SEPHAKU
HOLDINGS LTD

EXPLORATION, DEVELOPMENT, INCOME, GROWTH

Sephaku Annual Financial Statements **2013**

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FOCUSED

ON RAW MATERIALS, SUPPLIES AND SERVICES IN THE CEMENT AND LIMESTONE EXPLORATION SECTOR

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

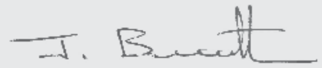
The annual financial statements have been audited by PKF (Gauteng) Inc. in compliance with the applicable requirements of the Companies Act 71 of 2008 (as amended) and have been prepared under the supervision of NR Crafford-Lazarus, CA(SA).

Issued

27 June 2013

Statement from company secretary

The secretarial matters are the responsibility of the Sephaku Holdings directors. An evaluation has been conducted in accordance with section 88(2)(e) of the Companies Act, 71 of 2008, as amended (the Act). It is hereby certified that the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Act and that such returns are true, correct and up to date.



Jennifer Bennette
Company secretary

Centurion, South Africa
27 June 2013

Audit and risk committee report

The information below constitutes the report of the audit and risk committee (the committee) for the 2013 financial period of Sephaku Holdings Ltd ("Sephaku Holdings") and its subsidiaries. This report is in compliance with section 94(7) of the Companies Act No 71 of 2008, as amended.

1. Mandate and terms of reference

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

2. Composition and attendance at meetings

The committee consists of three independent non-executive directors and meets at least twice per annum. Special audit and risk committee meetings are convened as required.

The external auditors attended and reported at all meetings of the audit and risk committee. Sephaku Holdings' risk management function was also represented. The chief executive officers of the operating companies attend meetings by invitation.

Details of the composition and attendance of the committee meetings are set out below:

Name	Qualification	19 September 2012	13 February 2013
MG Mahlare	BCom (Accounting), BCom (Hons)	✓	✓
B Williams	BA, BProc, LLM, DLA	✓	✓
PM Makwana	BAdmin (Hons), EDP	*	✓
NR Crafford-Lazarus (ex officio)	BCom (Hons), CA(SA)	✓	✓
Dr L Mohuba (ex officio)	MBChB	✓	✓
PF Fourie	BCom (Accounting)	✓	#

** Appointed 11 January 2013*
 # Resigned 11 January 2013 and attended the meeting by invitation.

3. Role and responsibilities

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

The committee has performed the following statutory duties:

- Nominated and recommended the re-appointment of PKF (Gauteng) Inc. as the external auditors of Sephaku Holdings, and noted Mr RM Huiskamp as the responsible individual. PKF (Gauteng) Inc. is, in the opinion of the committee, independent of the company;
- determined the fees to be paid to the external auditors and their terms of engagement;
- ensured that the appointment of the external auditors complies with the Companies Act and any other legislation relating to the appointment of auditors;
- determined the nature and extent of allowable non-audit services and pre-approved any proposed agreement with the external auditors for the provision of non-audit services to Sephaku Holdings;
- prepared a report which has been included in the annual financial statements;
- received and dealt with concerns relating to the accounting policies, internal audit, the auditing or content of annual financial statements, and internal financial controls of Sephaku Holdings; and
- considered and, when appropriate, made recommendations to the board on internal financial controls, accounting policies, records and reporting.

4. External auditors

The committee has satisfied itself that the external auditors, PKF (Gauteng) Inc. was independent of Sephaku Holdings, as set out in sections 90(2)(c) and 94(8) of the Companies Act. This includes consideration of compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors. Requisite assurance was sought and provided by the external auditors that internal governance processes within the audit firm support and demonstrate their claim of independence.

The committee agreed to the engagement letter, terms, audit plan and budgeted audit fees for the financial period ended 31 March 2013. This was done after consultation with executive management.

The external auditors are invited to and attend all audit and risk committee meetings. Findings by the external auditors arising from their annual statutory audit are tabled and presented at a committee meeting following the audit. The external auditors have expressed an unqualified opinion on the annual financial statements for the period ended 31 March 2013. This will be ratified at the annual general meeting.

Sephaku Holdings has satisfied itself that PKF (Gauteng) Inc. is accredited to appear on the JSE List of Accredited Auditors.

5. Internal financial controls

The committee has reviewed:

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

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

6. Annual financial statements

The committee assists the board with all financial reporting and reviews the annual financial statements, preliminary results announcements, interim financial information and integrated report – this culminates in a recommendation to the board to adopt them. The committee took appropriate steps to ensure the annual financial statements were prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act.

7. Going concern

The committee reviewed a documented assessment by management of the going concern premise of Sephaku Holdings. Based on this assessment, the committee recommended to the board that Sephaku Holdings will be a going concern in the foreseeable future.

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

The committee has satisfied itself that the financial director of Sephaku Holdings, Mr Neil Crafford-Lazarus, has appropriate expertise and experience to meet his responsibilities in that position as required in terms of paragraph 3.84(h) of the JSE Listings Requirements.

The committee also satisfied itself that the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the finance function met Sephaku Holdings' requirements.

9. Duties assigned by the board

The duties and responsibilities of the members of the committee are set out in the audit and risk committee terms of reference which is approved by the board. The committee fulfils an oversight role regarding Sephaku Holdings' integrated 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.

10. Internal audit

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

11. Risk management

The committee is responsible for the following:

- recommending to the board Sephaku Holdings' risk appetite;
- monitoring the emerging risk profile of Sephaku Holdings on a regular basis and reporting its findings to the board;
- receiving and reviewing reports that assess the nature and extend of the risks facing Sephaku Holdings;
- 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 Sephaku Holdings; and
- ensuring that risk and capital management policies, processes and practices are adopted in Sephaku Holdings and reviewing the adequacy and effectiveness of the risk-type control frameworks and polices.

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

The audit and risk committee held a meeting on 12 June 2013 at which time they reviewed and recommended the annual financial statements for approval by the board of directors.

MG Mahlare
Chairman: Audit and risk committee

12 June 2013

Independent auditors' report

chartered accountants
& business advisers

To the shareholders of Sephaku Holdings Limited

We have audited the consolidated and separate financial statements of Sephaku Holdings Limited, set out on pages 12 to 56, which comprise the statement of financial position as at 31 March 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting 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 misstatements, whether due to fraud or error.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Sephaku Holdings Limited as at 31 March 2013 and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the period ended 31 March 2013, we have read the directors' report, the audit and risk committee report and the statement from the company secretary's for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PKF (Gauteng) Inc

PKF (Gauteng) Inc.
Chartered Accountants (SA)

Director: **R Huiskamp**

Sandton
27 June 2013

Directors' responsibilities and approval

The directors are required in terms of the Companies Act No 71 of 2008 (as amended) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group and company as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board 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 predetermined procedures and constraints.

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

The directors have reviewed the group's cash flow forecast for the 12 months to 31 March 2014 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's annual financial statements. The annual financial statements have been examined by the group's external auditors and their report is presented on page 6.

The annual financial statements set out on pages 8 to 56, which have been prepared on the going concern basis, were approved by the board on 27 June 2013 and were signed on its behalf by:

NR Crafford-Lazarus
Financial Director

Dr L Mohuba
Chief Executive Officer

Centurion, South Africa

27 June 2013

Directors' report

The directors submit their report for the nine months ended 31 March 2013.

1. Review of activities

Main business and operations

The group is engaged as a holding company for investment in mineral assets and operates principally in South Africa.

Significant transactions

On 28 February 2013 Sephaku Holdings acquired the entire issued share capital of Métier Mixed Concrete (Pty) Ltd ("Métier") from its shareholders, the JTR Trust, Mr Kenneth Capes, Mr Richard Thompson and Mr Wayne Witherspoon. Refer to note 33.

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

2. 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.

3. Events after the reporting period

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

4. Accounting policies

No new accounting policies were applied during the current reporting period.

5. Authorised, issued stated capital and dividends

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

All the authorised and issued shares have no par value.

Refer to note 15 for further details on authorised and issued stated capital.

Five million listed shares in Sephaku Holdings at R6 per share amounting to R30 million and a further 11,1 million shares in Sephaku Holdings at R9 per share amounting to R100 million were issued to the sellers of Métier (note 33). The transaction was recorded at fair value based on the listed share price of Sephaku Holdings at 28 February 2013 of R5 per share amounting to R80 555 555.

6. Borrowing limitations

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

7. Share incentive scheme

Refer to note 16 for details about share-based payments during the current financial period.

8. Non-current assets

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

The acquisition of Métier through business combinations resulted in additions to property, plant and equipment of R113 461 513 (note 33). Subsequent acquisitions of the group during the month of March 2013 amounted to R5 145 027 (2012: R38 150 882) (note 3).

9. Dividends

No dividends were declared or paid to shareholders during the reporting period.

10. Directors

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

Name	Nationality	Changes
B Williams	Chairman – Independent Non-executive director	
Dr L Mohuba	Chief executive officer	
NR Crafford-Lazarus	Financial director	
RR Matjiu	Executive director	
CRDW de Bruin	Non-executive director	
PF Fourie	Non-executive director	
Dr GS Mahlati	Non-executive director	Resigned 2 July 2012
MM Ngoasheng	Non-executive director	
Dr D Twist	Non-executive director	
MG Mahlare	Independent non-executive director	
PM Makwana	Independent non-executive director	Appointed 11 January 2013
J Bennette	Alternate director to RR Matjiu	
JW Wessels	Alternate director to CRDW de Bruin	

11. Secretary

The secretary of the company is J Bennette of:

Business address	**Postal address**
South Downs Office Park	PO Box 68149
Block A, Ground Floor	Highveld
Cnr John Vorster and Karee Street	0169
Irene, X54	
0062	

12. Interest in subsidiaries

Name of subsidiary	Net income after taxation
Métier Mixed Concrete (Pty) Ltd	1 994 786
Sephaku Cement Investment Holdings Ltd	–

Details of the company's investment in subsidiaries are set out in note 5.

13. Special resolutions

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

14. Auditors

It was resolved that Grant Thornton Johannesburg be appointed, upon the recommendation of the current audit and risk committee, as independent registered auditors of Sephaku Holdings, replacing PKF (Gauteng) Inc. following the merger of PKF and Grant Thornton Johannesburg audit practices on 1 July 2013.

15. Change of financial year-end

At a shareholders meeting held on 11 January 2013 it was decided to change the financial year-end of the group from 30 June to 31 March. This decision was implemented for the current financial period. The reason for the change of year-end is to enable Sephaku Holdings to include the audited financial results of Sephaku Cement (Pty) Ltd ("Sephaku Cement") (an associate with a year-end of December), in its annual financial statements.

16. Shareholders information

Major shareholders

Top five shareholders	Number of shares	Holding %
Credit Suisse AG Zurich Nominees	22 699 874	12,08
Safika Resources (Pty) Ltd Nominees	15 580 823	8,29
Lelau Mohuba Trust	9 263 767	4,93
CRDW de Bruin	8 999 908	4,79
Bank of New York Nominees	6 951 543	3,7

Public and non-public shareholders	Shares held	%	Number of shareholders	%
Public	138 481 181	73,7	1 006	98,5
Non-public	49 420 662	26,3	15	1,5
– Directors' direct holdings	29 346 202	15,6	9	0,9
– Directors' indirect holdings	15 797 326	8,4	2	0,2
– Directors' associates	4 277 134	2,3	4	0,4
	187 901 843	**100**	**1 021**	**100**

Shareholder spread	Shares held	%	Number of shareholders	%
1 – 1 000	91 980	0,05	168	16,45
1 001 – 10 000	2 072 344	1,10	432	42,31
10 001 – 50 000	5 423 781	2,89	216	21,16
50 001 – 100 000	4 750 618	2,53	68	6,66
100 001 – 500 000	21 659 413	11,53	85	8,33
500 001 – 1 000 000	13 059 852	6,95	17	1,67
1 000 001 shares and over	140 843 855	74,96	35	3,43
	187 901 843	**100**	**1 021**	**100**

Beneficial shareholdings of directors (and associates)

	2013			2012		
Director	**Direct**	**Indirect**	**Associates**	Direct	Indirect	Associates
Dr L Mohuba	**487 202**	**9 263 767**	**390 000**	1 637 202	10 463 767	390 000
NR Crafford-Lazarus	**1 512 728**	**–**	**–**	1 512 728	–	–
RR Matjiu	**3 585 923**	**–**	**–**	3 585 923	–	–
CRDW de Bruin	**9 999 908**	**–**	**1 272 134**	12 993 908	–	1 427 134
MM Ngoasheng	**–**	**–**	**720 000**	–	–	720 000
Dr GS Mahlati	**1 198 653**	**–**	**–**	1 298 653	–	100 000
PF Fourie	**–**	**6 533 559**	**–**	–	6 503 059	–
JW Wessels	**1 265 048**	**–**	**–**	1 265 048	–	–
Dr D Twist	**10 654 333**	**–**	**1 895 000**	13 154 333	–	1 895 000
J Bennette	**600 000**	**–**	**–**	650 000	–	–
MG Mahlare	**42 407**	**–**	**–**	12 094	–	–
	29 346 202	**15 797 326**	**4 277 134**	**36 109 889**	**16 966 826**	**4 532 134**

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

Directors' interest in share options

Director	Number of share options at exercise price of R2,50 Granted 31 March 2008	Number of share options at exercise price of R3,50 Granted 15 October 2010	Number of share options at exercise price of R1,90 Granted 29 June 2012	Number of share options at exercise price of R1,90 Granted 31 August 2012
Dr L Mohuba	1 000 000	715 000	750 000	–
NR Crafford-Lazarus	750 000	715 000	750 000	750 000
RR Matjiu	300 000	200 000	300 000	–
CRDW de Bruin	–	500 000	–	–
PF Fourie	–	715 000	–	–
MM Ngoasheng	500 000	200 000	–	–
J Bennette	175 000	150 000	250 000	–
Dr D Twist	150 000	–	–	–
JW Wessels	250 000	715 000	750 000	750 000
	3 125 000	**3 910 000**	**2 800 000**	**1 500 000**

None of the share options have been exercised by any of the directors as yet. Refer to note 16 for more details on share options.

Statements of financial position
as at 31 March 2013

		GROUP		COMPANY	
	Notes	**31 March 2013 R**	30 June 2012 R	**31 March 2013 R**	30 June 2012 R
Assets					
Non-current assets					
Property, plant and equipment	3	**116 878 108**	–	**–**	–
Goodwill	4	**238 137 854**	–	**–**	–
Investments in subsidiaries	5	**–**	–	**209 967 288**	1
Investment in associates	6	**631 134 362**	625 989 987	**635 117 284**	634 956 656
Other financial assets	8	**9 805 298**	18 434 461	**4 905 054**	18 434 461
		995 955 622	644 424 448	**849 989 626**	**653 391 118**
Current assets					
Inventories	11	**6 730 225**	–	**–**	–
Loans to group companies	7	**337 058**	928 050	**341 207**	932 199
Other financial assets	8	**8 588 729**	3 596 551	**8 588 729**	3 596 551
Trade and other receivables	12	**60 600 275**	26 890	**296 566**	26 890
Cash and cash equivalents	13	**22 337 824**	24 629 136	**13 793 993**	24 629 136
		98 594 111	29 180 627	**23 020 495**	**29 184 776**
Total assets		**1 094 549 733**	673 605 075	**873 010 121**	**682 575 894**
Equity and liabilities					
Equity					
Equity attributable to equity holders of parent					
Stated capital	15	**580 590 616**	500 035 061	**580 590 616**	500 035 061
Reserves		**13 568 918**	10 295 477	**14 776 581**	10 295 477
Retained income		**146 365 124**	162 292 622	**171 849 898**	171 263 431
		740 524 658	672 623 160	**767 217 095**	**681 593 969**
Liabilities					
Non-current liabilities					
Other financial liabilities	17	**249 390 922**	–	**105 266 332**	–
Deferred income	18	**1 102 738**	–	**–**	–
Deferred taxation	10	**9 885 456**	–	**–**	–
		260 379 116	–	**105 266 332**	**–**
Current liabilities					
Other financial liabilities	17	**39 583 332**	–	**–**	–
Current taxation payable		**11 402 043**	–	**–**	–
Trade and other payables	19	**42 471 543**	981 915	**526 694**	981 925
Deferred income	18	**189 041**	–	**–**	–
		93 645 959	981 915	**526 694**	**981 925**
Total liabilities		**354 025 075**	981 915	**105 793 026**	**981 925**
Total equity and liabilities		**1 094 549 733**	673 605 075	**873 010 121**	**682 575 894**
Net asset value per share (cents)	42	**394,10**	391,54		
Tangible net asset value per share (cents)	42	**267,37**	391,54		

Statements of comprehensive income

for the nine months ended 31 March 2013

		GROUP		COMPANY	
	Notes	**9 months ended 31 March 2013 R**	12 months ended 30 June 2012 R	**9 months ended 31 March 2013 R**	12 months ended 30 June 2012 R
Continuing operations					
Revenue	21	**37 195 338**	–	**–**	–
Cost of sales	22	**(21 574 848)**	–	**–**	–
Gross profit		**15 620 490**	–	**–**	–
Other income		**356 081**	463 230	**–**	463 230
Operating expenses		**(35 825 298)**	(16 157 167)	**(109 510 821)**	(16 157 167)
Loss on disposal of interest in companies		**–**	(5 629 161)	**–**	(5 629 161)
Operating loss	23	**(19 848 727)**	(21 323 098)	**(109 510 821)**	(21 323 098)
Investment income	24	**820 287**	127 298	**110 652 050**	127 298
Profit/(loss) from equity accounted investment	6	**6 191 410**	(107 622)	**–**	–
Finance costs	26	**(1 949 268)**	(8)	**(554 762)**	(8)
Loss before taxation		**(14 786 298)**	(21 303 430)	**586 467**	(21 195 808)
Taxation	27	**(1 141 200)**	–	**–**	–
Loss from continuing operations		**(15 927 498)**	(21 303 430)	**586 467**	(21 195 808)
Discontinued operations					
Profit for the period from discontinued operations	14	**–**	22 296 709	**–**	–
(Loss)/profit for the period		**(15 927 498)**	993 279	**586 467**	(21 195 808)
Other comprehensive (loss)/income:					
Share of other comprehensive (loss)/income from associate		**(1 207 663)**	12 682 846	**–**	–
Other comprehensive (loss)/income for the period net of taxation	29	**(1 207 663)**	12 682 846	**–**	–
Total comprehensive (loss)/income for the period		**(17 135 161)**	13 676 125	**586 467**	(21 195 808)
Basic (loss)/earnings per share from total operations (cents):	42	**(9,17)**	0,58		
Continuing operations		**(9,17)**	(12,45)		
Discontinued operations		**–**	13,03		
Diluted (loss)/earnings per share from total operations (cents):	42	**(8,93)**	0,53		
Continuing operations		**(8,93)**	(11,42)		
Discontinued operations		**–**	11,95		

Statements of changes in equity

for the nine months ended 31 March 2013

	Notes	Stated capital R	Hedging reserve R
Group			
Balance at 1 July 2011		592 127 979	(12 682 846)
Profit for the year		–	–
Other comprehensive income for the year		–	12 682 846
Total comprehensive income for the year		–	12 682 846
Issue of shares		9 000 000	–
Employees share option scheme		–	–
Dividend *in specie*	34	(101 092 918)	–
Balance at 1 July 2012		**500 035 061**	**–**
Loss for the period		**–**	**–**
Other comprehensive loss for the period		**–**	**–**
Total comprehensive loss for the period		**–**	**–**
Issue of shares	33	**80 555 555**	**–**
Employees share option scheme		**–**	**–**
Balance at 31 March 2013		**580 590 616**	**–**
Notes		15	29

	Notes	Stated capital R	Hedging reserve R
Company			
Balance at 1 July 2011		592 127 979	–
Loss for the year		–	–
Total comprehensive loss for the year		–	–
Issue of shares		9 000 000	–
Employees share option scheme		–	–
Dividend *in specie*	34	(101 092 918)	–
Balance at 1 July 2012		**500 035 061**	**–**
Profit for the period		**–**	**–**
Total comprehensive loss for the period		**–**	**–**
Issue of shares	33	**80 555 555**	**–**
Employees share option scheme		**–**	**–**
Balance at 31 March 2013		**580 590 616**	**–**
Notes		15	

	Revaluation reserve (Associate) R	Equity based share option reserve R	Total reserves R	Retained income R	Total equity R
	–	6 073 233	(6 609 613)	161 265 964	746 784 330
	–	–	–	993 279	993 279
	–	–	12 682 846	–	12 682 846
	–	–	12 682 846	993 279	13 676 125
	–	–	–	–	9 000 000
	–	4 222 244	4 222 244	33 379	4 255 623
	–	–	–	–	(101 092 918)
	–	**10 295 477**	**10 295 477**	**162 292 622**	**672 623 160**
	–	**–**	**–**	**(15 927 498)**	**(15 927 498)**
	(1 207 663)	**–**	**(1 207 663)**	**–**	**(1 207 663)**
	(1 207 663)	**–**	**(1 207 663)**	**(15 927 498)**	**(17 135 161)**
	–	**–**	**–**	**–**	**80 555 555**
	–	**4 481 104**	**4 481 104**	**–**	**4 481 104**
	(1 207 663)	**14 776 581**	**13 568 918**	**146 365 124**	**740 524 658**
	29			29	

	Revaluation reserve (Associate) R	Equity based share option reserve R	Total reserves R	Retained income R	Total equity R
	–	6 073 233	6 073 233	192 425 860	790 627 072
	–	–	–	(21 195 808)	(21 195 808)
	–	–	–	(21 195 808)	(21 195 808)
	–	–	–	–	9 000 000
	–	4 222 244	4 222 244	33 379	4 255 623
	–	–	–	–	(101 092 918)
	–	**10 295 477**	**10 295 477**	**171 263 431**	**681 593 969**
	–	**–**	**–**	**586 467**	**586 467**
	–	**–**	**–**	**586 467**	**586 467**
	–	**–**	**–**	**–**	**80 555 555**
	–	**4 481 104**	**4 481 104**	**–**	**4 481 104**
	–	**14 776 581**	**14 776 581**	**171 849 898**	**767 217 095**
				29	

Statements of cash flows

for the nine months ended 31 March 2013

		GROUP		COMPANY	
	Notes	9 months ended 31 March 2013 R	12 months ended 30 June 2012 R	9 months ended 31 March 2013 R	12 months ended 30 June 2012 R
Cash flows from operating activities					
Cash used in operations	30	**(21 570 600)**	(19 773 068)	**(9 508 021)**	(7 548 050)
Interest income		**820 287**	205 532	**652 050**	127 298
Dividends received		**–**	–	**110 000 000**	–
Finance costs		**(1 394 506)**	(208 583)	**–**	(8)
Taxation received	31	**55 518**	–	**–**	–
Net cash from operating activities		**(22 089 301)**	(19 776 119)	**101 144 029**	(7 420 760)
Cash flows from investing activities					
Purchase of property, plant and equipment	3	**(5 145 027)**	(17 650 881)	**–**	–
Sale of property, plant and equipment	3	**87 719**	–	**–**	–
Purchase of other intangible assets		**–**	(19 048 263)	**–**	–
Acquisition of shares in wholly owned subsidiary	33	**(89 200 006)**	–	**(110 000 000)**	(104 244 837)
Acquisition costs		**(4 110 902)**	–	**(4 110 902)**	–
Disposal of interest in subsidiaries and associates	34	**–**	801 344	**–**	15 700 000
Decrease in other financial assets		**1 396 508**	1 186 015	**1 540 738**	2 186 709
Net cash from investing activities		**(96 971 708)**	(34 711 785)	**(112 570 164)**	(86 358 128)
Cash flows from financing activities					
Increase in other financial liabilities		**116 178 705**	66 983 023	**110 000 000**	–
Repayment of other financial liabilities		**–**	–	**(110 000 000)**	–
Increase in loans with group companies		**590 992**	6 299 376	**590 992**	112 577 289
Net cash from financing activities		**116 769 697**	73 282 399	**590 992**	112 577 289
Total cash and cash equivalents movement for the period		**(2 291 312)**	18 794 495	**(10 835 143)**	18 798 401
Cash and cash equivalents at the beginning of the period		**24 629 136**	5 834 641	**24 629 136**	5 830 735
Total cash and cash equivalents at end of the period	13	**22 337 824**	24 629 136	**13 793 993**	24 629 136

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, the Companies Act No 71 of 2008 (as amended), the JSE Listings Requirements and the SAICA financial reporting guides as issued by the Accounting Practices Board. The annual financial statements have been prepared on the historical cost basis, except for the measurement of property at revalued amounts, and incorporate the principal accounting policies set out below. They are presented in South African rands.

These accounting policies are consistent with the previous period.

1.1 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company and all entities, including special purpose entities, which are controlled by the company.

Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transactions and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Business combinations

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

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

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Non-controlling interests arising from a business combination, which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS.

1. Presentation of annual financial statements *continued*

1.1 Consolidation *continued*

Business combination continued

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the period. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously in other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

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

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

Investment in associate

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in associate is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held-for-Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

The group recognises its share of losses of the associate to the extent of the group's net investment in the associate.

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

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

1.2 Significant judgements and sources of estimation uncertainty

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

Loans, trade receivables and other receivables

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

Options granted

Management used the Black-Scholes model to determine the fair value of the options at issue date. Additional details regarding the estimates are included in the note 16 Share-based payments.

Impairment testing of goodwill and investment in subsidiary

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

The following assumptions have been applied when reviewing goodwill impairment:

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

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

Taxation

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

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

Estimation of useful life and residual values

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

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

Business combinations

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

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

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

1. Presentation of annual financial statements *continued*

1.3 Property, plant and equipment *continued*

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

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

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

Property is carried at a revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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

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

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

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

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 period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Land is not depreciated.

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

1.4 Investments in subsidiaries

Company annual financial statements

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

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

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

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.5 Investment in associates

Company annual financial statements

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

1.6 Financial instruments

Classification

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

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

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

Initial recognition and measurement

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

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

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

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

Subsequent measurement

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

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

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

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in profit or loss, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity.

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

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

Fair value determination

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

Impairment of financial assets

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

1. Presentation of annual financial statements *continued*

1.6 Financial instruments *continued*

Impairment of financial assets continued

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

Impairment losses are recognised in profit or loss.

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

Reversals of impairment losses are recognised in profit or loss.

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

Derecognition

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

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

Loans to/(from) group companies

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

Loans to group companies are classified as loans and receivables.

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

Loans to shareholders, directors, managers and employees

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

Trade and other receivables

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

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

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

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

Bank overdraft and borrowings

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

Hedging activities

Derivatives designated as hedging instruments are classified as held for trading.

The group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or on foreign currency risk of a firm commitment (cash flow hedge).

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'other income'.

Amounts accumulated in equity are reclassified from other comprehensive income to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

However, when the forecast transaction that is hedged results in the recognition of a non-financial item (for example, inventory or fixed assets) the gains and losses previously deferred in equity are transferred from equity in other comprehensive income and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in profit or loss as a reclassification adjustment in other comprehensive income when the forecast transaction is ultimately recognised in profit or loss.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognised in profit or loss as a reclassification adjustment from other comprehensive income.

1.7 Taxation

Current taxation assets and liabilities

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

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

Deferred taxation assets and liabilities

A deferred taxation liability is recognised for all taxable temporary differences, except to the extent that the deferred taxation liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit/(taxation loss).

A deferred taxation asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred taxation asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit/(taxation loss).

1. Presentation of annual financial statements *continued*

1.7 Taxation *continued*

Deferred taxation assets and liabilities continued

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

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

Taxation expenses

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

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

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

Current taxation and deferred taxation are charged or credited directly to equity if the taxation relates to items that are credited or charged, in the same or a different period, directly in equity.

1.8 Leases

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

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charges and reduction of the outstanding liability. The finance charges are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases – lessee

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

Any contingent rents are expensed in the period they are incurred.

1.9 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories is 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.

1.10 Non-current assets held for sale, disposal groups and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

The results of discontinued operations are shown as a single amount on the statement of comprehensive income comprising the post-taxation loss of discontinued operations. A discontinued operation is a group of cash-generating units that has been disposed of and represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

1.11 Impairment of assets

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

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

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

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

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

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

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.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit; and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

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

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

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

1. Presentation of annual financial statements *continued*

1.12 Stated capital and equity

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

Ordinary shares are classified as equity.

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

1.13 Share-based payments

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

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

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

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

For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is remeasured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

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

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

For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the components of that transaction are recorded as a cash-settled share-based payment transaction if, and to the extent that, a liability to settle in cash or other assets has been incurred, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

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

For equity-settled share-based payment transactions the fair value of the options are determined on grant date and are not subsequently adjusted, while for cash-settled options the fair value of the options is recalculated at each reporting date up to and including settlement date.

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave, sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the services are 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 profitsharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.15 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken;
  - when the plan will be implemented;
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.16 Government grants

Government grants are recognised when there is reasonable assurance that:

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

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

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

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

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

1. Presentation of annual financial statements *continued*

1.17 Revenue

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

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

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

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

1.18 Cost of sales

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

1.19 Borrowing costs

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

The capitalisation of borrowing costs commences when:

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

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

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

1.20 Operating segments

An operating segment is a component of an entity:

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

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

2. New standards and interpretations

2.1 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 2013 or later periods:

IFRS 10 Consolidated Financial Statements

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

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

The group expects to adopt the standard for the first time in the 2014 annual financial statements.

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

IAS 27 Separate Financial Statements

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

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

The group expects to adopt the amendment for the first time in the 2014 annual financial statements.

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

IFRS 12 Disclosure of Interests in Other Entities

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

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

The group expects to adopt the standard for the first time in the 2014 annual financial statements.

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

IFRS 9 Financial Instruments

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

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

2. New Standards and Interpretations *continued*

2.1 Standards and interpretations not yet effective *continued*

The effective date of the standard is for years beginning on or after 1 January 2015.

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

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

IFRS 13 Fair Value Measurement

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

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

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

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

Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

Amendment requires additional disclosures for financial assets and liabilities which are offset and for financial instruments subject to master netting arrangements.

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

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

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

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Clarification of certain aspects concerning the requirements for offsetting financial assets and financial liabilities.

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

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

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

IAS 1 – Annual Improvements for 2009 – 2011 cycle

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

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

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

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

IAS 16 – Annual Improvements for 2009 – 2011 cycle

Spare parts, stand by equipment and servicing equipment should only be classified as property, plant and equipment if they meet the definition.

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

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

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

IAS 32 – Annual Improvements for 2009 – 2011 cycle

Taxation effects of distributions made to holders of equity instruments. Income taxation relating to distributions made to holders of equity instruments and taxation effects of transaction costs of equity transactions must be accounted for in accordance with IAS 12 Income Taxes.

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

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

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

3. Property, plant and equipment

GROUP	2013 Cost/ valuation	2013 Accumulated depreciation	2013 Carrying value	2012 Cost/ valuation	2012 Accumulated depreciation	2012 Carrying value
Land and buildings	**2 666 309**	**–**	**2 666 309**	–	–	–
Plant and machinery	**49 892 623**	**(425 711)**	**49 466 912**	–	–	–
Furniture and fixtures	**265 449**	**(5 570)**	**259 879**	–	–	–
Motor vehicles	**65 403 003**	**(1 243 234)**	**64 159 769**	–	–	–
Computer equipment	**341 466**	**(16 227)**	**325 239**	–	–	–
Total	**118 568 850**	**(1 690 742)**	**116 878 108**	–	–	–

Reconciliation of property, plant and equipment – Group – 2013

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

Reconciliation of property, plant and equipment – Group – 2012

	Opening balance	Additions	Additions through business combinations	Disposals	Depreciation	Total
Land and buildings	3 872 375	32 660 473	–	(36 532 848)	–	–
Buildings	2 884 393	–	–	(2 775 428)	(108 965)	–
Chemical plant	7 264 259	5 209 980	–	(12 474 239)	–	–
Motor vehicles	–	225 488	–	(207 078)	(18 410)	–
Computer equipment	–	54 941	–	(54 015)	(926)	–
	14 021 027	38 150 882	–	(52 043 608)	(128 301)	–

Disposals during 2012 relate to the removal of Sephaku Fluoride Ltd ("Sephaku Fluoride") group's assets due to the unbundling of Sephaku Holdings' interest in Sephaku Fluoride (note 34).

Pledged as security

All movable assets are pledged as security for other financial liabilities as per note 17.

4. Goodwill

Group	2013 Cost R	2013 Accumulated impairment R	2013 Carrying value R	2012 Cost R	2012 Accumulated impairment R	2012 Carrying value R
Goodwill on acquisition of subsidiary	**238 137 854**	**–**	**238 137 854**	–	–	–

	Opening balance R	Additions through business combinations R	Total R
Reconciliation of goodwill – Group – 2013			
Goodwill	**–**	**238 137 854**	**238 137 854**

Refer to note 33 for more information regarding goodwill.

Impairment testing

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

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

5. Investments in subsidiaries

Name of company	% holding 2013	% holding 2012	Carrying amount 2013	Carrying amount 2012
Sephaku Cement Investment Holdings Ltd	**100**	100	**1**	1
Métier Mixed Concrete (Pty) Ltd	**100**	–	**295 267 125**	–
Capitalised costs of acquisition of Métier Mixed Concrete (Pty) Ltd			**4 110 902**	–
			299 378 028	1
Impairment of investment in Métier Mixed Concrete (Pty) Ltd			**(89 410 741)**	–
			209 967 287	1

Subsidiaries are shown at carrying amounts, net of impairment.

All the subsidiaries are registered and operate within South Africa.

Impairment testing

A dividend of R110 million has been received by Sephaku Holdings from Métier shortly after obtaining control. This dividend is an indicator that the investment in Métier may be impaired. Using the same inputs as detailed under goodwill impairment testing (note 4) an impairment has been performed with the resulting impairment of R89 410 741.

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

6. Investment in associates

Name of company	% holding 2013	% holding 2012	GROUP 2013 R	GROUP 2012 R	COMPANY 2013 R	COMPANY 2012 R
Sephaku Cement (Pty) Ltd	**36,00**	35,99	**631 134 362**	625 989 987	**635 117 284**	634 956 656

The associate is unlisted.

On 15 October 2010 the investment in Sephaku Cement as an associate was recognised at a fair value of R634 956 656 and on consolidation adjusted for the change in Sephaku Holdings' share of the profit/(loss) of the investee amounting to R6 191 410 (2012: (R107 622)) and share of the other comprehensive (loss)/income of the investee of (R1 207 663) (2012: R12 682 846) (note 29). The investment was increased during the reporting period with the cost of an additional 0,006% interest acquired in the associate from minority shareholders for R160 628.

Sephaku Cement has a December year-end. In line with the requirements of IAS 28, the year-end results of Sephaku Cement have been included in these financial statements.

	2013 R	2012 R
Summary of groups interest in Sephaku Cement (Pty) Ltd and its subsidiaries		
Total assets	**2 857 860 437**	1 239 624 827
Total liabilities	**(1 743 477 754)**	(139 085 886)
Revenue for the period	**16 394 882**	23 549 459
Profit/(loss) for the period	**17 198 361**	(298 999)

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

7. Loans to group companies

	GROUP 2013 R	GROUP 2012 R	COMPANY 2013 R	COMPANY 2012 R
Subsidiary				
Sephaku Cement Investment Holdings Ltd	**–**	–	**4 149**	4 149
The loan is unsecured, bears no interest and is repayable by mutual agreement.				
Associate				
Sephaku Cement (Pty) Ltd	**337 058**	928 050	**337 058**	928 050
The loan is unsecured, bears no interest and is repayable on demand.				
Total	**337 058**	928 050	**341 207**	932 199

8. Other financial assets

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Available-for-sale				
Liberty Investment Builder	**1 081 243**	–	**–**	–
Métier Mixed Concrete (Pty) Ltd makes monthly contributions to this investment of R77 232.				
Liberty Endowment Investment	**3 819 001**	–	**–**	–
Métier Mixed Concrete (Pty) Ltd makes monthly contributions to this investment of R67 000.				
	4 900 244	**–**	**–**	**–**
Loans and receivables				
African Nickel Holdings (Pty) Ltd	**3 200 000**	3 596 551	**3 200 000**	3 596 551
Cross Company Management (Pty) Ltd	**10 293 783**	18 434 461	**10 293 783**	18 434 461
The loans are unsecured, bear no interest and are repayable on demand. An impairment provision of R6 835 864 has been raised on the receivable from Cross Company Management (Pty) Ltd during the period.				
	13 493 783	22 031 012	**13 493 783**	22 031 012
Total other financial assets	**18 394 027**	22 031 012	**13 493 783**	22 031 012
Non-current assets				
Available-for-sale	**4 900 244**	–	**–**	–
Loans and receivables	**4 905 054**	18 434 461	**4 905 054**	18 434 461
	9 805 298	18 434 461	**4 905 054**	18 434 461
Current assets				
Loans and receivables	**8 588 729**	3 596 551	**8 588 729**	3 596 551
	18 394 027	22 031 012	**13 493 783**	22 031 012

Fair value information

Available-for-sale financial assets are recognised at fair value, unless they are unlisted equity instruments and the fair value cannot be determined using other means, in which case they are measure at cost.

The following classes of available-for-sale financial assets are measured to fair value using quoted market prices:

- Investment portfolios

Fair value hierarchy of available-for-sale financial assets

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

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

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

Level 3 applies input which is not based on observable market data.

8. Other financial assets *continued*

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	R	R	**R**	R
Level 2				
Investment portfolios	**4 900 244**	–	**–**	–

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

9. Financial assets by category

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

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

Group – 2012	Loans and receivables R	Available-for-sale R	Non-financial instruments R	Total R
Loans to group companies	928 050	–	–	928 050
Other financial assets	22 031 012	–	–	22 031 012
Trade and other receivables	–	–	26 890	26 890
Cash and cash equivalents	24 629 136	–	–	24 629 136
	47 588 198	–	26 890	47 615 088

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

Company – 2012	Loans and receivables R	Available-for-sale R	Non-financial instruments R	Total R
Loans to group companies	932 199	–	–	932 199
Other financial assets	22 031 012	–	–	22 031 012
Trade and other receivables	–	–	26 890	26 890
Cash and cash equivalents	24 629 136	–	–	24 629 136
	47 592 347	–	26 890	47 619 237

10. Deferred taxation

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Deferred taxation asset/(liability)				
Property, plant and equipment	**(10 346 246)**	–	**–**	–
Income received in advance	**347 687**	–	**–**	–
S24C allowance	**(201 673)**	–	**–**	–
Doubtful debt provision	**210 000**	–	**–**	–
Provision for leave pay	**123 230**	–	**–**	–
Prepaid expenses	**(18 454)**	–	**–**	–
	(9 885 456)	–	**–**	–
Reconciliation of deferred taxation asset (liability)				
Acquired through business combination (note 33)	**(9 680 685)**	–	**–**	–
Originating temporary difference on property, plant and equipment	**(167 713)**	–	**–**	–
Reversing temporary difference on income received in advance	**(109 929)**	–	**–**	–
Originating temporary difference on accrual for leave pay	**21 822**	–	**–**	–
Reversing temporary difference on S24C allowance	**51 049**	–	**–**	–
	(9 885 456)	–	**–**	–
Unrecognised deferred taxation asset				
Deductible temporary differences not recognised as deferred taxation assets	**51 936 182**	43 805 120	**51 936 182**	43 805 120

11. Inventories

Raw materials	**5 508 680**	–	**–**	–
Diesel	**1 221 545**	–	**–**	–
	6 730 225	–	**–**	–

Inventory pledged as security

Inventory is pledged as security for other financial liabilities per note 17.

12. Trade and other receivables

Trade receivables	**58 888 140**	–	**–**	–
Prepayments	**65 910**	–	**–**	–
Deposits	**1 330 754**	–	**–**	–
Value added taxation	**296 566**	26 890	**296 566**	26 890
Other receivables	**18 905**	–	**–**	–
	60 600 275	26 890	**296 566**	26 890

Trade and other receivables pledged as security

Trade and other receivables are pledged as security for other financial liabilities as per note 17.

Credit quality of trade and other receivables

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

12. Trade and other receivables *continued*

Fair value of trade and other receivables

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

Trade and other receivables past due but not impaired

At 31 March 2013, R5 748 090 were past due but not impaired.

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
The ageing of amounts past due but not impaired is as follows:				
1 month past due	**1 561 305**	–	**–**	–
2 months past due	**526 029**	–	**–**	–
3 months past due	**3 660 756**	–	**–**	–

There are three trade receivables amounting to R3 616 330 in the three months past due but not impaired category. They have entered into repayment agreements and are currently honouring their repayment commitments.

Trade and other receivables impaired

As of 31 March 2013, trade and other receivables of R1 000 000 were provided for.

The following factors were considered in determining the amounts of the impairment:

- each account was assessed based on past credit history;
- the extent of credit guarantee insurance; and
- any knowledge of particular insolvency or other risk.

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Reconciliation of provision for impairment of trade and other receivables				
Acquired through a business combination	**1 000 000**	–	**–**	–

Exposure to credit risk

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

13. Cash and cash equivalents

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Cash and cash equivalents consist of:				
Cash on hand	**53 500**	–	**–**	–
Bank balances	**22 284 324**	24 629 136	**13 793 993**	24 629 136
	22 337 824	24 629 136	**13 793 993**	24 629 136

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Credit rating				
Fitch AAA rating	**22 036 231**	24 629 136	**13 793 993**	24 629 136

14. Disposal groups or non-current assets held for sale

Profit from discontinued operations for 2012:

Sephaku Holdings distributed all of the shares held in its subsidiary Sephaku Fluoride to its shareholders as a dividend *in specie* on 26 March 2012 (note 34). The total profit for the Sephaku Fluoride group up to the unbundling date is included in the statement of comprehensive income for 2012 as a profit from discontinued operations of R22 296 709.

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Profit of disposal groups				
Operating expenses	**–**	(8 018 782)	**–**	–
Investment revenue	**–**	78 233	**–**	–
Finance costs	**–**	(208 575)	**–**	–
Taxation	**–**	–	**–**	–
Profit on unbundling of Sephaku Fluoride Ltd (note 25)	**–**	30 445 833	**–**	–
Profit for the year from discontinued operations	**–**	22 296 709	**–**	–
Non-current assets held for sale				
2012				
Sephaku Holdings Ltd disposed of its 26% interest in African Nickel Holdings (Pty) Ltd for a cash consideration of R15,7 million on 8 May 2012 (note 34).				
The assets and liabilities of the disposal group consist of:				
Investment in associate	**–**	21 164 340	**–**	21 164 340

15. Stated capital

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Authorised				
1 000 000 000 Ordinary shares with no par value				
Reconciliation of number of shares issued:				
Number of shares at beginning of period	**171 790 732**	169 290 732	**171 790 732**	169 290 732
Number of ordinary shares issued during the period	**16 111 111**	2 500 000	**16 111 111**	2 500 000
Number of ordinary shares at end of period	**187 901 843**	171 790 732	**187 901 843**	171 790 732
The unissued ordinary shares are under the control of the directors.				
Issued				
Ordinary shares with no par value	**580 590 616**	601 127 979	**580 590 616**	601 127 979
Dividend *in specie* declared out of contributed taxation capital	**–**	(101 092 918)	**–**	(101 092 918)
	580 590 616	500 035 061	**580 590 616**	500 035 061

16. Share-based payments

Share option group	Number	Weighted exercise price	Total value
2013			
Share options granted during 2008 year			
(30/06/2008 to 30/06/2011)	**200 000**	**1,5**	**300 000**
Share options granted on 31 March 2008	**5 740 000**	**2,5**	**14 350 000**
Share options granted on 15 October 2010	**10 000 000**	**3,5**	**35 000 000**
Share options granted on 29 June 2012	**3 500 000**	**1,9**	**6 650 000**
Share options granted on 31 August 2012	**1 500 000**	**1,9**	**2 850 000**
Exercised and expired during prior periods*	**(516 530)**	**–**	**–**
Outstanding at the end of the financial period	**20 423 470**	**–**	**–**
Exercisable at the end of the financial period	**5 423 470**	**–**	**–**
2012			
Share options granted during 2008 year			
(30/06/2008 to 30/06/2011)	200 000	1,5	300 000
Share options granted on 31 March 2008	5 740 000	2,5	14 350 000
Share options granted on 15 October 2010	10 000 000	3,5	35 000 000
Share options granted on 29 June 2012	3 500 000	1,9	6 650 000
Exercised during the financial period*	(60 000)	–	–
Exercised and expired during prior periods*	(456 530)	–	–
Outstanding at the end of the financial period	18 923 470	–	–
Exercisable at the end of the financial period	(5 423 470)	–	–

** relating to share options granted during 2008 year*

Information on options granted on 31 March 2008

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

Fair value was determined by using the Black-Scholes method. The following input was used:

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

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

During 2012, 5 373 470 Sephaku Fluoride shares were sold to Cross Company Management (Pty) Ltd ("Cross Company Management") for R0,58875, to be held for the benefit of the holders of certain vested options over Sephaku Holdings shares. On exercise date Sephaku Holdings will acquire the shares at R0,58875 from Cross Company Management.

16. Share-based payments *continued*

Information on options granted on 15 October 2010

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

Fair value was determined by using the Black-Scholes method. The following input was used:

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

Total staff cost of R3 187 083 related to equity-settled share-based payments transactions was recognised in 2013 (2012: R4 249 444).

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

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

Information on options granted on 29 June 2012

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

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

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

Total staff cost of R834 181 related to equity-settled share-based payments transactions was recognised in 2013 (2012: R6 179).

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

Information on options granted on 31 August 2012

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

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

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

Total staff cost of R459 839 related to equity-settled share-based payments transactions was recognised in 2013.

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

17. Other financial liabilities

	GROUP		COMPANY	
	2013 **R**	2012 R	**2013** **R**	2012 R
Held at amortised cost				
Deferred vendor loan	**105 266 332**	–	**105 266 332**	–
A final cash payment of R125 million is due on 1 December 2014 to the sellers of Métier Mixed Concrete (Pty) Ltd (note 33).				
The final cash payment has been reduced with an amount of R8 million due to uncertainty whether Métier Mixed Concrete (Pty) Ltd can recover this amount from TBP Buildings and Civils (Pty) Ltd.				
The net of the above amounts were discounted over 21 months at a rate of 0,53% per month to the net present value of R104 711 570 and finance charges of R554 762 (note 26) relating to the unwinding of the liability/imputed interest for the one month of March 2013 has been recognised.				
Standard Bank – Facility A	**77 643 332**	–	**–**	–
– capitalised transaction costs	**(4 157 163)**	–	**–**	–
The loan bears interest at the JIBAR rate and is repayable in quarterly instalments. The capital instalments for the 2014 financial year began on 28 March 2013 and amount to an initial payment of R2 916 668 followed by three payments of R10 694 444 each and a payment of R7,5 million in March 2014. The transaction costs of this loan are capitalised and released to interest paid over the term of the loan.				
Standard Bank – Facility B	**38 000 000**	–	**–**	–
This loan bears interest at the JIBAR rate and interest is repayable quarterly in arrears.				
Standard Bank – Facility C	**63 221 753**	–	**–**	–
This loan bears interest at 10,32% per annum and is repayable in February 2018, with interest payments made quarterly.				
Standard Bank – Facility D	**9 000 000**	–	**–**	–
This loan bears interest at 10,32% per annum and is repayable in February 2018, with interest payments made quarterly.				
	288 974 254	–	**105 266 332**	–

The Standard Bank loans (“Facilities A, B, C and D”) are secured as follows:

- General notarial bond by Métier in favour of the debt guarantor over all its movable assets, including inventory.
- Pledge and cession by Sephaku Holdings in favour of the debt guarantor, in which Sephaku Holdings *inter alia* pledges and cedes *in securitatem debiti* to the debt guarantor all its shares in and claims against the borrower.

17. Other financial liabilities *continued*

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

Total term lending facilities are R260 000 000.

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Non-current liabilities				
At amortised cost	**249 390 922**	–	**105 266 332**	–
Current liabilities				
At amortised cost	**39 583 332**	–	**–**	–
	288 974 254	–	**105 266 332**	–

The fair values of these financial liabilities are substantially the same as the carrying amounts reflected on the statement of financial position.

18. Deferred income

Government grants of R1 323 285 relating to assets were received during the 2013 financial year. These grants are recognised as deferred income, and released to operating profit over the average useful lives of the assets, which is seven years. The total recognised in operating profit for March 2013 amounts to R15 753.

Acquired through business combination (note 33)	**1 307 532**	–	**–**	–
Amortised	**(15 753)**	–	**–**	–
	1 291 779	–	**–**	–
Non-current liabilities	**1 102 738**	–	**–**	–
Current liabilities	**189 041**	–	**–**	–
	1 291 779	–	**–**	–

19. Trade and other payables

Trade payables	**33 548 453**	399 525	**150 694**	399 535
Value-added taxation	**539 488**	–	**–**	–
Accrued expenses	**3 032 325**	333 000	**36 000**	333 000
Accrued bonus	**5 011 277**	–	**–**	–
Accrued audit fees	**340 000**	249 390	**340 000**	249 390
	42 471 543	981 915	**526 694**	981 925

19. Trade and other payables *continued*

Fair value of trade and other payables

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

20. Financial liabilities by category

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

Group – 2013	Financial liabilities at amortised cost	Non-financial instruments	Total
Other financial liabilities	**288 974 254**	**–**	**288 974 254**
Trade and other payables	**41 932 054**	**539 488**	**42 471 542**
	330 906 308	**539 488**	**331 445 796**

Group – 2012	Financial liabilities at amortised cost	Non-financial instruments	Total
Trade and other payables	981 914	–	981 914

Company – 2013	Financial liabilities at amortised cost	Non-financial instruments	Total
Other financial liabilities	**105 266 332**	**–**	**105 266 332**
Trade and other payables	**526 693**	**–**	**526 693**
	105 793 025	**–**	**105 793 025**

Company – 2012	Financial liabilities at amortised cost	Non-financial instruments	Total
Trade and other payables	981 924	–	981 924

21. Revenue

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Sale of goods	**37 195 338**	–	**–**	–

22. Cost of sales

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Cost of goods/inventory sold	**21 574 848**	–	**–**	–

23. Operating loss

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Operating loss for the period is stated after accounting for the following:				
Operating lease charges				
Lease rentals on operating lease				
· Contractual amounts straightlined	**387 266**	–	**–**	–
Profit on sale of property, plant and equipment	**50 029**	–	**–**	–
Loss on sale of non-current assets	**–**	5 629 161	**–**	5 629 161
Profit on unbundling of Sephaku Fluoride Ltd	**–**	(30 445 833)	**–**	–
Impairment of investment in subsidiary	**–**	–	**89 410 741**	–
Impairment of loan receivable	**6 835 864**	–	**6 835 864**	–
Depreciation on property, plant and equipment	**1 690 742**	–	**–**	–
Employee costs	**9 136 159**	5 471 013	**7 108 863**	5 471 013
Auditors remuneration	**559 523**	920 065	**476 610**	920 065
Prescribed officers remuneration	**867 737**	–	**–**	–

24. Investment revenue

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Dividend revenue				
Subsidiaries – Local	**–**	–	**110 000 000**	–
Interest revenue				
Bank	**672 558**	170	**652 050**	170
Other interest	**147 729**	127 128	**–**	127 128
	820 287	127 298	**652 050**	127 298
	820 287	127 298	**110 652 050**	127 298

25. Profit on unbundling of Sephaku Fluoride

The profit on unbundling of Sephaku Fluoride of R30 445 833 originated at Sephaku Holdings group level as the difference between the fair value of the dividend *in specie* declared of R101 092 918 (note 34) and the net asset value of the Sephaku Fluoride group at the date of unbundling of R70 647 085.

26. Finance costs

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Bank	**55 518**	8	**–**	8
Other financial liabilities	**1 338 988**	–	**–**	–
Imputed interest charge on deferred vendor loan (note 17)	**554 762**	–	**554 762**	–
	1 949 268	8	**554 762**	8

27. Taxation

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	R	R	**R**	R
Major components of the taxation expense				
Current				
Local income taxation – current period	**929 899**	–	**–**	–
Donations taxation	**6 530**	–	**–**	–
	936 429	–	**–**	–
Deferred				
Originating and reversing temporary differences	**204 771**	–	**–**	–
	1 141 200	–	**–**	–
Reconciliation of the taxation expense				
Reconciliation between accounting profit and taxation expense.				
Loss before taxation	**(14 786 298)**	(21 303 430)	**586 467**	(21 195 808)
Taxation at the applicable taxation rate of 28%	**(4 140 163)**	(5 964 960)	**164 211**	(5 934 826)
Taxation effect of adjustments on taxable income				
Non-deductible items and exempt income	**2 998 136**	2 797 873	**(2 440 908)**	2 767 739
Deferred taxation not raised on taxation loss	**2 276 697**	3 167 087	**2 276 697**	3 167 087
Donations taxation	**6 530**	–	**–**	–
	1 141 200	–	**–**	–

No provision has been made for 2013 taxation as the group has no taxable income. The estimated taxation loss available for set-off against future taxable income for the group is R51 936 182 (2012: R185 335 961) and for the company is R51 936 182 (2012: R43 805 120).

28. Auditors' remuneration

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	R	R	**R**	R
Fees for audit services	**554 523**	452 065	**476 610**	452 065
Consulting	**5 000**	468 000	**–**	468 000
	559 523	920 065	**476 610**	920 065

29. Other comprehensive income – Associate

Components of other comprehensive loss – Group – 2013

	Share of other comprehensive loss of associates	Net
Movements on revaluation		
Loss on property revaluation	**(1 207 663)**	**(1 207 663)**

29. Other comprehensive income – Associate *continued*

Components of other comprehensive income – Group – 2012

	Share of other comprehensive income of associates	Net
Effects of cash flow hedges		
Gains on cash flow hedges arising during the year	12 682 846	12 682 846

The movement in other comprehensive income relates to Sephaku Holdings' interest in the other comprehensive (loss)/income of Sephaku Cement as an associate amounting to (R1 207 663)/R12 682 846 (note 6).

30. Cash used in operations

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
(Loss)/profit for the period	**(14 786 298)**	993 280	**586 467**	(21 195 808)
Adjustments for:				
Depreciation	**1 690 742**	128 301	**–**	–
(Profit)/loss on sale of non-current assets	**(50 029)**	5 629 161	**–**	5 629 161
Profit on unbundling of Sephaku Fluoride Ltd	**–**	(30 445 833)	**–**	–
(Profit)/loss from equity accounted investments	**(6 191 410)**	107 622	**–**	–
Dividends received	**–**	–	**(110 000 000)**	–
Interest received	**(820 287)**	(205 532)	**(652 050)**	(127 298)
Finance costs	**1 949 268**	208 583	**554 762**	8
Impairment loss	**6 835 864**	1 119 096	**96 246 605**	–
Acquisition costs	**4 110 902**	–	**–**	–
Deferred income	**(15 753)**	–	**–**	–
Share options recorded against salary expense	**4 481 104**	4 255 623	**4 481 104**	4 255 623
Changes in working capital:				
Inventories	**(913 370)**	–	**–**	–
Trade and other receivables	**(6 929 848)**	(1 974 532)	**(269 676)**	(10 372)
Trade and other payables	**(10 931 485)**	411 163	**(455 233)**	3 900 636
	(21 570 600)	(19 773 068)	**(9 508 021)**	(7 548 050)

31. Taxation received

Current taxation for the period recognised in profit or loss	**(936 429)**	–	**–**	–
Balance acquired on the acquisition of the subsidiary	**(10 410 096)**	–	**–**	–
Balance at end of the period	**11 402 043**	–	**–**	–
	55 518	–	**–**	–

32. Cash flows of disposal groups

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
2012				
Cash flows from operating activities	**–**	(12 355 359)	**–**	–
Cash flows from investing activities	**–**	(28 699 838)	**–**	–
Cash flows from financing activities	**–**	55 949 947	**–**	–
	–	14 894 750	**–**	–

33. Acquisition of subsidiary

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Business combination				
Property, plant and equipment	**113 461 513**	–	**–**	–
Investment in subsidiary (note 5)	**–**	–	**295 267 125**	–
Other financial assets	**4 756 013**	–	**–**	–
Inventories	**5 816 855**	–	**–**	–
Trade and other receivables	**53 643 537**	–	**–**	–
Cash and cash equivalents	**20 799 994**	–	**–**	–
Other loans and payables	**(67 529 217)**	–	**–**	–
Deferred taxation	**(9 680 685)**	–	**–**	–
Current taxation payable	**(10 410 096)**	–	**–**	–
Trade and other payables	**(52 421 111)**	–	**–**	–
Deferred income	**(1 307 532)**	–	**–**	–
Net assets acquired at provisional fair values/ Investment in subsidiary	**57 129 271**	–	**295 267 125**	–
Goodwill	**238 137 854**	–	**–**	–
	295 267 125	–	**295 267 125**	–
Consideration paid				
Cash	**110 000 000**	–	**110 000 000**	–
Equity instruments	**80 555 555**	–	**80 555 555**	–
Deferred vendor loan of R125 million discounted to net present value (note 17)	**104 711 570**	–	**104 711 570**	–
	295 267 125	–	**295 267 125**	–
Net cash outflow on acquisition				
Cash consideration paid	**(110 000 000)**	–	**(110 000 000)**	–
Cash acquired	**20 799 994**	–	**–**	–
	(89 200 006)	–	**(110 000 000)**	–

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

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

33. Acquisition of subsidiary *continued*

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

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

Purchase consideration

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

On closing, the following settlement took place (as per the agreement):

- cash payment of R110 million;
- 5 million Sephaku Holdings shares were issued at R6 per share amounting to R30 million; and
- 11,1 million Sephaku Holdings shares were issued at R9 per share amounting to R100 million.

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

On 1 December 2014 the balance of the purchase consideration will be settled as follows:

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

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

Goodwill

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

As the purchase price allocation has not as yet been performed at the reporting date, the acquisition resulted in goodwill amounting to R238 137 854 (note 4) based on the net asset value of Métier on 28 February 2013.

Equity issued as part of consideration paid

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

Acquisition-related costs

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

33. Acquisition of subsidiary *continued*

Group revenue and profit or loss for full financial period

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

34. Disposal of interest in subsidiaries and associates

	Note	GROUP 2013 R	GROUP 2012 R	COMPANY 2013 R	COMPANY 2012 R
Carrying value of assets sold					
Property, plant and equipment		–	52 043 607	–	–
Intangible assets		–	86 179 642	–	–
Investment in subsidiaries		–	–	–	104 256 548
Investment in associates		–	54 222	–	–
Deposits for rehabilitation		–	5 080 400	–	–
Cash and cash equivalents		–	14 898 656	–	–
Other financial assets		–	1 000 694	–	–
Trade and other receivables		–	8 355 119	–	–
Non-current assets held for sale		–	21 329 161	–	21 329 161
Other financial liabilities (other loans payable)		–	(91 462 519)	–	–
Trade and other payables		–	(2 339 106)	–	–
Total net assets sold		–	95 139 876	–	125 585 709
Sephaku Fluoride Ltd shares sold to trust		–	(3 163 630)	–	(3 163 630)
Carrying amount of interest disposed		–	91 976 246	–	122 422 079
Loss on disposal of non-current assets held for sale		–	(5 629 161)	–	(5 629 161)
Profit on unbundling of Sephaku Fluoride Ltd	25	–	30 445 833	–	–
		–	116 792 918	–	116 792 918
Consideration received					
Cash		–	15 700 000	–	15 700 000
Equity – Dividend *in specie* out of contributed tax capital		–	101 092 918	–	101 092 918
		–	116 792 918	–	116 792 918
Net cash flow on disposal					
Cash consideration received		–	15 700 000	–	15 700 000
Cash disposed with unbundling		–	(14 898 656)	–	–
		–	801 344	–	15 700 000

34. Disposal of interest in subsidiaries and associates *continued*

2012:

Sephaku Fluoride unbundling

Sephaku Holdings subscribed for an additional 177 064 202 shares in Sephaku Fluoride at R0,58875 per share, of which 5 373 470 Sephaku Fluoride shares were sold to Cross Company Management at R0,58875 a share, to be held for the benefit of the holders of certain vested options over Sephaku Holdings shares, which options were issued in terms of a share scheme prior to listing.

Shareholder approval has been obtained on 7 March 2012 for the distribution of all the remaining Sephaku Fluoride shares held by Sephaku Holdings to Sephaku Holdings shareholders by way of a dividend *in specie* (out of contributed taxation capital) of R101 092 918, as a pro rata payment to shareholders on 26 March 2012 in the ratio of 1 Sephaku Fluoride share, valued at R0,58875 per share, for every 1 Sephaku Holdings share held on the Sephaku Fluoride distribution record date.

Sephaku Fluoride and its subsidiaries' assets and liabilities have been deconsolidated from Sephaku Holdings and the total profit for the Sephaku Fluoride group for the period up to the unbundling end of March 2012, is included in the statement of comprehensive income as a R22 296 709 profit from discontinued operations (note 14).

Disposal of African Nickel Holdings (Pty) Ltd ("African Nickel Holdings")

Sephaku Holdings disposed its 26% interest in African Nickel Holdings for a cash consideration of R15,7 million on 8 May 2012. The total historical cost of the investment was R3 090 050. The total profit on the disposal of the investment amounted to R12 609 950 of which a profit of R18 239 110 was recognised on the initial sale to the Wu group and a loss of R5 629 161 was recognised during the 2012 financial period as the difference between the fair value less cost to sell of the asset held for disposal of R21 329 161 and the selling price of R15,7 million.

35. Commitments

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Authorised capital expenditure				
Operating leases – as lessee (expense)				
Minimum lease payments due				
– within one year	**18 035 013**	–	**–**	–
– in second to fifth year inclusive	**35 409 380**	–	**–**	–
– later than five years	**33 881 879**	–	**–**	–
	87 326 272	–	**–**	–

Operating lease payments represent rentals payable by the group for certain of its plant sites. Leases are negotiated for varying lengths. No contingent rent is payable.

36. Related parties

Relationships

Subsidiaries	Refer to note 5
Associate	Refer to note 6
Shareholder with significant influence	Dangote Industries Ltd
Company with common shareholders	Incubex Minerals Ltd
	Sephaku Fluoride Ltd

36. Related parties *continued*

Directors	B Williams Dr L Mohuba NR Crafford-Lazarus RR Matjiu CRDW de Bruin PF Fourie MM Ngoasheng Dr D Twist MG Mahlare PM Makwana J Bennette JW Wessels
Members of key management of Métier Mixed Concrete (Pty) Ltd	RS Thompson KJ Capes WM Witherspoon
Companies with common directors	Cross Company Management (Pty) Ltd Métier Concrete Products (Pty) Ltd Métier Aggregates (Pty) Ltd Plazatique Corp 27 CC JT Ross (Pty) Ltd JT Ross and Son (Pty) Ltd The JTR Trust

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Related-party balances				
Loan accounts – Owing by related parties				
Sephaku Cement (Pty) Ltd	**337 058**	928 050	**337 058**	928 050
Cross Company Management (Pty) Ltd	**17 129 647**	18 434 461	**17 129 647**	18 434 461
Sephaku Cement Investment Holdings Ltd	**–**	–	**4 149**	4 149
African Nickel Holdings (Pty) Ltd	**3 200 000**	3 596 551	**3 200 000**	3 596 551
Amounts included in trade receivables/ (trade payables) regarding related parties				
Cross Company Management (Pty) Ltd	**(4 699)**	(247 337)	**(4 699)**	(247 337)
Métier Concrete Products (Pty) Ltd	**142 838**	–	**–**	–
Related-party transactions				
Sales to related parties				
Métier Concrete Products (Pty) Ltd	**(142 838)**	–	**–**	–
Purchases from related parties				
Métier Aggregates (Pty) Ltd	**510 655**	–	**–**	–
Rent paid to related parties				
Plazatique Corp 27 CC	**59 950**	–	**–**	–
Métier Aggregates (Pty) Ltd	**27 216**	–	**–**	–

36. Related parties *continued*

	GROUP		COMPANY	
	2013 R	2012 R	**2013 R**	2012 R
Fees paid to related parties for management services				
Cross Company Management (Pty) Ltd	**3 039 781**	5 628 752	**3 039 781**	5 628 752
Utilities paid to related parties				
Plazatique Corp 27 CC	**33 751**	–	**–**	–

37. Directors' emoluments

Executive

2013	Remuneration R	Performance bonuses R	Allowances and other* R	Total R
Dr L Mohuba	**479 205**	**189 637**	**–**	**668 842**
NR Crafford-Lazarus	**562 234**	**1 012 994**	**36 000**	**1 611 228**
RR Matjiu	**210 784**	**26 133**	**30 000**	**266 917**
JW Wessels	**272 938**	**760 378**	**–**	**1 033 316**
J Bennette	**–**	**33 984**	**–**	**33 984**
	1 525 161	**2 023 126**	**66 000**	**3 614 287**

2012	Remuneration R	Performance bonuses R	Allowances and other* R	Remuneration for services as directors of subsidiaries R	Total R
Dr L Mohuba	917 168	77 830	–	–	994 998
NR Crafford-Lazarus	871 638	171 055	120 000	754 130	1 916 823
RR Matjiu	582 377	71 273	100 000	45 670	799 320
JW Wessels	157 066	42 324	–	273 285	472 675
L van den Heever	–	121 200	–	1 104 154	1 225 354
A Smith	–	–	–	915 718	915 718
	2 528 249	483 682	220 000	3 092 957	6 324 888

Non-executive

2013	Fees for services as director R	Committees fees R	Consulting fees R	Total R
B Williams	**132 000**	**32 000**	**–**	**164 000**
CRDW de Bruin	**–**	**–**	**446 944**	**446 944**
MM Ngoasheng	**6 600**	**16 500**	**–**	**23 100**
MG Mahlare	**60 000**	**48 000**	**–**	**108 000**
PM Makwana	**20 000**	**16 000**	**–**	**36 000**
	218 600	**112 500**	**446 944**	**778 044**

** 'Allowances and other' relates to travel allowances.*

2012	Fees for services as director R	Committees fees R	Consulting fees R	Total R
B Williams	30 000	22 000	–	52 000
CRDW de Bruin	–	–	819 239	819 239
Dr D Twist	–	–	536 922	536 922
MM Ngoasheng	24 000	15 000	–	39 000
MG Mahlare	60 000	66 000	–	126 000
Dr GS Mahlati	6 000	–	–	6 000
SD Steyn	80 000	30 000	–	110 000
	200 000	133 000	1 356 161	1 689 161

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

The unbundling of the Sephaku Fluoride group during 2012 resulted in a decrease in directors' emoluments during 2013 compared to the 2012 financial year.

As Sephaku Cement is treated as an equity accounted associate, the remuneration of J Bennette and PF Fourie does not form part of Sephaku Holdings statement of comprehensive income and the emoluments for 2013 disclosed above.

Service contracts

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

38. Comparative figures

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

39. Risk management

Capital risk management

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

The capital structure of the group consists of cash and cash equivalents disclosed in note 13, borrowings disclosed in note 17 and equity as disclosed in the statement of financial position.

There are no externally imposed capital requirements.

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

Liquidity risk

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

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

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

39. Risk management *continued*

Group

2013	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R
Other financial liabilities	**53 899 559**	**166 245 185**	**136 864 434**
Trade and other payables	**41 932 054**	**–**	**–**

2012	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R
Trade and other payables	981 914	–	–

Company

2013	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R
Other financial liabilities	**–**	**125 000 000**	**–**
Trade and other payables	**526 693**	**–**	**–**

2012	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R
Trade and other payables	981 924	–	–

Interest rate risk

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

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

At 31 March 2013, if interest rates on cash and cash equivalents had been 1% higher/lower with all other variables held constant, pre-taxation profit of the company and the group, for the year would have been R130 410 (2012: insignificant) higher/lower, mainly as a result of higher/lower interest income on funds invested on call. The resulting taxation effect would have been Rnil.

At 31 March 2013, if interest rates on rand-denominated borrowings had been 1% higher/lower with all other variables held constant, pre-taxation profit of the group would have been R133 898 (2012: insignificant) lower/higher, as a result of higher/lower interest expense on floating rate borrowings. The resulting taxation effect would have been R37 491.

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

Cash flow interest rate risk Financial instrument	Current interest rate %	Due in less than a year R	Due in one to two years R	Due in two to five years R
Cash in current banking institutions	4,15	8 188 739	–	–
Fixed rate financial liabilities	10,32	–	–	72 221 753
Floating rate financial liabilities	5,08	77 583 332	28 750 000	5 152 837

Credit risk

Credit risk is managed on a group basis.

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

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

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

Financial assets exposed to credit risk are as follows:

	GROUP		COMPANY	
Financial instrument	**2013 R**	2012 R	**2013 R**	2012 R
Loans to group companies	**337 058**	928 050	**341 207**	932 199
Other financial assets	**18 394 027**	22 031 012	**13 493 783**	22 031 012
Trade and other receivables	**60 237 799**	–	**–**	–
Cash and cash equivalents	**22 337 824**	24 629 136	**13 793 993**	24 629 136

40. 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.

41. Events after the reporting period

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

42. Net asset value per share and earnings per share

	GROUP	
	2013 R	2012 R
Net asset value and tangible net asset value per share		
Total assets	**1 094 549 733**	673 605 075
Total liabilities	**(354 025 075)**	(981 915)
Net asset value attributable to equity holders of parent	**740 524 658**	672 623 160
Goodwill	**(238 137 854)**	–
Tangible net asset value	**502 386 804**	672 623 160
Shares in issue	**187 901 843**	171 790 732
Net asset value per share (cents)	**394,10**	391,54
Tangible net asset value per share (cents)	**267,37**	391,54
Earnings, diluted earnings and headline earnings per share		
Reconciliation of basic earnings to diluted earnings and headline earnings:		
Basic loss and diluted loss from continuing operations	**(15 927 498)**	(21 303 429)
Basic earnings and diluted earnings from discontinued operations	**–**	22 296 709
Basic (loss)/earnings and diluted (loss)/earnings from total operations attributable to equity holders of parent	**(15 927 498)**	993 280
(Profit)/loss on sale of non-current assets	**(50 029)**	5 629 161
Profit on unbundling of Sephaku Fluoride Ltd	**–**	(30 445 833)
Impairments	**–**	1 119 096
Headline loss attributable to equity holders of parent	**(15 977 527)**	(22 704 296)

42. Net asset value per share and earnings per share *continued*

	GROUP 2013 R	GROUP 2012 R
Basic weighted average number of shares	**173 613 522**	171 080 349
Dilutive effect of share options	**4 646 656**	15 423 470
Diluted weighted average number of shares	**178 260 178**	186 503 819
	cents	cents
Basic (loss)/earnings per share from total operations (cents):	**(9,17)**	0,58
Continuing operations	**(9,17)**	(12,45)
Discontinued operations	**–**	13,03
Diluted (loss)/earnings per share from total operations (cents):	**(8,93)**	0,53
Continuing operations	**(8,93)**	(11,42)
Discontinued operations	**–**	11,95
Headline loss per share from total operations (cents):	**(9,20)**	(13,27)
Continuing operations	**(9,20)**	(26,96)
Discontinued operations	**–**	13,69
Diluted headline loss per share from total operations (cents):	**(8,96)**	(12,17)
Continuing operations	**(8,96)**	(24,73)
Discontinued operations	**–**	12,56

43. Segment information

	Ready mixed concrete R	Head office R	Group totals R
Segment revenue – external revenue	37 195 338	–	37 195 338
Segment expenses	(11 614 316)	(24 210 982)	(35 825 298)
Profit from equity accounted investment	–	6 191 410	6 191 410
Segment profit/(loss) after taxation	1 994 786	(17 922 284)	(15 927 498)
Taxation	(1 141 200)	–	(1 141 200)
Interest received	168 237	652 050	820 287
Interest paid	(1 394 506)	(554 762)	(1 949 268)
Depreciation	(1 690 742)	–	(1 690 742)
Segment assets	197 356 117	897 193 616	1 094 549 733
Capital expenditure included in segment assets	5 145 027	–	5 145 027
Segment liabilities	(248 232 064)	(105 793 011)	(354 025 075)

The only mineral or commodity actively managed by Métier is ready mixed concrete.

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

Corporate information

Directors
B Williams
Dr L Mohuba*
NR Crafford-Lazarus*
RR Matjiu*
CRDW de Bruin
PF Fourie
Dr D Twist
MM Ngoasheng
MG Mahlare
PM Makwana
K Capes*
J Bennette#
JW Wessels#
*Executive #Alternate

Company secretary
Jennifer Bennette

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JSE sponsor
QuestCo (Pty) Ltd

Auditors
PKF (Gauteng) Inc.
(merged with Grant Thornton Johannesburg on 1 July 2013)
Chartered accountants (SA)
Registered auditors

Bankers
Absa Bank

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