	66,624,944
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**66,624,944**	**66,624,944**
Purchase of treasury shares	-	(13,914,974)	(13,914,974)	-	-	(13,914,974)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**(13,914,974)**	**(13,914,974)**	**-**	**-**	**(13,914,974)**
Balance at 1 April 2024	**682,965,910**	**(13,914,974)**	**669,050,936**	**2,738,696**	**553,826,439**	**1,225,616,071**
Profit for the year	-	-	-	-	73,551,307	73,551,307
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**73,551,307**	**73,551,307**
Purchase of treasury shares	-	(9,714,136)	(9,714,136)	-	-	(9,714,136)
Employees share option scheme	-	-	-	(2,738,696)	2,738,696	-
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**(9,714,136)**	**(9,714,136)**	**(2,738,696)**	**2,738,696**	**(9,714,136)**
Balance at 31 March 2025	**682,965,910**	**(23,629,110)**	**659,336,800**	**-**	**630,116,442**	**1,289,453,242**
Note(s)	16	16	16			
Company						
Balance at 1 April 2023	**682,965,910**	**-**	**682,965,910**	**2,738,696**	**195,999,062**	**881,703,668**
Profit for the year	-	-	-	-	1,128,707	1,128,707
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**1,128,707**	**1,128,707**
Balance at 1 April 2024	**682,965,910**	**-**	**682,965,910**	**2,738,696**	**197,127,769**	**882,832,375**
Profit for the year	-	-	-	-	16,610,536	16,610,536
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**16,610,536**	**16,610,536**
Employees share option scheme	-	-	-	(2,738,696)	2,738,696	-
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**(2,738,696)**	**2,738,696**	**-**
Balance at 31 March 2025	**682,965,910**	**-**	**682,965,910**	**-**	**216,477,001**	**899,442,911**
Note(s)	16	16	16			

Statements of cash flows

		Group		Company	
Figures in Rand	Note(s)	2025	2024	2025	2024
Cash flows from operating activities					
Cash generated from operations	28	125,203,986	117,533,011	16,675,633	1,290,963
Interest received		1,905,289	1,714,283	1,193	252
Interest paid		(285,501)	(143,331)	(564)	(1)
Taxation paid	29	(9,651,612)	(19,815,922)	(929,837)	(186,581)
Net cash from operating activities		**117,172,162**	**99,288,041**	**15,746,425**	**1,104,633**
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(55,594,511)	(23,869,648)	(77,074)	-
Proceeds from sale of property, plant and equipment	3	4,753,684	5,289,640	-	-
Cash advanced in loans receivable (at amortised cost)	9	-	(150)	-	(1,000)
Cash receipts on repayments of loans receivable (at amortised cost)	12	2,392,460	-	2,392,460	-
Net cash (used in)/ from investing activities		**(48,448,367)**	**(18,580,158)**	**2,315,386**	**(1,000)**
Cash flows from financing activities					
Acquisition of treasury shares	16	(9,714,136)	(13,914,974)	-	-
Proceeds from external borrowings	20	14,000,000	-	-	-
Repayments of loans from group companies	18	-	-	(18,348,284)	-
Repayments of principal on instalment sales	20	(22,881,134)	(12,387,755)	-	-
Repayments of interest on instalment sales	20	(10,132,347)	(6,266,400)	-	-
Repayments of principal on external borrowings	20	(653,686)	-	-	-
Repayments of interest on external borrowings	20	(866,581)	-	-	-
Payment of principal on lease liabilities	4	(17,912,537)	(16,095,809)	-	-
Payment of interest on lease liabilities	4	(4,199,684)	(5,071,287)	-	-
Net cash (used in)/ from financing activities		**(52,360,105)**	**(53,736,225)**	**(18,348,284)**	**-**
Total cash movement for the year		**16,363,690**	**26,971,658**	**(286,473)**	**1,103,633**
Cash and cash equivalents at the beginning of the year		13,404,463	(13,567,195)	2,675,840	1,572,207
Cash and cash equivalents at the end of the year	15	**29,768,153**	**13,404,463**	**2,389,367**	**2,675,840**

Material accounting policies

1. Material accounting policies

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared in accordance with IFRS Accounting Standards and its interpretations adopted by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants (SAICA), Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the requirements of the Companies Act of South Africa and the JSE Limited Listings Requirements.

The consolidated and separate annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the FRSC.

The financial statements have been prepared on the historic cost convention, except for certain financial assets, such as other investments and the equity method of accounting for investments in associate. They incorporate the principal accounting policies set out below and are presented in South African Rands, which is the Group and the Company's functional currency. 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 period.

1.2 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all subsidiaries. Subsidiaries are entities which are controlled by the Group. Accounting policies are applied consistently in all group companies.

The results of subsidiaries are included in the consolidated financial statements for the duration of the period in which the Group exercised control over the subsidiaries.

Business combinations are accounted for using the acquisition method as the acquisition date – ie, when control is transferred to SepHold. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 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. Investments in subsidiaries are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Any impairment suffered is reviewed for possible reversal of the impairment at the end of each reporting period.

Material accounting policies

1.4 Significant judgements and sources of estimation uncertainty

The key assumptions and sources of estimation uncertainty at the reporting date that could have significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the new financial year are listed below:

Useful lives and residual values of assets
Items of property, plant and equipment are depreciated over their useful lives taking into account residual values, where applicable.
Useful lives and residual values are reviewed annually, taking into account factors such as the expected usage, physical output, market demand for the output of the assets and legal or similar limits on the assets.

Goodwill
Goodwill is considered for impairment at least annually. Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (CGU) to which goodwill has been allocated. The recoverable amount is determined as the higher of the value-in-use and fair value less cost to sell of the CGU. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value of future cash flows. Management estimates the discount rate using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the CGU. The growth rates are based on industry growth forecasts. The key assumptions used in the calculations and a sensitivity analysis are disclosed in note 5 of the consolidated financial statements.

Impairment of investment in subsidiaries and associate
The indicators and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of investment in subsidiaries and associate are highlighted in note 6 and 7.

Trade and other receivables
The Group makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. Refer to note 10 Trade receivables for more details. The approach remained consistent with the prior year.

1.5 Property, plant and equipment

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets, where appropriate.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset’s carrying amount over its estimated useful life to its estimated residual value, using the straight-line method. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The estimation of the useful lives of assets is based on historic performance as well as expectations about future use, and therefore requires a significant degree of judgement to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of plant and machinery, motor vehicles, furniture and fixtures and computer equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements. When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

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

Material accounting policies

1.5 Property, plant and equipment (continued)

Item	Average useful life
Land	*
Plant and machinery	10-20 years
Furniture and fixtures	6 - 8 years
Motor vehicles	5 -10 years
Computer equipment	2 - 6 years

* *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 year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Capital work in progress represent the construction of a new plant. These assets are measured at cost and are not depreciated until they are available for use. The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

1.6 Investments in associates

Group annual financial statements
In the financial statements, investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the after-tax profit or loss of the investee after the date of acquisition. The year-end of SepCem is 31 December 2024. The use of the different date in applying the equity method is due to the practicality of obtaining the audited March 2024 results timeously.

As a result, "lag reporting" has been applied where the audited financial information of the Associate for the period from 1 January 2024 to 31 December 2024 has been used for equity accounting purposes. The impact of any significant transactions that occur in the period from 1 January 2025 to 31 March 2025 are adjusted for when equity accounting.

Company annual financial statement
In the financial statements, investments in associates are carried at cost less any accumulated impairment losses. The Company's investment in associates includes goodwill identified on acquisition.

1.7 Financial instruments

Financial instruments held by the Group are classified in accordance with IFRS 9 *Financial Instruments* and are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

Material accounting policies

1.7 Financial instruments (continued)

Classification and initial measurement of financial assets
Other than for financial assets classified as at fair value through profit and loss, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

• Amortised cost;
• Fair value through profit or loss (FVTPL); and
• Fair value through other comprehensive income (FVOCI).

During the period the financial assets consisted of trade and other receivables, loans receivable, cash and cash equivalents, other financial assets and other investments. In the periods presented the Group does not have any financial assets categorised as FVOCI.

The classification is determined by both:

• the entity's business model for managing the financial asset; and
• the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented separately on the statement of profit or loss and other comprehensive income.

Subsequent measurement
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

• they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

The Group's cash and cash equivalents, trade and loan receivables and the Company's loans to group companies fall into this category of financial instruments.

Loans receivable

Loans receivable are subject to the impairment provisions of IFRS 9 *Financial Instruments*, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for loans receivable is calculated based on 12-month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either 12-month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

Material accounting policies

1.7 Financial instruments (continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and pre-payments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade and other receivables which do not contain a significant financing component at an amount equal to lifetime expected credit losses (lifetime ECL). The loss allowance for all other trade and other receivables is measured at lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on these receivables has not increased significantly since initial recognition, then the loss allowance for those receivables is measured at 12-month expected credit losses (12-month ECL).

The impairment requirements use more forward-looking information to recognise expected credit losses – the expected credit loss (ECL) model.

In applying this forward-looking approach, a distinction is made between:
• financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1);
• financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (Stage 2); and
• financial assets that have objective evidence of impairment at the reporting date. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan (stage 3).
In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on trade receivables that are possible within 12 months after the reporting date.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade receivables, as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and they have been grouped based on the days past due. Refer to note 10 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write-offs accounting policy.

Significant increase in credit risk

In assessing whether the credit risk on a receivable or group of receivables has increased significantly since initial recognition, the Group compares the risk of a default occurring as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Group considers qualitative information by reference to the customers' cash flow and liquid asset position, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

By contrast, if a receivable is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Material accounting policies

1.7 Financial instruments (continued)

Definition of default

The Group considers that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account). This is assessed based on a number of factors including various liquidity and solvency ratios.

Measurement and recognition of expected credit losses

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade receivables in totality. Details of the provision matrix is presented in note 10.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is presented separately on the face of the statement of profit or loss and other comprehensive income as a "movement in loss allowances".

Write-off policy

The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, eg when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Material accounting policies

1.7 Financial instruments (continued)

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs.

Trade and other payables (note 21), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

The Group's financial liabilities include trade and other payables, bank overdraft, loans from group companies, lease obligations, instalment sales, external borrowings and other financial liabilities.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges are included within finance costs or finance income.

Cash and cash equivalents

Cash and cash equivalents are initially stated at fair value, and subsequently carried at amortised cost which is deemed to be fair value. Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are included in current liabilities on the statement of financial position.

Derecognition

Financial assets
Financial assets (or a portion thereof) are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Group has substantially transferred all risks and rewards of ownership. On derecognition, the difference between the carrying amount of the financial asset and the proceeds receivable is included in the income statement.

Financial liabilities
The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.8 Taxation

Current taxation assets and liabilities

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

Material accounting policies

1.8 Taxation (continued)

Deferred taxation assets and liabilities

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

• the initial recognition of goodwill;
• the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
• investments in subsidiaries and joint ventures where the Group is able to control timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

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

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:
• the same taxable group company; or
• different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Taxation expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:
• a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
• a business combination.

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

1.9 Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

Material accounting policies

1.9 Leases (continued)

Group as lessee

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

The Group recognises right-of-use assets and lease liabilities at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use assets include land and buildings. These right-of-use assets are measured at cost comprising of the initial measurement of the lease liability, initial direct cost, any lease payments made at or before the commencement date less any incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses and are depreciated over the shorter period between the lease term and the useful life of the asset on a straight-line basis. Depreciation is recognised on the shorter of the lease term or useful life of the leased asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease. For right-of-use assets which are depreciated over their useful lives, the useful lives are determined by the lease term of the asset. The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.
The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

The useful lives of items of right-of-use assets have been assessed as follows in line with the lease terms:

Item	Depreciation method	Average useful life
Land	Straight line	3 to 10 years
Buildings	Straight line	2 to 8 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:
• Fixed payments, including in-substance fixed payments.
• Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
• Amounts expected to be payable under a residual value guarantee.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group or the Company change their assessment of whether it will exercise a purchase, extension or terminate option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including computer and office equipment. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Material accounting policies

1.10 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs include expenditure incurred in acquiring the inventories and bringing them to their present location and condition, all direct production costs and an appropriate portion of overheads.

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 entity.

Slow-moving stock assessed where the net realised value is lower than the cost 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.

1.11 Impairment of non-financial assets

The Group assesses at each end of the reporting period whether there is any indication that goodwill and property, plant and equipment may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

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 an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Irrespective of whether there is any indication of impairment, the Group also tests goodwill acquired in a business combination for impairment annually.

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, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

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.

Material accounting policies

1.12 Share capital and equity

Ordinary shares are recognised at par value and classified as "share capital" in equity. Dividends are recognised as a liability in the year in which they are declared.

1.13 Share-based payments

Services received or acquired in a share-based payment transaction are recognised when the services are received.

When the services received or acquired in a share-based payment transaction they are recognised as expenses.

Vesting conditions which are not market-related (ie service conditions and non-market-related performance conditions) are not taken into consideration when determining the fair value of the equity instruments granted. Instead they are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest. Market conditions, such as a target share price, are taken into account when estimating the fair value of the equity instruments granted. The number of equity instruments are not adjusted to reflect equity instruments which are not expected to vest or do not vest because the market condition is not achieved.

Share-based payments are limited to a short-term incentive scheme for employees which will terminate on 30 June 2024. Since the fair values of 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.

For all equity-settled share-based payment transactions, management assesses, at each reporting period, the number of options expected to vest until vesting. Changes in the estimated number of options expected to vest are 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 values of the options are determined on grant date and are not subsequently adjusted.

1.14 Other equity

Where any group company purchases the Company’s equity instruments, for example as the result of a share buyback or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of SepHold as treasury shares until the shares are cancelled or re-issued. Where such ordinary shares are subsequently re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of SepHold.

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 and sick leave, bonuses, and non-monetary benefits such as medical care) are recognised in the period in which the service is rendered and are 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. The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal obligation to make such payments as a result of past performance.

Material accounting policies

1.15 Employee benefits (continued)

Retirement benefits

Post-employment benefits
For defined contribution plans, the amount charged to the profit or loss are the contributions paid or payable during the reporting period.

1.16 Revenue from contracts with customers

Revenue comprises income arising in the course of the Group’s ordinary activities. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or when services are rendered to a customer. Revenue is recognised net of value added tax, returns, rebates, discounts and other allowances.

Sales of goods (at a Group level) comprise the sale of ready-mix concrete, arising mainly from the sale of a variety of standard and specialised high-value concrete products to the construction industry. This includes the manufacture and supply of quality ready-mixed concrete products for the residential, commercial and industrial markets in South Africa. Revenue from the sale of goods includes concrete pumping services and these sales are identified as being a single performance obligation. Revenue is recognised only once all performance obligations of the Group to the customer have been satisfied and to the extent that it is highly probable that a significant reversal will not occur. Revenue is recognised when or as the Group transfers control of the asset at a point in time to the customer on the day the goods are delivered to the customer together with a signed delivery note. There are no variable considerations included in contracts. The transaction price for the sale of ready-mix concrete is based on a price per cubic metre sold for concrete. The transaction price for concrete pumping services is based on set rates for pump establishments and varies based on the quantity pumped.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position.

Revenue from the sale of services (Company) relate to management fees rendered. The Company recognises revenue from management fees over the time the services are rendered.
The management fee represents compensation for administrative and oversight services provided by the Company, including strategic planning, operational support, governance-related activities and procurement support services.

The following payment terms are applicable to the Group:
• Sale of goods: 30 days or cash on delivery
• Sale of services: payable on presentation of the invoice

1.17 Instalment sales liabilities

Instalment sale agreements are treated similarly to finance leases, meaning they are recognised as liabilities on the statement of financial position. The liability is recorded at the present value of the future instalments.

Interest paid is recognised separately from the principal repayment on the Statement of profit or loss and other comprehensive income.

The Group discloses the details of the instalment sale agreements, including interest rates and repayment terms (refer to note 19 Instalment sale liabilities).

Material accounting policies

1.18 Earnings per share

Basic and diluted earnings per share (EPS)

Basic EPS is calculated in accordance with IAS 33, considering net income attributable to ordinary equity holders and the weighted average number of ordinary shares outstanding.

The diluted EPS calculation considers the potential impact of dilutive securities (like convertible debt, options, or warrants) on EPS.

EPS is presented on the face of the Statement of Profit or Loss and Other Comprehensive Income for both basic and diluted EPS.

Headline earnings per share (HEPS)

Headline Earnings is the adjusted earnings figure that excludes certain non-recurring items, providing a clearer view of core profitability. The Group takes into account the "look-through" adjustments of the equity-accounted associate when calculating the HEPS.

Normalised headline earnings per share

Normalised headline earnings is calculated as an additional performance indicator, to take into account the effect of business-defined exceptional items that have affected headline earnings during the year. This is calculated as headline earnings, adjusted for fair value adjustments to financial liabilities or losses on financial liabilities and business acquisitions costs.

The full details of HEPS and normalised headline earnings are disclosed in note 35 Net asset value per share and earnings per share.

1.19 Operating segments

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

The business manages and reports on ready-mix concrete and head office as the two main segments.

Ready-mix concrete – this part of the business manufactures and sells ready-mixed concrete in South Africa.

Head office – executive management function of the Group and involved in the management of investments held at SepHold level.

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.

1.20 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree. It is reported in the statement of financial position as a non-current asset and carried at cost less accumulated impairment losses. Goodwill is allocated to each of the cash-generating units (CGUs) that are expected to benefit from the synergies of the combination. Each CGU to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at a CGU level. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

The carrying value of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Notes to the financial statements

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:

Amendments to Supplier Finance Arrangements (IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosure*)

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The Group has adopted the amendment for the first time in the FY 2025 annual financial statements.

The impact of the amendment did not result in any material disclosure updates.

Classification of Liabilities as Current or Non-Current – Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least 12 months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within 12 months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 1 January 2024.

The Group has adopted the amendment for the first time in the FY 2025 annual financial statements.

2. New standards and interpretations (continued)

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 2025 or later periods:

Amendment to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* - Classification and Measurement of Financial Instruments

The amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial assets meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The effective date of the amendment is for years beginning on or after 1 January 2026.

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

The adoption of this amendment is not expected to impact on the results of the Group, but may result in more disclosure than is currently provided in the annual financial statements.

The Group expects to adopt the amendment for the first time in the FY 2027 financial statements.

IFRS 18 *Presentation and disclosure in Financial statements*

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements* and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its "operating profit or loss".

The effective date of the amendment is for years beginning on or after 1 January 2027.

The Group expects to adopt the amendment for the first time in the FY 2028 financial statements.

	Group		Company	
Figures in Rand	2025	2024	2025	2024

3. Property, plant and equipment

Group	2025			2024		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Land	29,626,309	-	29,626,309	2,666,309	-	2,666,309
Plant and machinery	162,393,525	(77,507,070)	84,886,455	117,165,731	(69,014,717)	48,151,014
Furniture and fixtures	1,002,998	(934,062)	68,936	1,002,998	(906,122)	96,876
Motor vehicles	239,085,160	(80,824,143)	158,261,017	203,095,078	(75,649,728)	127,445,350
Computer equipment	4,595,221	(4,263,349)	331,872	4,426,806	(4,087,819)	338,987
Capital - Work in progress	8,893,471	-	8,893,471	11,169,568	-	11,169,568
Total	**445,596,684**	**(163,528,624)**	**282,068,060**	**339,526,490**	**(149,658,386)**	**189,868,104**

Company	2025			2024		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Computer equipment	140,592	(77,727)	62,865	155,255	(147,306)	7,949

Reconciliation of property, plant and equipment - Group - 2025

	Opening balance	**Additions - cash**	**Additions - non-cash**	**Disposals**	**Transfers**	**Depreciation**	**Total**
Land	2,666,309	26,960,000	-	-	-	-	29,626,309
Plant and machinery	48,151,014	712,563	-	-	44,515,231	(8,492,353)	84,886,455
Furniture and fixtures	96,876	-	-	-	-	(27,940)	68,936
Motor vehicles	127,445,350	5,997,997	46,895,939	(3,237,385)	-	(18,840,884)	158,261,017
Computer equipment	338,987	272,442	-	(6,622)	-	(272,935)	331,872
Capital - work in progress	11,169,568	21,651,509	21,787,625	(1,200,000)	(44,515,231)	-	8,893,471
	189,868,104	**55,594,511**	**68,683,564**	**(4,444,007)**	**-**	**(27,634,112)**	**282,068,060**

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2024

	Opening balance	Additions - cash	Additions - non-cash	Disposals	Depreciation	Total
Land	2,666,309	-	-	-	-	2,666,309
Plant and machinery	52,226,369	1,955,897	-	(77,401)	(5,953,851)	48,151,014
Furniture and fixtures	172,947	-	-	(11,960)	(64,111)	96,876
Motor vehicles	104,685,441	10,569,171	30,153,770	(2,860,477)	(15,102,555)	127,445,350
Computer equipment	519,010	175,012	-	(2)	(355,033)	338,987
Capital - Work in progress	-	11,169,568	-	-	-	11,169,568
	160,270,076	**23,869,648**	**30,153,770**	**(2,949,840)**	**(21,475,550)**	**189,868,104**

The non-cash additions of R68,683,564 (2024: R30,153,770) relate to the purchase of motor vehicles through instalment sale agreements of R46,895,939 (2024: R30,153,770) and the purchase of assets under construction of R21,787,625 (2024: Rnil).

Reconciliation of property, plant and equipment - Company - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Computer equipment	7,949	77,074	(6,622)	(15,536)	62,865

Reconciliation of property, plant and equipment - Company - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Computer equipment	15,895	-	-	(7,946)	7,949

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

3. Property, plant and equipment (continued)

Details of properties

Portion 0 of Erf 233, Phoenix Industrial Park

- Purchase price: 12 June 2009	2,400,000	2,400,000	-	-
- Additions since purchase	266,309	266,309	-	-
	2,666,309	**2,666,309**	**-**	**-**

Erf 126 Phoenix Industrial Park

- Purchase price: 8 May 2024	21,000,000	-	-	-

Pledged as security
Refer to note 15 Cash and cash equivalents and note 19 Borrowings for details of property, plant and equipment encumbered as security for borrowings.

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the Company and its respective subsidiaries.

4. Right-of-use assets

The Group entered into leasing arrangements for several assets, including land and buildings. The average lease term is six years (2024: seven years) and the incremental borrowing rate is prime lending rate.

Details pertaining to leasing arrangements, where the Group is lessee are presented below:

Group	2025			2024		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Land	55,870,176	(37,172,147)	18,698,029	60,911,273	(35,511,195)	25,400,078
Buildings	36,890,915	(27,392,931)	9,497,984	36,890,915	(22,580,885)	14,310,030
Total	**92,761,091**	**(64,565,078)**	**28,196,013**	**97,802,188**	**(58,092,080)**	**39,710,108**

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

4. Right-of-use assets (continued)

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Land	18,698,029	25,400,078	-	-
Buildings	9,497,984	14,310,030	-	-
	28,196,013	**39,710,108**	**-**	**-**

Additions to right-of-use assets
During the current year, the Group entered into one (2024: one) new lease agreement. The average lease term for this new agreement is five (2024: four) years. There are no specific restrictions or covenants imposed by the leases, no variable lease payments and no residual value guarantees. There are no leases that have not yet commenced to which the Group is committed.

Land	2,782,240	5,279,853	-	-

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss, as well as depreciation which has been capitalised to the cost of other assets.

Land	9,484,290	10,043,067	-	-
Buildings	4,812,046	4,798,348	-	-
	14,296,336	**14,841,415**	**-**	**-**

Other disclosures

Interest expense on lease liabilities	4,199,684	5,071,287	-	-

Interest is at prime lending rate.

Payments associated with short-term leases of offices are recognised on a straight-line basis as an expense in profit or loss.
At 31 March 2025, the Group included an amount of R243,101 (2024: R231,525) within operating expenses in the statement of profit or loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

4. Right-of-use assets (continued)

Lease liabilities

Lease liabilities have been included in the lease liabilities line item on the statement of financial position.

The maturity analysis of lease liabilities is as follows:

Minimum lease payments due				
Within one year	21,162,638	22,711,496	-	-
Two to five years	20,830,604	38,667,951	-	-
	41,993,242	61,379,447	-	-
Less finance charges component	(4,430,742)	(8,686,650)	-	-
Present value of lease payments	**37,562,500**	**52,692,797**	**-**	**-**
Non-current liabilities	18,920,220	33,956,392	-	-
Current liabilities	18,642,280	18,736,405	-	-
	37,562,500	**52,692,797**	**-**	**-**

Reconciliation of lease liabilities - Group - 2025

	Opening balance	Additions	Finance costs	Repayments – principal element on leases	Repayments – interest element on leases	Total
Lease liabilities	52,692,797	2,782,240	4,199,684	(17,912,537)	(4,199,684)	37,562,500

Reconciliation of lease liabilities - Group - 2024

	Opening balance	Additions	Finance costs	Repayments – principal element on leases	Repayments – interest element on leases	Total
Lease liabilities	63,508,752	5,279,854	5,071,287	(16,095,809)	(5,071,287)	52,692,797

Lease liabilities terms and conditions

The Group entered into leasing arrangements for certain of its assets, including land and buildings. The average lease term is six years (2024: seven years) and the incremental borrowing rate is the prime lending rate (2024: incremental borrowing rate was the prime lending rate). The leases entered into do not provide flexibility in the form of termination options but there are options to renew the leases. There are no specific restrictions or covenants imposed by the leases, no variable lease payments and no residual value guarantees. There are no leases that have not yet commenced to which the Group is committed.

Lease term per category – land and buildings
Land 3 – 10 years
Building 2 – 8 years

The Group's obligations under leases are secured by the lessor's charge over the leased assets.

Notes to the financial statements

5. Goodwill

Group	2025			2024		
	Cost	**Accumulated impairment**	**Carrying value**	**Cost**	**Accumulated impairment**	**Carrying value**
	R	**R**	**R**	**R**	**R**	**R**
Goodwill	223,421,981	-	223,421,981	223,421,981	-	223,421,981

Reconciliation of goodwill - Group - 2025

	Opening balance	**Additions**	**Total**
	R	**R**	**R**
Goodwill	223,421,981	-	223,421,981

Reconciliation of goodwill - Group - 2024

	Opening balance	**Additions**	**Total**
	R	**R**	**R**
Goodwill	223,421,981	-	223,421,981

Impairment testing

In accordance with IAS 36, Impairment of Assets, goodwill is reviewed annually for impairment, or more frequently if there is an indication that goodwill might be impaired. Goodwill arose on the acquisition of Métier and the impairment assessment is performed at a Métier level, with Métier identified as the cash-generating unit (CGU). The recoverable amount of the CGU was determined based on a value-in-use calculation.

The value-in-use discounted cash flow model was applied in assessing the carrying value of goodwill. Cash flows were projected over a three-year period, and a projected terminal year, based on financial budgets or forecasts approved by management. The following approach was followed in forecasting cash flows:
• future profits were estimated using historical financial results achieved and approved three-year budgets;
• fosts were assumed to grow in line with the projected growth of the CGU and expected inflation;
• fales growth forecasts were largely driven by increased volumes resulting from additional capacity projected for the forecast period, with cautious increases in pricing estimated; and
• capital expenditure was limited to replacement capital expenditure spend, in line with the CGUs maintenance programmes.

The following rates were applied in determining the value-in-use:

	2025 %	**2024 %**
Pre-tax discount rate	20.26	22.79
Terminal value growth rate	4.6	4.6

Discount rates and terminal value growth rates applied are consistent with external sources.

No impairment losses were required in the current financial year based on the value-in-use computation.

A sensitivity analysis of the key assumptions have been presented below:

2025	**Movement**	**Impact on Headroom amount (R'million)**	**Impairment**
Discount rate	+1%	(70)	Nil
Terminal value growth rate	-1%	(60)	Nil

2024	**Movement**	**Impact on Headroom amount (R'million)**	**Impairment**
Discount rate	+1%	(41)	Nil
Terminal value growth rate	-1%	(34)	Nil

Notes to the financial statements

6. Investments in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Company

Name of company	Held by	% holding 2025	% holding 2024	Carrying amount 2025 R	Carrying amount 2024 R
Sephaku Investment Holdings Proprietary Holdings		100.00 %	100.00 %	1	1
Métier Mixed Concrete Proprietary Holdings		100.00 %	100.00 %	299,378,028	299,378,028
				299,378,029	299,378,029

Impairment testing

Subsidiaries are shown at carrying amounts, net of impairment.

Refer to note 5 above for the full details on the assumptions applied by management when reviewing investment in subsidiaries for impairment.

All the subsidiaries are registered and operate within South Africa. Reduced profitability and general economic downturn in the construction industry were identified as indicators of impairment. The same assumptions were applied as with the test for goodwill impairment in the performance of an impairment test on the investment.

7. Investments in associates

Sephaku Holdings Limited has a 36% ownership interest in Dangote Cement South Africa Proprietary Limited. The Associate is unlisted and is registered and operates within South Africa. SepCem is engaged in mining, exploration and the production and sale of cement.

Group

Summary of the Group’s interest in associate	Carrying amount 2025 R	Carrying amount 2024 R
Cost of investment in associate	635,117,284	635,117,284
Proportional increase in investment	48,571,875	48,571,875
Equity-accounted earnings - prior years	167,252,354	152,631,314
Group level: Opening balance of carrying value	850,941,513	836,320,473
Equity-accounted earnings – current years	14,663,520	14,621,040
Group level: Carrying value of investment in associate	865,605,033	850,941,513

Due to the fact that the debt service ratio was 1.225 during the 2017 year instead of the required 1.3, negotiations were entered into with Nedbank to reshape the payment profile. This was successfully completed during the second half of 2017 and required a further R95 million contribution by shareholders. SepCem started the CY 2020 financial year with a cash balance of R500 million and was in the process of agreeing a pre-payment of R200 million on its bank debt in order to get relief of R25 million per payment on the next eight scheduled payments. Just before the payment was made, the government-enforced lockdown due to COVID-19 commenced and the overhead costs during this period required all these excess funds. It was envisaged that the impact of COVID-19 on SepCem could be a reduction in EBITDA levels that would not be able to service debt for the current year. The lenders were approached to waive capital payments for the balance of 2020 and receive interest only, but this was only to be considered if shareholders made a contribution of R125 million.
DCP undertook to make this contribution in August 2020 and shareholders have agreed to treat this as a shareholders’ loan.

Notes to the financial statements

7. Investments in associates (continued)

Impairment testing

In terms of IAS 36, Impairment of assets, an impairment assessment should be performed if any indicators of impairment are identified. Reduced profitability experienced by the Associate over the past few years and the continued economic downturn in the construction industry were factors indicating that the Group's investment in associate may be impaired.

The recoverable amount of the investment in the Associate was determined based on a value-in-use calculation.

The value-in-use discounted cash flow model was applied in assessing the carrying value of equity-accounted associate. Cash flows were projected over a three-year period, and a projected terminal year, based on financial budgets or forecasts approved by management.
The following approach was followed in forecasting cash flows:

• future profits were estimated using historical financial results achieved and approved three-year budgets;
• costs were assumed to grow in line with the projected growth of the CGU and expected inflation;
• sales growth forecasts were largely based on inflationary price increases with cautious increases in volumes based on growth in the industry; and
• capital expenditure was limited to replacement capital expenditure spend, in line with the Associate’s maintenance programmes.

The following rates were applied in determining the value-in-use:

	2025	2024
Pre-tax discount rate	17.5 %	20.1 %
Terminal value growth rate	4.6 %	4.6 %

Discount rates and terminal value growth rate applied are consistent with external sources.

No impairment losses were required in the current financial year based on the value-in-use computation.

A sensitivity analysis of the key assumptions have been presented below:

	Movement	Impact on Headroom amount (R’million)	Impairment
2025			
Discount rate	+1%	(108)	Nil
Terminal value growth rate	-1%	(94)	Nil

	Movement	Impact on Headroom amount (R’million)	Impairment
2024			
Discount rate	+1%	(68)	Nil
Terminal value growth rate	-1%	(57)	Nil

Notes to the financial statements

7. Investments in associates (continued)

Summarised financial information of material associates

Summarised Statement of Profit or Loss and Other Comprehensive Income	**2025 R'000**	**2024 R'000**
Revenue	2,785,449	2,823,157
Cost of sales	(2,442,885)	(2,453,914)
Gross profit	342,564	369,243
Profit before tax	58,057	62,806
Tax expense	(15,480)	(20,880)
Profit from continuing operations	42,577	41,926
Non-controlling interest	(1,845)	(1,312)
Total comprehensive income	40,732	40,614

Summarised Statement of Financial Position	**2025 R'000**	**2024 R'000**
Assets		
Non-current	2,503,073	2,560,371
Current	1,152,578	1,037,481
Total assets	3,655,651	3,597,852
Liabilities		
Non-current	949,028	974,279
Current	812,755	772,282
Total liabilities	1,761,783	1,746,561
Total net assets	1,893,868	1,851,291

* *SepCem has a December year-end so as to agree with DCP's year-end. In line with the requirements of IAS 28, the audited year-end results of SepCem as at 31 December 2024 have been included in these financial statements. The use of the different date in applying the equity method is due to the practicality of obtaining the audited March 2025 results timeously.*

The summarised information presented above reflects the financial statements of the Associate after adjusting for differences in accounting policies between the Group and the Associate. No adjustments to the financial information of SepCem used in the equity accounting at SepHold group level for the period from 1 January 2025 to 31 March 2025, was considered necessary.

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

8. Loans to group companies

Subsidiaries

Sephaku Investment Holdings Proprietary Limited The loan is unsecured, interest free and is repayable on demand. If there is an expected credit loss allowance it is assumed immaterial.	-	-	12,229	12,229

The fair values of the loan is substantially the same as the carrying amounts reflected on the statement of financial position.

Split between non-current and current portions

Current assets	-	-	12,229	12,229

Exposure to credit risk

Loans receivable inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 *Financial Instruments*, which requires a loss allowance to be recognised for all exposures to credit risk.

In determining the amount of expected credit losses, the Group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The credit risk of the loan has not changed and no allowance has been made for ECL as it is deemed insignificant.

9. Loans receivable

Loans receivable are presented at amortised cost at Stage 1 with no loss allowance, as follows:

YC Naidoo The above loan is unsecured, bears interest at 1% per annum and is repayable in 13 equal instalments of R47 389.	94,279	-	-	-

Split between non-current and current portions

Current assets	94,279	-	-	-

Exposure to credit risk

Loans receivable inherently exposes the Group to credit risk, being the risk that the Group will incur financial loss if counterparties fail to make payments as they fall due.

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024
10. Trade and other receivables				
Financial instruments:				
Trade receivables	118,468,561	106,069,862	1,996,707	-
Deposits	3,467,980	2,007,410	-	-
Sundry customers	21,644	10,976	-	-
Non-financial instruments:				
Pre-payments	217,155	154,025	156,156	146,550
Total trade and other receivables	**122,175,340**	**108,242,273**	**2,152,863**	**146,550**

Trade and other receivables pledged as security

Trade and other receivables of R 121,958,185 (2024: R 108,095,723) were pledged as security for overdraft facilities of the Group as per note 15.

Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

To mitigate the risk of financial loss from defaults, the Group only deals with reputable customers who have a consistent history of timely payment. Where appropriate, sufficient collateral or guarantees are obtained. Each customer is analysed individually for creditworthiness before credit terms are extended. This assessment includes the use of statistical credit scoring models that consider both customer-submitted data and external bureau information (where available). Credit limits are established for all customers and are reviewed and approved by credit management committees.

The Group continually monitors exposure to credit risk and customer creditworthiness. Credit losses are proactively managed through stringent credit controls and policies. These include converting defaulting customers to cash-only terms, limiting credit to new customers and requiring upfront payments before order fulfilment. These measures have contributed to effective debt collection and minimal financial losses.

Trade receivables are insured through a credit risk insurance policy with Santam, effective 01 March 2021.As at 31 March 2025, the total general cover was up to R11,1 million (2024: R3,6 million). This insurance applies broadly to customer defaults, regardless of specific accounts or ageing categories, and supports the assessment of credit risk exposure under IFRS 9.

Following IFRS 9 *Financial Instruments*, the Group recognises a loss allowance for all trade receivables using the simplified approach. This involves calculating lifetime expected credit losses (ECL) using a provision matrix informed by historical default rates, forward-looking information, and relevant economic conditions such as interest rates and inflation.

Credit losses for the 2024 financial year amounted to less than 1% of turnover, reflecting effective management of debtors and strong credit control practices. Based on improvements in the construction industry and the Group’s continued success in debt recovery, credit risk policies were refined, and the expected credit loss rate was adjusted downward accordingly, with no provision held in the balance sheet, as the impact of the application of historical loss rates and forward-looking information is not considered to be material.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk since initial recognition. If so, the loss allowance is measured at lifetime expected credit losses; otherwise, it is measured at 12-month expected credit losses.

During the reporting period, credit losses on trade receivables were minimal and well within expected levels. As a result of sound credit assessments and continuous monitoring of counterparties, the Group did not experience any material impairment losses related to trade receivables.

Where applicable, credit losses recognised on trade receivable are included under "Bad Debts written off" in the Statement of Profit or Loss and Other Comprehensive Income, and any loss allowances are presented as a deduction from the carrying amount of the related trade receivable on the Statement of Financial Position.

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

10. Trade and other receivables (continued)

There have been no other significant changes to the Group's credit risk management policies since the previous reporting period. Historical credit loss experience does not indicate significantly different loss patterns across customer segments; therefore, the provision for credit losses is based on ageing status rather than further risk segmentation.

The loss allowance provision is determined as follows:

Group	2025	2025	2024	2024
Expected credit loss rate:	**Gross carrying amount**	**Loss allowance (Lifetime expected credit loss)**	**Gross carrying amount**	**Loss allowance (Lifetime expected credit loss)**
Current: 0% (2024: 0%)	90,077,493	-	85,706,728	-
31 - 60 days past due: 0% (2024: 0%)	25,236,464	-	19,136,354	-
61 - 90 days past due: 0% (2024: 90%)	741,953	-	457,676	413,219
91 - 120 days past due: 0% (2024: 100%)	1,046,048	-	287,426	287,426
More than 120 days past due: 0% (2024: 41%)	1,366,603	-	2,002,726	820,403
Total	**118,468,561**	**-**	**107,590,910**	**1,521,048**

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

Opening balance in accordance with IFRS 9	1,521,048	791,087	-	-
Provision raised on trade receivables	660,000	729,961	-	-
Provisions reversed on settled trade receivables	(2,181,048)	-	-	-
Closing balance	**-**	**1,521,048**	**-**	**-**

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

11. Deferred tax

Deferred tax liability

Property plant and equipment	(32,657,941)	(26,487,853)	-	-
Pre-payments	(16,469)	(1,877)	-	-
Right-of-use assets	(6,187,363)	(10,721,728)	-	-
Total deferred tax liability	(38,861,773)	(37,211,458)	-	-

Deferred tax asset

Lease liabilities	8,716,314	14,227,055	-	-
Expected credit loss allowance	-	246,408	-	-
Income received in advance and section 24C allowances	1,245,515	288,750	-	-
Accrual for leave pay	503,480	516,846	-	-
Bonus accrual	788,437	657,874	-	-
Total deferred tax asset	11,253,746	15,936,933	-	-

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(38,861,773)	(37,211,458)	-	-
Deferred tax asset	11,253,746	15,936,933	-	-
Total net deferred tax liability	**(27,608,027)**	**(21,274,525)**	**-**	**-**

Reconciliation of deferred tax liability

At beginning of year	(21,274,525)	(19,432,371)	-	-
Property, plant and equipment	(6,170,087)	(1,630,959)	-	-
Income received in advance and section 24C allowance	956,765	(169,181)	-	-
Accrual for leave pay	(13,366)	76,194	-	-
Right-of-use assets	4,534,365	2,581,623	-	-
Lease liability	(5,510,741)	(2,920,308)	-	-
Pre-payments	(14,593)	11,351	-	-
Bonus accrual	130,563	90,874	-	-
Doubtful debts	(246,408)	118,252	-	-
	(27,608,027)	**(21,274,525)**	**-**	**-**

Unrecognised deferred tax asset

Unused tax losses not recognised as deferred tax assets	117,877,684	132,348,317	117,877,684	132,348,317

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

12. Other financial assets

Other long-term financial assets

Union Atlantic Minerals Limited (UAM) (stage 3)	1,073,054	1,073,054	1,073,054	1,073,054
Cross Company Management Proprietary Limited (CCM) (stage 2)	7,272,626	9,665,086	7,272,626	9,665,086
	8,345,680	10,738,140	8,345,680	10,738,140
Less: Impairment	(1,073,054)	(600,000)	(1,073,054)	(600,000)
Closing balance	**7,272,626**	**10,138,140**	**7,272,626**	**10,138,140**

These loans are unsecured, bear no interest and are repayable on demand.

The UAM loan is in default, however, management is continuously involved in a process of raising finance to advance the prospecting assets that the company has. There was a firm commitment that the loan would be repaid from the first tranche of funding raised. An updated UAM SENS announcement from them (UAM) was released on 12 October 2022 indicating yet another postponement of the first funding received. As a result management did not receive payment as the other items were crucial to the continuance of the process. Management was hopeful that funds would be raised and that payment would be received, but with this further postponement management believes that an expected credit loss (ECL) should be provided for a portion of the loan unlikely to be recovered until such time that funding has been received and exploration can commence. Management reviewed the impairment of the loan and decided during the current year to recognise the remaining portion of the loan of R473,054 (2024: R200,000) as a loss allowance, bringing the full provision to R1,073,054 (2024: R600,000). UAM management is continuing to look for investors to progress the exploration projects and unlock further value in the company. New investors are being targeted but SepHold management decided to provide for the full loan amount while still putting value on the rights held by the Company.

The CCM loan is supported by shares in companies that were funded through the application of funds made available. Management has assessed the value of these underlying shares and are satisfied that the loan would be recoverable in full in the foreseeable future. While the individual loans might not match the specific investments in value, the total value of the shares could cover the loan. Based on this it was decided not to recognise a further loss allowance on this loan.

Reconciliation of loss allowances
The following table shows the movement in the loss allowance:

Opening balance in accordance with IFRS 9	600,000	400,000	600,000	400,000
Impairment of other financial assets	473,054	200,000	473,054	200,000
Closing balance	**1,073,054**	**600,000**	**1,073,054**	**600,000**

Non-current assets				
At amortised cost	7,272,626	10,138,140	7,272,626	10,138,140

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.
It is not management's intention to call for the loans in the next 12 months.

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

13. Other investment

Union Atlantic Minerals Limited	2,000,000	2,000,000	2,000,000	2,000,000
Less: Impairment	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
Carrying amount	800,000	800,000	800,000	800,000
Level 3 Union Atlantic Minerals Limited	**800,000**	**800,000**	**800,000**	**800,000**

During FY 2019 Union Atlantic Minerals Limited issued 50 000 000 shares at R0.04 per share to CCM on behalf of SepHold.

The last price before suspension of trade on the stock exchange was 4 cps.

During the previous financial year management reviewed the value of the investment in UAM. Although the mining right application has been advanced for the asset and funds are being raised to complete the project, management decided to adjust the suspended price to 4 cps as a starting point by applying the equity raise dilution to the value of the company. The impairment raised on these principles resulted in 60% or 1.6c in the value of R800 000.

The maximum exposure to market risk at the reporting date is the carrying amount of the financial assets.

14. Inventories

Raw materials, components	14,456,614	11,218,574	-	-
Diesel	4,022,221	4,318,495	-	-
Spare parts	6,096,781	5,640,553	-	-
	24,575,616	**21,177,622**	**-**	**-**

Inventories recognised as an expense during the year ended 31 March 2025 amounted to R706 002 253 (2024: R724 030 739).

Inventory pledged as security

Inventory is pledged as security for overdraft facilities of the Group. At year-end, the overdraft was undrawn.

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

15. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	184,512	168,524	-	-
Bank balances	29,526,042	13,235,939	2,389,367	2,675,840
Other cash and cash equivalents	57,599	-	-	-
	29,768,153	**13,404,463**	**2,389,367**	**2,675,840**

The fair values of cash and cash equivalents are considered to be equal to the carrying value.

There is an overdraft facility of R40,000,000 (2024: R80,000,000) with First National Bank. Refer to note 32 for credit risk disclosure.

The total amount of undrawn facilities available for future operating activities and commitments	40,000,000	80,000,000	-	-

Security
The First National Bank (the debt guarantor) overdraft facility is secured as follows:
• General notarial bond to be granted by Métier in favour of the debt guarantor over all its movable assets (including inventory) to the value of R40,000,000.
• Suretyship by SepHold in favour of the debt guarantor for the obligations of Métier to the value of R140,000,000.
• Cession of short-term insurance policies 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 short-term 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.

The facility agreement includes a covenant relating to the ratio of interest-bearing debt to earnings before EBITDA. Métier is in compliance with this covenant.

The fair values of the 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.

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

16. Share capital

Authorised

1,000,000,000 ordinary shares with no par value issued and fully paid				
254,486,436 (2024: 254,486,436) shares at beginning and end of period	682,965,910	682,965,910	682,965,910	682,965,910
	682,965,910	**682,965,910**	**682,965,910**	**682,965,910**

No new shares were issued during the current or prior financial year.

The unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Other equity

22,700,000 (2024: 13,789,293) Treasury shares held by subsidiary	(23,629,110)	(13,914,974)	-	-

During the year under review the Subsidiary acquired a total of 8,910,707 (2024: 13,789,293) ordinary shares at an average share price of 108 cents (2024: 100 cents) per share in SepHold for a total amount of R9,714,136 (2024: R13,914,974), including transaction costs of R64,865 (2024: R92,779). The repurchased equity shares were acquired under an approved share buyback scheme. The ultimate intention of management is to cancel the shares once the approved number has been reached.

17. Share-based payments

Share options granted on 30 June 2017	Number	Weighted exercise price R	Total value R
Outstanding at the beginning of the year	1,705,000	3.00	5,115,000
Expired during the year	1,705,000	3.00	5,115,000
Outstanding at the end of the year	-	-	-

Information on options granted on 1 July 2017
On 1 July 2017, 1,905,000 American-style share options with an exercise price of R3.00 were granted. During FY 2023, 200 000 share options were cancelled due to a resignation. The last remaining share options of 1,705,000 expired on 1 July 2024.

General share options information
At the start of the 2015 financial year, five million share options were available for distribution under the share option scheme. These share options were distributed as follows:
• 1,565,000 share options granted on 10 December 2014,
• 1,630,000 share options granted on 31 March 2016,
• (100,000) share options returned due to resignation during 2017,
• 1,905,000 share options granted on 1 July 2017,
• (241,665) share options returned due to resignation during 2021,
• (3,053,335) share options expired during 2022 and 2023, and
• (1,705,000) share options expired on 1 July 2024.

All vesting expenses for the expired share options were accounted for in FY 2023. For the current year there was R2,738,696 (2024: Rnil) transferred from the reserve account to retained income.

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

18. Loans from group companies

Subsidiaries

Métier Mixed Concrete Proprietary Limited The loan is unsecured, interest free and is repayable on demand. During the year the Company decided to repay a variable amount per month which reduced the loan balance with R18 348 284.	-	-	94,523,036	112,871,320

Reconciliation of loan from subsidiary
The following table shows the movement in the loan from subsidiary:

Opening balance in accordance with IAS 7	-	-	112,871,320	112,871,320
Repayments during the year	-	-	(18,348,284)	-
Closing balance	**-**	**-**	**94,523,036**	**112,871,320**

Split between non-current and current portions

Current liabilities	-	-	94,523,036	112,871,320

The loan from group company will be settled through a dividend payment from the Subsidiary’s retained income of R313,345,616 (2024: R265,414,474).

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

19. Borrowings

Held at amortised cost

Instalment sale liabilities				
WesBank Vehicle Finance	56,831,264	12,262,770	-	-
During the year, the Group entered into fifty (2024: twenty-four) instalment sale agreements with WesBank Vehicle Finance. It bears interest at rates linked to prime and is repayable over a term of 60 months with an average monthly repayment of R10,948 per vehicle. The Group has access to an approved asset finance facility with a limit of R60,000,000, which may be utilised for the acquisition of movable assets.				
The liability is secured by motor vehicles and plant and machinery with a carrying amount of R36,700,954 (2024: R21,111,911) and R27,459,499 (2024: Rnil) respectively.Refer to note 3 Property, plant and equipment for further details.				
Komatsu Africa Holdings (Pty) Ltd	21,761,355	10,924,969	-	-
During the year, the Group entered into seven (2024: five) instalment sale agreements with Komatsu Africa Holdings (Pty) Ltd. It bears interest at rates linked to prime and is repayable over a term of 48 months with an average monthly repayment of R46,131 per vehicle (2024: R48,920 per vehicle). The Group has access to an approved asset based funding facility with a limit of R30,000,000, which may be utilised for the acquisition of various new Komatsu plant and equipment.				
The liability is secured by motor vehicles with a carrying amount of R26,789,745 (2024: R11,372,549). Refer to note 3 Property, plant and equipment for further details.				
Mercedes-Benz Financial Services	32,432,055	41,422,873	-	-
During the year, the Group entered into two (2024: two) instalment sale agreements with Mercedes-Benz Financial Services. It bears interest at rates linked to prime and is repayable over a term of 60 months with an average monthly repayment of R42,318 per vehicle (2024: R35,082 per vehicle). The Group has access to an approved credit facility with a limit of R70,000,000 which may be utilised for the acquisition of approved vehicles.				
The liability is secured by motor vehicles with a carrying amount of R50,292,298 (2024: R51,631,749). Refer to note 3 Property, plant and equipment and note 20 below for further details.				

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

19. Borrowings (continued)

External borrowings				
First National Bank Commercial Property Finance	13,346,736	-	-	-
During the year, the Group purchased a property partially financed by First National Bank Commercial Property Finance. The liability is secured by land and buildings with a carrying amount of R21,000,000. It bears interest at rates linked to prime and is repayable over a terms of 96 months with an average monthly repayment of R217,181. Refer to note 3 Property, plant and equipment for further details.				
	124,371,410	**64,610,612**	**-**	**-**

Split between non-current and current portions

Non-current liabilities	92,034,257	47,708,556	-	-
Current liabilities	32,337,153	16,902,056	-	-
	124,371,410	**64,610,612**	**-**	**-**

Lease liabilities

Refer to note 4 Right-of-use assets for details of leasing activities.

20. Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Reconciliation of liabilities arising from financing activities - 2025	Opening balance	Finance costs	Non-cash additions*	Cash additions	Cash flows principal and interest	Closing balance
Borrowings						
Instalment sale liabilities	64,610,612	10,132,347	69,295,618	-	(33,013,481)	111,025,096
External borrowings	-	866,581	-	14,000,000	(1,520,267)	13,346,314
	64,610,612	**10,998,928**	**69,295,618**	**14,000,000**	**(34,533,748)**	**124,371,410**

Reconciliation of liabilities arising from financing activities - 2024	Opening balance	Finance costs	Non-cash additions*	Cash flows principal and interest	Closing balance
Borrowings					
Instalment sale liabilities	46,735,419	6,266,400	30,262,948	(18,654,155)	64,610,612

Lease liabilities also form part of financing activities. For the reconciliation refer to note 4.

* Total non-cash movements of R69,295,618 (2024: R30,262,948) are additions in respect of instalment sale liabilities.

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

21. Trade and other payables

Financial instruments:				
Trade payables	83,166,637	78,575,964	125,945	109,404
Credit cards liabilities	653	649	653	649
Accrued expenses	33,108	729,761	-	-
Accrued audit fees	1,093,000	500,000	449,200	500,000
Sundry suppliers	961,672	4,212,042	-	-
Non-financial instruments:				
Accrual for salary-related expenses	5,244,057	4,740,730	459,178	389,912
Value added taxation	2,571,612	2,638,717	740,804	175,757
Income received in advance	11,532,544	2,673,611	-	-
	104,603,283	**94,071,474**	**1,775,780**	**1,175,722**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	85,255,086	84,018,415	575,796	610,051
Non-financial instruments	19,348,213	10,053,058	1,199,982	565,669
	104,603,299	**94,071,473**	**1,775,778**	**1,175,720**

Fair value of trade and other payables

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

22. Revenue

Disaggregation of revenue from contracts with customers

The Group disaggregates revenue from customers as follows:

Sale of goods				
Revenue from the sale of goods	1,182,844,822	1,163,603,065	-	-
Rendering of services				
Management fees received	-	-	41,137,358	23,470,000
Total revenue from contracts with customers	**1,182,844,822**	**1,163,603,065**	**41,137,358**	**23,470,000**

Timing of revenue recognition

At a point in time				
Revenue from the sale of goods	1,182,844,822	1,163,603,065	-	-
Over time				
Management fees received	-	-	41,137,358	23,470,000
Total revenue from contracts with customers	**1,182,844,822**	**1,163,603,065**	**41,137,358**	**23,470,000**

Notes to the financial statements

		Group		Company	
Figures in Rand		2025	2024	2025	2024

23. Other operating income

Bad debts recovered		305,745	211,262	-	-
Other sundry income		213,053	69,428	-	-
Rent received		660,601	617,196	-	-
(Loss)/profit on sale of property, plant and equipment		(295,755)	2,339,801	-	-
Income received in advanced written off		132,103	2,951,111	-	-
		1,015,747	**6,188,798**	**-**	**-**

24. Other operating losses

Losses on disposals, scrappings and settlements					
Property, plant and equipment	3	(6,622)	-	(6,622)	-
Fair value losses					
Financial assets designated as at fair value through profit or loss		-	(200,000)	-	(200,000)
Total other operating losses		**(6,622)**	**(200,000)**	**(6,622)**	**(200,000)**

25. Investment income

Interest income					
Investments in financial assets:					
Bank and other cash		1,905,289	1,714,283	128	252
Trade and other receivables		888,509	861,053	-	-
Other financial assets		1,065	-	1,065	-
Total interest income		**2,794,863**	**2,575,336**	**1,193**	**252**

26. Finance costs

Lease liabilities		4,199,684	5,071,287	-	-
Bank overdraft		101,950	143,331	7	1
SARS interest		183,551	-	557	-
Borrowings		10,998,928	6,375,577	-	-
Total finance costs		**15,484,113**	**11,590,195**	**564**	**1**

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

27. Taxation

Major components of the tax expense

Current				
Local income tax - current period	10,530,852	16,910,896	976,768	88,857
Adjustments in respect of prior years	60,674	66,204	-	66,204
	10,591,526	**16,977,100**	**976,768**	**155,061**
Deferred				
Originating and reversing temporary differences	6,333,501	1,842,153	-	-
	16,925,027	**18,819,253**	**976,768**	**155,061**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	90,476,334	85,444,197	17,587,304	1,283,768
Tax at the applicable tax rate of 27% (2024: 27%)	24,428,610	23,069,933	4,748,572	346,617
Tax effect of adjustments on taxable income				
Under provision of income tax prior year	60,674	66,204	-	66,204
Other grants and incentives	(64,886)	(5,110)	-	-
Fair value adjustment	-	54,000	-	54,000
Utilisation of assessed loss	(3,909,664)	(366,588)	(3,909,664)	(366,817)
Profit from equity-accounted investment	(3,959,150)	(3,947,681)	-	-
Donations	2,008	2,174	-	-
Capital loss	325,787	20,864	1,787	-
Interest and penalties relating to taxes	57,756	1,057	8,348	1,057
Impairment of loan	127,725	54,000	127,725	54,000
Other items	(35,833)	-	-	-
Learnership allowance	(108,000)	(129,600)	-	-
	16,925,027	**18,819,253**	**976,768**	**155,061**

The estimated tax loss available for set off against future taxable income is R 117,877,685 (2024: R 132,348,518).

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

28. Cash generated from operations

Profit before taxation	90,476,334	85,444,197	17,587,304	1,283,768
Adjustments for non-cash items:				
Depreciation, amortisation, impairments and reversals of impairments	41,930,448	36,316,965	15,536	7,946
Fair value losses	-	200,000	-	200,000
Share of profit of equity-accounted investments	(14,663,520)	(14,621,040)	-	-
Impairments and movements in credit loss allowances	(1,047,994)	929,961	473,054	200,000
Loss/(profit) on sale of property, plant and equipment	302,377	(2,339,801)	6,622	-
Adjust for items which are presented separately:				
Interest income	(2,794,863)	(2,575,336)	(1,193)	(252)
Finance costs	15,484,113	11,590,195	564	1
Changes in working capital:				
Increase in inventories	(3,397,994)	(672,729)	-	-
(Increase)/decrease in trade and other receivables	(12,412,019)	12,957,613	(2,006,313)	(559)
Increase/(decrease) in trade and other payables	10,531,809	(11,519,240)	600,059	(399,941)
Increase in loans receivables	795,295	1,822,226	-	-
	125,203,986	**117,533,011**	**16,675,633**	**1,290,963**

29. Taxation paid

Balance at the beginning of the year	561,275	(2,277,547)	31,520	-
Current taxation for the period recognised in profit or loss	(10,591,526)	(16,977,100)	(976,768)	(155,061)
Balance at the end of the year	378,639	(561,275)	15,411	(31,520)
	(9,651,612)	**(19,815,922)**	**(929,837)**	**(186,581)**

Notes to the financial statements

	Group		Company	
Figures in Rand	2025	2024	2025	2024

30. Related parties

Relationships

Subsidiaries	Refer to note 6
Associates	Refer to note 7
Major shareholder of SepCem	Dangote Industries Limited
Companies with common shareholders	Incubex Minerals Limited SepFluor Limited
Key management personnel of the Group	Refer to directors listed below
Companies with common directors	Cross Company Management Proprietary Limited Cato Ridge Quarry Proprietary Limited Union Atlantic Minerals Limited WKRD Properties Proprietary Limited Plazatique Corp 27 CC
Directors	B Williams MM Ngoasheng MJ Janse van Rensburg MM Sedikela Dr. L Mohuba KJ Capes NR Crafford-Lazarus

Related party balances

	Group 2025	Group 2024	Company 2025	Company 2024
Loan accounts - Owing (to) by related parties				
Métier Mixed Concrete Proprietary Limited	-	-	(94,532,036)	(112,871,320)
Union Atlantic Minerals Proprietary Limited	-	473,054	-	473,054
Cross Company Management Proprietary Limited	7,272,626	9,665,086	7,272,626	9,665,086
Sephaku Investment Holdings Proprietary Limited	-	-	12,229	12,229
Amounts included in Trade receivable (Trade Payable) regarding related parties				
Dangote Cement South Africa Proprietary Limited^	(8,707,855)	(11,897,342)	-	-

Related party transactions

	Group 2025	Group 2024	Company 2025	Company 2024
Purchases from (sales to) related parties including VAT				
Dangote Cement South Africa Proprietary Limited	102,704,930	167,000,547	-	-
Rent paid to (received from) related parties				
Plazatique Corp 27 CC^^	1,337,931	1,268,181	-	-
WKRD Properties Proprietary Limited^^	1,233,638	1,147,570	-	-
Management fees paid to (received from) related parties^^^				
Métier Mixed Concrete Proprietary Limited	-	-	(41,137,358)	(23,470,000)
Utilities paid to related parties				
Plazatique Corp 27 CC	1,048,583	872,899	-	-
WKRD Properties Proprietary Limited	1,062,890	1,049,305	-	-

^ Goods were purchased from the Associate during the year based on price lists in force and terms that would be available to third parties.
^^ The amounts included represent the actual transactions as per the lease agreements. The IFRS 16 treatment for these form part of note 4.
^^^ Management services were received on a cost-plus basis. All other transactions were made on normal commercial terms.
All other transactions were made on normal commercial terms.

31. Directors' emoluments

Executive

2025

Directors' emoluments	Basic salary R	Prior year performance bonuses* R	Travel allowances R	Pension fund R	Total R
Services as director					
KJ Capes	4,403,670	2,767,500	-	396,330	7,567,500
NR Crafford-Lazarus	4,299,000	2,767,500	150,000	351,000	7,567,500
	8,702,670	**5,535,000**	**150,000**	**747,330**	**15,135,000**

2024

Directors' emoluments	Basic salary R	Prior year performance bonuses* R	Travel allowances R	Pension fund R	Long-term share incentives R	Total R
Services as director						
KJ Capes	3,445,494	1,300,000	-	310,095	1,995,000	7,050,589
NR Crafford-Lazarus	4,112,000	1,200,000	150,000	351,000	2,275,000	8,088,000
	7,557,494	**2,500,000**	**150,000**	**661,095**	**4,270,000**	**15,138,589**

*The bonus paid in FY 2025 relates to the FY 2024 performance.

Non-executive

2025

Directors' emoluments	Fees for services as director R	Total R
Services as director or prescribed officer		
B Williams	500,000	500,000
MJ Janse van Rensburg	415,000	415,000
MM Sedikela	207,500	207,500
MM Ngoasheng	415,000	415,000
Dr. L Mohuba	415,000	415,000
B Bulo	207,500	207,500
	2,160,000	**2,160,000**

31. Directors' emoluments (continued)

2024

Directors' emoluments	Fees for services as director R	Total R
Services as director		
B Williams	475,000	475,000
MJ Janse van Rensburg	390,000	390,000
MM Ngoasheng	390,000	390,000
Dr. L Mohuba	390,000	390,000
B Bulo	390,000	390,000
	2,035,000	**2,035,000**

32. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2025

	Note(s)	Assets at fair value (level 3) R	Amortised cost R	Non-financial instruments R	Total R
Loans receivable	9	-	94,279	-	94,279
Trade and other receivables	10	-	121,958,185	217,155	122,175,340
Cash and cash equivalents	15	-	29,768,153	-	29,768,153
Other financial assets	12	-	7,272,626	-	7,272,626
Other investments	13	800,000	-	-	800,000
		800,000	**159,093,243**	**217,155**	**160,110,398**

Group - 2024

	Note(s)	Assets at fair value (level 3) R	Amortised cost R	Non-financial instruments R	Total R
Trade and other receivables	10	-	108,088,248	154,025	108,242,273
Cash and cash equivalents	15	-	13,404,463	-	13,404,463
Other financial assets	12	-	10,138,140	-	10,138,140
Other investments	13	800,000	-	-	800,000
		800,000	**131,630,851**	**154,025**	**132,584,876**

Notes to the financial statements

32. Financial instruments and risk management (continued)

Company - 2025

	Note(s)	Assets at fair value (level 3) R	Amortised cost R	Non-financial instruments R	Total R
Loans to group companies	8	-	12,229	-	12,229
Trade and other receivables	10	-	1,996,707	156,156	2,152,863
Cash and cash equivalents	15	-	2,389,367	-	2,389,367
Other financial assets	12	-	7,272,626	-	7,272,626
Other investments	13	800,000	-	-	800,000
		800,000	**11,670,929**	**156,156**	**12,627,085**

Company - 2024

	Note(s)	Assets at fair value (level 3) R	Amortised cost R	Non-financial instruments R	Total R
Loans to group companies	8	-	12,229	-	12,229
Trade and other receivables	10	-	-	146,550	146,550
Cash and cash equivalents	15	-	2,675,840	-	2,675,840
Other financial assets		-	10,138,140	-	10,138,140
Other investments		800,000	-	-	800,000
		800,000	**12,826,209**	**146,550**	**13,772,759**

32. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2025

	Note(s)	Non-financial instruments R	Amortised cost R	Leases R	Total R
Trade and other payables	21	19,348,213	85,255,070	-	104,603,283
Borrowings	19	-	124,371,410	-	124,371,410
Lease liabilities	4	-	-	37,562,500	37,562,500
		19,348,213	**209,626,480**	**37,562,500**	**266,537,193**

Group - 2024

	Note(s)	Non-financial instruments R	Amortised cost R	Leases R	Total R
Trade and other payables	21	10,053,058	84,018,416	-	94,071,474
Borrowings	19	-	64,610,612	-	64,610,612
Lease liabilities	4	-	-	52,692,797	52,692,797
		10,053,058	**148,629,028**	**52,692,797**	**211,374,883**

Company - 2025

	Note(s)	Non-financial instruments R	Amortised cost R	Total R
Trade and other payables	21	1,199,982	575,798	1,775,780
Loans from group companies	18	-	94,523,036	94,523,036
		1,199,982	**95,098,834**	**96,298,816**

Company - 2024

	Note(s)	Non-financial instruments R	Amortised cost R	Total R
Trade and other payables	21	565,669	610,052	1,175,721
Loans from group companies	18	-	112,871,320	112,871,320
		565,669	**113,481,372**	**114,047,041**

The Group believes that the carrying value of the financial instruments approximates the fair value.

Notes to the financial statements

32. Financial instruments and risk management (continued)

Capital risk management

The Group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Group monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity. The Group's gearing ratio of 18% is well below the Group comfort ratio of 25%.

The capital structure and gearing ratio of the Group at the reporting date was as follows:

		Group 2025 R	Group 2024 R	Company 2025 R	Company 2024 R
Loans from group companies	18	-	-	94,523,036	112,871,320
Borrowings	19	124,371,410	64,610,612	-	-
Lease liabilities	4	37,562,500	52,692,797	-	-
Trade and other payables	21	104,603,283	94,071,476	1,775,778	1,175,721
Total borrowings		**266,537,193**	**211,374,885**	**96,298,814**	**114,047,041**
Cash and cash equivalents	15	(29,768,153)	(13,404,463)	(2,389,367)	(2,675,840)
Net borrowings		**236,769,040**	**197,970,422**	**93,909,447**	**111,371,201**
Equity		1,289,453,242	1,225,616,071	899,442,911	882,832,375
Gearing ratio		18 %	16 %	10 %	13 %

Notes to the financial statements

32. Financial instruments and risk management (continued)

Financial risk management

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is exposed to credit risk on loans receivable (at amortised cost), trade and other receivables, cash and cash equivalents and loan commitments.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the Group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instrument.

Trade receivables
Trade receivables consist of a large number of customers mainly in the construction industry. Due to a number of hardships experienced in the construction industry over the past year management increased its risk management efforts on trade receivables by obtaining general risk cover from Santam for non-specific customers. The Group applies the IFRS 9 simplified approach in measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. These lifetime ECL are estimated using a provision matrix. The provision matrix has been developed by making use of historical default experience of debtors but also incorporates forward-looking information and general economic conditions of the industry as at the reporting date. In order to mitigate the risk of financial loss from defaults, management has reacted differently to prior years and were stricter on credit controls with customer credit limits being in place, reviewed and approved by credit management committees. Defaulting customers were converted to cash customers and credit limits for new customers were limited. More upfront payments are required prior to commencing orders.

The exposure to credit risk and the creditworthiness of customers are continuously monitored.

Loans receivable
The Group recognises a loss allowance for ECL on all loans receivable measured at amortised cost in accordance with IFRS 9. The amount of ECL is updated at each reporting date to reflect the changes in credit risk since initial recognition of the respective loans. The Group measures the loss allowance at an amount equal to lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, the loss allowance for that loan is measured at 12-month expected credit losses (12-month ECL).

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments

The maximum exposure to credit risk is presented in the table below:

Notes to the financial statements

32. Financial instruments and risk management (continued)

Group		2025			2024		
		Gross carrying amount R	**Credit loss allowance R**	**Amortised cost / fair value R**	**Gross carrying amount R**	**Credit loss allowance R**	**Amortised cost / fair value R**
Loans receivable	9	94,279	-	94,279	-	-	-
Trade and other receivables	10	122,175,340	-	122,175,340	109,609,296	(1,521,048)	108,088,248
Cash and cash equivalents	15	29,768,153	-	29,768,153	13,404,463	-	13,404,463
		152,037,772	**-**	**152,037,772**	**123,013,759**	**(1,521,048)**	**121,492,711**

Company		2025			2024		
		Gross carrying amount R	**Credit loss allowance R**	**Amortised cost / fair value R**	**Gross carrying amount R**	**Credit loss allowance R**	**Amortised cost / fair value R**
Loans to group companies	8	12,229	-	12,229	12,229	-	12,229
Trade and other receivables	10	2,152,863	-	2,152,863	146,550	-	146,550
Cash and cash equivalents	15	2,389,367	-	2,389,367	2,675,840	-	2,675,840
		4,554,459	**-**	**4,554,459**	**2,834,619**	**-**	**2,834,619**

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

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 that follow analyse the Group’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The cash flows are undiscounted contractual amounts.

Group - 2025

		Less than 1 year R	**1 to 2 years R**	**2 to 3 years R**	**3 to 5 years R**	**Total R**	**Carrying amount R**
Non-current liabilities							
Borrowings	19	-	54,863,040	27,528,400	26,818,636	109,210,076	92,034,257
Lease liabilities	4	-	10,201,866	7,205,292	3,462,580	20,869,738	18,920,220
Current liabilities							
Trade and other payables	21	85,255,070	-	-	-	85,255,070	85,255,070
Borrowings	19	44,832,432	-	-	-	44,832,432	32,337,153
Lease liabilities	4	21,536,251	-	-	-	21,536,251	18,642,280
		151,623,753	**65,064,906**	**34,733,692**	**30,281,216**	**281,703,567**	**247,188,980**

32. Financial instruments and risk management (continued)

Group - 2024

		Less than 1 year R	1 to 2 years R	2 to 3 years R	3 to 5 years R	Total R	Carrying amount R
Non-current liabilities							
Borrowings	19	-	23,670,862	19,682,048	12,020,696	55,373,606	47,708,556
Lease liabilities	4	-	20,431,428	9,474,282	8,762,241	38,667,951	33,956,392
Current liabilities							
Trade and other payables	21	91,433,004	-	-	-	91,433,004	91,433,004
Borrowings	19	23,656,561	-	-	-	23,656,561	16,902,056
Lease liabilities	4	22,711,496	-	-	-	22,711,496	18,736,405
		137,801,061	**44,102,290**	**29,156,330**	**20,782,937**	**231,842,618**	**208,736,413**

Company - 2025

		Less than 1 year R	Total R	Carrying amount R
Current liabilities				
Trade and other payables	21	1,316,602	1,316,602	1,316,602
Loans from group companies	18	94,523,036	94,523,036	94,523,036

Company - 2024

		Less than 1 year R	Total R	Carrying amount R
Current liabilities				
Trade and other payables	21	999,963	999,963	999,963
Loans from group companies	18	112,871,320	112,871,320	112,881,320

Without the Subsidiary loan the Company does not face any liquidity risk and are able to settle their current obligations as they become due.

This is discussed in detail in note 33 Going concern.

Notes to the financial statements

32. Financial instruments and risk management (continued)

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, instalment sale liabilities and external borrowings. Surplus cash flows exposed to interest rate risk are placed with institutions and facilities which yield the highest rate of return.

Interest rate sensitivity analysis
The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.
All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group
At 31 March 2025, if the interest rates on cash and cash equivalents had been 1% (2024: 1%) higher or lower during the period, with all other variables held constant, pre-taxation profit for the year would have been R526,068 (2024: R515,067) higher or lower, mainly as a result of higher or lower interest income on funds invested on call. The resulting taxation effect would have been R142,038 (2024: R139,068).

At 31 March 2025, if the interest rates on borrowings had been 1% per annum (2024: 1%) higher or lower during the period, with all other variables held constant, pre-taxation profit for the year would have been R1,548,356 (2024: R1,159,019) higher or lower, as a result of higher or lower interest expense on floating rate borrowings. The resulting taxation effect would have been R418,056 (2024: R312,935).

Company
At 31 March 2025, if the interest rates on cash and cash equivalents had been 1% (2024: 1%) higher or lower during the period, with all other variables held constant, pre-taxation profit for the year would have been R239 (2024: R50) higher or lower, mainly as a result of higher or lower interest income on funds invested on call. The resulting taxation effect would have been Rnil.

At 31 March 2025, if the interest rates on borrowings had been 1% per annum (2024: 1%) higher or lower during the period, with all other variables held constant, pre-taxation profit for the year would have been Rnil (2024: Rnil) higher or lower, as a result of higher or lower interest expense on floating rate borrowings. The resulting taxation effect would have been Rnil.

Notes to the financial statements

33. Going concern

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.

The directors believe that the Group and the Company have adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group and the Company are in a sound financial position and have access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Company's current liabilities exceeds the current assets, however if the loan from the Subsidiary is required to be repaid, the board will approve Métier to pay a dividend to SepHold. The dividend received will be utilised to repay the loan in full. The directors are not aware of any new material changes that may adversely impact the Group and the Company.

Métier's term loan was repaid during FY 2023 and replaced with an overdraft facility of R80 million. The R80 million overdraft facility provides enough headroom to ensure that all foreseeable cash requirements will be met.

The refinancing of the SepCem Nedbank and consortium loan of R376 714 000 was granted by Nedbank and Standard Bank during FY 2023. The loan was serviced according to the repayment profile and will be settled in full by Q4 of CY 2025. The working capital facility of R200 million remains unutilised and SepCem therefore also has enough headroom to ensure that all foreseeable cash requirements will be met.

The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group and the Company.

34. Events after the reporting period

Business interruption insurance claim
On 26 March 2025, after the reporting period of SepCem it was agreed that the business interruption claim stemming from the COVID-19 hard lockdown would be settled at an amount of R46 million. This would be recognised in SepCem's CY 2025 and reported in the SepHold FY 2026. Final agreements have not yet been signed and payment is still outstanding as at SepHold's year ended 31 March 2025. As a result, this was treated as a non-adjusting post balance sheet event.

Notes to the financial statements

35. Net asset value per share and earnings per share

Net asset value and tangible net asset value per share

	Group 2025 R	Group 2024 R
Total assets	1,583,977,101	1,458,265,479
Total liabilities	(294,523,859)	(232,649,408)
Net asset value attributable to equity holders of parent	1,289,453,242	1,225,616,071
Goodwill	(223,421,981)	(223,421,981)
Tangible net asset value	1,066,031,261	1,002,194,090
Shares in issue	254,486,436	254,486,436
Less: Treasury shares	(22,700,000)	(13,789,293)
Total shares outstanding	231,786,436	240,697,143
Net asset value per share (cents)	556.31	509.19
Tangible net asset value per share (cents)	459.92	416.37

Reconciliation of basic earnings to diluted earnings, headline earnings and normalised earnings:

	2025 Gross R	2025 Net R	2024 Gross R	2024 Net R
Profit attributable to ordinary equity holders of the parent entity		73,551,307		66,624,944
IAS 33 earnings		73,551,307		66,624,944
Less loss/(profit) on the disposal of plant and equipment (note 23 and 24)	302,377	220,735	(2,339,801)	(1,708,055)
Less share of "look-through" adjustments of associate:	(460,080)	(335,858)	(491,086)	(358,493)
- (Profit)/loss on the disposal of plant and equipment	(460,080)	(335,858)	(236,160)	(172,397)
- Insurance proceeds on plant and equipment	-	-	(254,926)	(186,096)
Headline earnings and diluted headline earnings attributable to equity holders of parent		73,436,184		64,558,396
Add IFRS 9 equity investment measured at fair value through profit or loss (note 13) - impairment		-		200,000
Add IFRS 9 loan receivable at amortised cost (note 12) - impairment		473,054		200,000
Normalised headline earnings attributable to equity holders of parent		73,909,238		64,958,396
Basic weighted average number of shares		232,995,700		251,080,413
Diluted weighted average number of shares		232,995,700		251,080,413
Basic earnings per share (cents)		31.57		26.54
Diluted earnings per share (cents)		31.57		26.54
Headline earnings per share (cents)		31.52		25.71
Normalised headline earnings per share (cents)		31.72		25.87
Diluted headline earnings per share (cents)		31.52		25.71

Notes to the financial statements

36. Segment information

2025	Ready-mixed concrete	Head office	Group totals
	R	R	R
Segment revenue - external revenue	1,182,844,822	-	1,182,844,822
Segment raw materials	(706,002,253)	-	(706,002,253)
Segment transportation	(146,341,586)	-	(146,341,586)
Segment production expenses	(28,986,737)	-	(28,986,737)
Segment employee benefit expenses	(101,227,245)	(10,644,644)	(111,871,889)
Segment administration and other operating expenses	(56,423,635)	(4,843,327)	(61,266,962)
Profit from equity-accounted investment	-	14,663,520	14,663,520
Loss on sale of property, plant and equipment	(295,755)	-	(295,755)
Segment profit/(loss) after taxation	75,847,115	(2,295,808)	73,551,307
Taxation	(15,948,259)	(976,768)	(16,925,027)
Interest received	2,793,670	1,193	2,794,863
Interest paid	(15,483,548)	(564)	(15,484,112)
Depreciation and amortisation	(41,914,912)	(15,536)	(41,930,448)
Segment assets	484,269,073	1,099,708,028	1,583,977,101
Investment in associate included in the above total segment assets	-	865,605,033	865,605,033
Capital expenditure included in segment assets	123,913,054	77,074	123,990,128
Segment liabilities	(292,732,668)	(1,791,191)	(294,523,859)

2024	Ready-mixed concrete	Head office	Group totals
	R	R	R
Segment revenue - external revenue	1,163,603,065	-	1,163,603,065
Segment raw materials	(724,030,739)	-	(724,030,739)
Segment transportation	(146,953,255)	-	(146,953,255)
Segment production expenses	(28,747,130)	-	(28,747,130)
Segment employee benefit expenses	(89,598,872)	(13,158,574)	(102,757,446)
Segment administration and other operating expenses	(46,453,126)	(3,565,225)	(50,018,351)
Profit from equity-accounted investment	-	14,621,040	14,621,040
Profit on sale of property, plant and equipment	2,339,801	-	2,339,801
Segment profit/(loss) after taxation	69,290,157	(2,665,213)	66,624,944
Taxation	(18,664,192)	(155,061)	(18,819,253)
Interest received	2,575,084	252	2,575,336
Interest paid	(11,590,194)	(1)	(11,590,195)
Depreciation and amortisation	(36,309,019)	(7,946)	(36,316,965)
Segment assets	369,701,968	1,088,563,511	1,458,265,479
Investment in associate included in above total segment assets	-	850,941,513	850,941,513
Capital expenditure included in segment assets	54,023,418	-	54,023,418
Segment liabilities	(231,473,707)	(1,175,701)	(232,649,408)

The only commodity actively managed by Métier is ready-mixed 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.

SepCem is an associate of SepHold. No segment report has been presented for cement (the commodity) as the amounts attributable to cement (the commodity) have been included in the head office segment.

Supplementary Information

1. Shareholders' analysis

Ordinary shares as at 31 March 2025

Number of ordinary shares in issue during the financial year:	254,486,436
Total holders:	8,386

Issued capital **Type of shares**	**Number of shareholders**	**% of shareholders**	**Number of shares**
Certificated shares	120	1.43	26,960,401
Dematerialised shares	8,266	98.57	227,526,035
Total issued capital	**8,386**	**100.00**	**254,486,436**

Shareholders holding greater than 5% of the issued share capital at year-end	**Number of shares**	**%**
Safika Resources Proprietary Limited (Dematerialised)	30,734,981	12.08
Citiclient Nominees No8 NY GW	25,612,705	10.06
Métier Mixed Concrete Proprietary Limited	22,700,000	8.92
Safika Resources Proprietary Limited (Certificated)	19,043,228	7.48
Mr. D Fraser	16,300,000	6.41
Mr. RC Williams	13,756,492	5.41

Range of shareholdings **Share range**	**Number of shareholders**	**% of shareholders**	**Number of shares**
1 - 1,000	7,130	85.02	722,251
1,001 - 10,000	737	8.79	2,769,770
10,001 - 50,000	296	3.53	7,124,107
50,001 - 100,000	90	1.07	6,518,315
100,001 - 500,000	91	1.09	21,102,345
500,001 - 1,000,000	14	0.17	10,051,005
1,000,001 shares and over	28	0.33	206,198,643
Total	**8,386**	**100.00**	**254,486,436**

Breakdown by domicile **Domicile**	**Number of shareholders**	**% of shareholders**	**Number of shares**
Non-resident shareholders	59	0.70	38,544,074
Resident shareholders	8,327	99.30	215,942,362
Total	**8,386**	**100.00**	**254,486,436**

Public and non-public shareholders	**Shares held**	**%**	**Number of shareholders**
Public	194,877,753	76.58	8,378
Non-public	59,608,683	23.42	8
- Directors' direct holdings	15,880,668	6.24	3
- Directors' indirect holdings	20,879,336	8.20	2
- Directors' associates	148,679	0.06	2
- Treasury shares	22,700,000	8.92	1
Total issued capital	**254,486,436**	**100.00**	**8,386**