BUILDING BLOCKS FOR GROWTH

2015

ANNUAL FINANCIAL STATEMENTS

SEPHAKU
HOLDINGS LTD

TABLE OF CONTENTS

Annual financial statements

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

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

Issued 26 June 2015

AUDIT AND RISK COMMITTEE REPORT

The information below constitutes the report of the audit and risk committee (the committee) for the 2015 financial year of Sephaku Holdings Limited (SepHold) and its subsidiaries. This report is in compliance with the Companies Act of South Africa and the King III recommendations.

1. Mandate and terms of reference

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

2. Composition and attendance at meetings

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

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

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

3. Statutory duties

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

The committee has performed the following statutory duties:

- nominated and recommended the re-appointment of Grant Thornton as the external auditors of SepHold, and noted Mr J Barradas as the responsible individual. Grant Thornton 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 extend of allowable non-audit services and pre-approved any proposed agreement with the external auditors for the provision of non-audit services to SepHold;
- received no complaints relating to the accounting practices, the auditing or content of annual financial statements, and the internal financial controls of SepHold; and
- considered and, when appropriate, made recommendations to the board on internal financial controls, accounting policies, records and reporting.

4. External auditors

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

The committee agreed to the engagement letter, terms, audit plan and budgeted audit fees for the financial year ended 31 March 2015. This was done after consultation with executive management.

The external auditors are invited to and attend all audit and risk committee meetings. Findings by the external auditors arising from their annual statutory audit are tabled and presented at a committee meeting following the audit. The external auditors have expressed an unqualified opinion on the annual financial statements for the year ended 31 March 2015. This will be presented at the annual general meeting.

SepHold has satisfied itself that Grant Thornton and J Barradas are accredited to appear on the JSE's list of accredited auditors.

5. Internal financial controls

The committee has reviewed:

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

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

6. Annual financial statements

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

7. Going concern

The committee reviewed a documented assessment by management of the going concern premise of SepHold. Based on this assessment, the committee agrees with management's assessment that SepHold 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 SepHold, Mr Neil Crafford-Lazarus, has appropriate expertise and experience to meet his responsibilities in that position as required in terms of the JSE Listings Requirements.

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

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 during the year.

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. On an operational level, Sephaku Cement Proprietary Limited (SepCem) has a functional internal audit department that reports to the SepCem audit committee on which SepHold is also represented. The internal audit function for Métier Mixed Concrete (Métier) is performed by SepHold's financial director.

11. Risk management

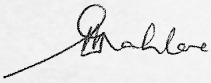
The committee is responsible for the following:

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

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

The audit and risk committee held a meeting on 12 June 2015 at which time they reviewed and recommended the annual financial statements and integrated report for approval by the board of directors.

On behalf of the audit committee



MG Mahlare
Chairman

12 June 2015

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Sephaku Holdings Limited

We have audited the consolidated and separate annual financial statements of Sephaku Holdings Limited, as set out on pages 10 to 50, which comprise the statements of financial position as at 31 March 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the annual financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position of Sephaku Holdings Limited as at 31 March 2015, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate annual financial statements for the year ended 31 March 2015, we have read the directors' report, the audit and risk committee report and the certificate of the company secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate annual financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate annual financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Grant Thornton.

Grant Thornton
Chartered Accountants (SA)
Registered Auditors

J Barradas
Partner
Chartered Accountant (SA)
Registered Auditor

@Grant Thornton
52 Corlett Drive
Wanderers Office Park
Illovo
2196

24 June 2015

DIRECTORS' RESPONSIBILITIES AND APPROVAL

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

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

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

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

The directors have reviewed the group's cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

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

The annual financial statements set out on pages 10 to 50 were approved by the board on 24 June 2015 and were signed on their behalf by:

NR Crafford-Lazarus
Financial director

Dr L Mohuba
Chief executive officer

Centurion, South Africa
24 June 2015

CERTIFICATE BY COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, 71 of 2008, as amended (the Act), I declare that to the best of my knowledge, for the year ended 31 March 2015, SepHold has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Act and that such returns are true, correct and up to date.

Jennifer Bennette
Company secretary

Centurion, South Africa
24 June 2015

DIRECTORS' REPORT

The directors submit their report for the year ended 31 March 2015.

1. Review of activities

Main business and operations

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

The 2015 financial year saw the commissioning of the Kiln and Cement Milling Plant at Lichtenburg and the recognition of the first income from the Delmas plant commissioned in January 2014. It also saw further expansion by Métier into Gauteng with the commissioning of the fourth plant in this province during September 2014. SepCem ramped up its production during 2014 and reached 60% of capacity by December 2014, the period that is included in the company's results.

This period of ramp up and continuous good performance from Métier resulted in the company reporting a profit before taxation of R90 524 154 and a total comprehensive income for the year of R64 662 471 after taxation.

The directors would like to draw attention to the fact that the profit from the equity accounted investment of R35 924 506 included in the statement of comprehensive income, mostly relates to a movement on the associate's deferred taxation asset balance for the year. Refer to note 8 for more details regarding SepCem's financial results for the year ended 31 December 2014.

A loss on contingent consideration of R28 501 340 was recognised during the current financial year with regards to the additional consideration shares that were issued to the sellers of Métier, as a result of the 60-day volume weighted average share price being below R9 at 1 December 2014. Refer to note 25 for further details.

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 year and the date of this report that would require adjustments to or disclosure in the annual financial statements.

4. Authorised and issued stated capital

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

11 351 529 shares were issued during the year.

All the authorised and issued shares have no par value.

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

5. 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.

6. Share incentive scheme

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

7. Non-current assets

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

Additions to property, plant and equipment of the group amounted to R30 437 943 (2014: R40 706 776). Refer to note 4 for further details.

8. Dividends

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

9. Directors

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

Name	Position	Changes
B Williams	Chairman – Independent non-executive director	
MG Mahlare	Independent non-executive director	
PM Makwana	Independent non-executive director	
MM Ngoasheng	Independent non-executive director	
Dr L Mohuba	Chief executive officer	
NR Crafford-Lazarus	Financial director	
RR Matjiu	Executive director	
KJ Capes	Executive director	
PF Fourie	Non-executive director	
Dr D Twist	Non-executive director	Resigned 21 August 2014
CRDW de Bruin	Non-executive director	Resigned 21 April 2014
J Pitt	Alternate director to MM Ngoasheng	Appointed 21 August 2014

10. Secretary

The secretary of the company is J Bennette of:

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

11. Interest in subsidiaries

Name of subsidiary	Net income after tax R
Métier Mixed Concrete Proprietary Limited	64 662 471
Sephaku Cement Investment Holdings Limited	–

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

12. 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.

13. Auditors

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

14. Shareholders information

An analysis of shareholders and the respective percentage shareholdings appear in the Shareholders' analysis section.

Beneficial shareholdings of directors, directors' associates and prescribed officers

	2015			2014		
Director/ prescribed officer	Direct	Indirect	Associates	Direct	Indirect	Associates
MG Mahlare	105 878	–	–	93 172	–	–
Dr L Mohuba	887 202	9 263 767	340 000	487 202	9 263 767	340 000
NR Crafford-Lazarus	2 262 728	–	–	2 262 728	–	–
RR Matjiu	2 085 923	–	–	2 085 923	–	–
KJ Capes	5 558 271	–	–	4 539 556	–	–
PF Fourie	–	5 433 559	–	–	6 433 559	–
Dr D Twist[1]	7 354 333	–	1 895 000	8 354 333	–	1 895 000
CRDW de Bruin[2]	457 833	–	800 331	4 621 237	–	1 272 134
J Bennette[3]	–	–	–	550 000	–	–
JW Wessels[4]	–	–	–	1 348 381	–	–
RS Thompson	5 351 867	–	–	4 377 444	–	–
WM Witherspoon	5 351 867	–	–	4 377 444	–	–
	29 415 902	14 697 326	3 035 331	33 097 420	15 697 326	3 507 134

[1] *Resigned on 21 August 2014*
[2] *Resigned on 21 April 2014*
[3] *Resigned as an alternate director on 21 August 2013*
[4] *Passed away on 23 March 2014*

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' REPORT CONTINUED

14. Shareholders information (continued)

Directors' interest in share options

	2015							
	Opening balance number of share options	Exercise price	Options exercised	Date exercised	Market price on exercise date	Options vested at year-end	Closing balance number of share options	Pre-taxation gain
Dr L Mohuba								
Granted 31/03/2008	1 000 000	R2,50	(1 000 000)	03/02/2015	R8,59	-	-	R6 090 000
Granted 15/10/2010	715 000	R2,68	-	-	-	476 667	715 000	-
Granted 29/06/2012	750 000	R1,90	-	-	-	-	750 000	-
Granted 10/12/2014	400 000	R6,80	-	-	-	-	400 000	-
NR Crafford-Lazarus								
Granted 15/10/2010	715 000	R2,68	-	-	-	476 667	715 000	-
Granted 29/06/2012	750 000	R1,90	-	-	-	-	750 000	-
Granted 31/08/2012	750 000	R1,90	-	-	-	-	750 000	-
Granted 10/12/2014	375 000	R6,80	-	-	-	-	375 000	-
RR Matjiu								
Granted 31/03/2008	300 000	R2,50	(300 000)	03/02/2015	R8,59	-	-	R1 827 000
Granted 15/10/2010	200 000	R2,68	-	-	-	133 333	200 000	-
Granted 29/06/2012	300 000	R1,90	-	-	-	-	300 000	-
Granted 10/12/2014	125 000	R6,80	-	-	-	-	125 000	-
PF Fourie								
Granted 15/10/2010	715 000	R2,68	-	-	-	476 667	715 000	-
Dr D Twist								
Granted 31/03/2008	150 000	R2,50	(150 000)	06/01/2015	R7,40	-	-	R735 000
CRDW de Bruin								
Granted 15/10/2010	500 000	R2,68	(333 333)	20/02/2015	R8,59	-	166 667	R1 969 998
	7 745 000		(1 783 333)			1 563 334	5 961 667	R10 621 998

	2014							
	Opening balance number of share options	Exercise price	Options exercised	Date exercised	Market price on exercise date	Options vested at year-end	Closing balance number of share options	Pre-taxation gain
MM Ngoasheng								
Granted 31/03/2008	500 000	R2,50	(500 000)	31/03/2014	R6,50	–	–	R2 000 000
Granted 15/10/2010	200 000	R3,50	–	–	–	66 667	200 000	–
Dr L Mohuba								
Granted 31/03/2008	1 000 000	R2,50	–	–	–	1 000 000	1 000 000	–
Granted 15/10/2010	715 000	R3,50	–	–	–	238 333	715 000	–
Granted 29/06/2012	750 000	R1,90	–	–	–	–	750 000	–
NR Crafford-Lazarus								
Granted 31/03/2008	750 000	R2,50	(750 000)	22/07/2013	R5,04	–	–	R1 905 000
Granted 15/10/2010	715 000	R3,50	–	–	–	238 333	715 000	–
Granted 29/06/2012	750 000	R1,90	–	–	–	–	750 000	–
Granted 31/08/2012	750 000	R1,90	–	–	–	–	750 000	–
RR Matjiu								
Granted 31/03/2008	300 000	R2,50	–	–	–	300 000	300 000	–
Granted 15/10/2010	200 000	R3,50	–	–	–	66 667	200 000	–
Granted 29/06/2012	300 000	R1,90	–	–	–	–	300 000	–
PF Fourie								
Granted 15/10/2010	715 000	R3,50	–	–	–	238 333	715 000	–
Dr D Twist								
Granted 31/03/2008	150 000	R2,50	–	–	–	150 000	150 000	–
CRDW de Bruin								
Granted 15/10/2010	500 000	R3,50	–	–	–	166 667	500 000	–
J Bennette								
Granted 31/03/2008	175 000	R2,50	–	–	–	175 000	175 000	–
Granted 15/10/2010	150 000	R3,50	–	–	–	50 000	150 000	–
Granted 29/06/2012	250 000	R1,90	–	–	–	–	250 000	–
JW Wessels								
Granted 31/03/2008	250 000	R2,50	(83 333)	02/08/2013	R5,32	166 667	166 667	R234 999
Granted 15/10/2010	715 000	R3,50	–	–	–	238 333	715 000	–
Granted 29/06/2012	750 000	R1,90	–	–	–	–	750 000	–
Granted 31/08/2012	750 000	R1,90	–	–	–	–	750 000	–
	11 335 000		(1 333 333)			3 095 000	10 001 667	R4 139 999

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Notes	GROUP 2015 R	GROUP 2014 R	COMPANY 2015 R	COMPANY 2014 R
Assets					
Non-current assets					
Investment property	3	–	–	4 542 326	4 051 135
Property, plant and equipment	4	128 787 297	129 180 045	208 290	–
Goodwill	5	223 421 981	223 421 981	–	–
Intangible asset	6	10 896 692	14 337 752	–	–
Investments in subsidiaries	7	–	–	209 967 288	209 967 288
Investment in associate	8	652 313 212	616 388 706	635 117 284	635 117 284
Other financial assets	10	–	6 924 311	–	6 924 311
Operating lease asset	13	–	–	380 236	118 097
		1 015 419 182	990 252 795	850 215 424	856 178 115
Current assets					
Inventories	14	8 965 203	7 973 118	–	–
Loans to group companies	9	–	–	4 149	4 149
Other financial assets	10	12 504 391	6 648 582	12 504 391	6 648 582
Current tax receivable		933 668	–	–	–
Trade and other receivables	15	110 752 506	75 936 662	302 183	227 482
Cash and cash equivalents	16	70 914 266	26 001 268	15 238 092	3 021 146
		204 070 034	116 559 630	28 048 815	9 901 359
Total assets		1 219 489 216	1 106 812 425	878 264 239	866 079 474
Equity and liabilities					
Equity					
Stated capital	17	631 127 028	585 573 235	631 127 028	585 573 235
Reserves		15 685 391	17 624 536	16 893 054	18 832 199
Retained income		197 907 280	144 525 951	103 121 581	147 849 665
		844 719 699	747 723 722	751 141 663	752 255 099
Liabilities					
Non-current liabilities					
Other financial liabilities	19	248 672 308	142 576 783	–	–
Operating lease liability	13	–	1 640 263	–	–
Deferred income	20	2 379 952	1 577 232	–	–
Deferred taxation	12	14 778 323	13 555 933	–	–
		265 830 583	159 350 211	–	–
Current liabilities					
Loans from group companies	9	–	–	125 000 000	–
Other financial liabilities	19	24 750 000	140 907 240	–	112 157 240
Current taxation payable		–	1 192 809	–	–
Operating lease liability	13	1 806 319	336 348	–	–
Trade and other payables	21	81 869 477	56 994 212	2 122 576	1 667 135
Deferred income	20	513 138	307 883	–	–
		108 938 934	199 738 492	127 122 576	113 824 375
Total liabilities		374 769 517	359 088 703	127 122 576	113 824 375
Total equity and liabilities		1 219 489 216	1 106 812 425	878 264 239	866 079 474
Net asset value per share (cents)	38	419,79	393,80		
Tangible net asset value per share (cents)	38	304,86	270,70		

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015

		GROUP		COMPANY	
	Notes	2015 R	2014 R	2015 R	2014 R
Revenue	23	775 425 242	571 544 796	–	–
Cost of sales	24	(434 430 692)	(319 156 121)	–	–
Gross profit		340 994 550	252 388 675	–	–
Other income		9 999 177	13 945 386	5 628 274	329 250
Operating expenses		(291 705 645)	(215 181 485)	(51 774 480)	(19 057 804)
Operating profit/(loss)	25	59 288 082	51 152 576	(46 146 206)	(18 728 554)
Investment income	26	2 167 996	2 693 264	41 924	263 308
Profit/(loss) from equity-accounted investment	8	35 924 506	(14 745 655)	–	–
Finance costs	27	(25 321 027)	(25 675 522)	(4 843 760)	(6 890 924)
Profit/(loss) before taxation		72 059 557	13 424 663	(50 948 042)	(25 356 170)
Taxation	28	(24 898 186)	(16 242 442)	–	–
Profit/(loss) for the year		47 161 371	(2 817 779)	(50 948 042)	(25 356 170)
Total comprehensive income/(loss) for the year		47 161 371	(2 817 779)	(50 948 042)	(25 356 170)
Basic earnings/(loss) per share (cents)	38	24,43	(1,49)		
Diluted earnings/(loss) per share (cents)	38	23,59	(1,39)		

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	Stated capital R	Revaluation reserve (relating to land of associate) R	Equity-based share option reserve R	Total reserve R	Retained income R	Total equity R
GROUP						
Balance at 31 March 2013	580 590 616	(1 207 663)	14 776 581	13 568 918	145 987 793	740 147 327
Loss for the year	–	–	–	–	(2 817 779)	(2 817 779)
Other comprehensive loss for the year	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	–	(2 817 779)	(2 817 779)
Issue of shares	4 982 619	–	–	–	–	4 982 619
Employees' share option scheme	–	–	4 055 618	4 055 618	1 355 937	5 411 555
Balance at 31 March 2014	**585 573 235**	**(1 207 663)**	**18 832 199**	**17 624 536**	**144 525 951**	**747 723 722**
Profit for the year	–	–	–	–	**47 161 371**	**47 161 371**
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	–	**47 161 371**	**47 161 371**
Issue of shares	**45 553 793**	–	–	–	–	**45 553 793**
Employees' share option scheme	–	–	**(1 939 145)**	**(1 939 145)**	**6 219 958**	**4 280 813**
Balance at 31 March 2015	**631 127 028**	**(1 207 663)**	**16 893 054**	**15 685 391**	**197 907 280**	**844 719 699**
Notes	17		18			

	Stated capital R	Equity-based share option reserve R	Total reserves R	Retained income R	Total equity R
COMPANY					
Balance at 31 March 2013	580 590 616	14 776 581	14 776 581	171 849 898	767 217 095
Loss for the year	–	–	–	(25 356 170)	(25 356 170)
Other comprehensive loss for the year	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	(25 356 170)	(25 356 170)
Issue of shares	4 982 619	–	–	–	4 982 619
Employees' share option scheme	–	4 055 618	4 055 618	1 355 937	5 411 555
Balance at 31 March 2014	**585 573 235**	**18 832 199**	**18 832 199**	**147 849 665**	**752 255 099**
Loss for the year	–	–	–	**(50 948 042)**	**(50 948 042)**
Total comprehensive loss for the year	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	**(50 948 042)**	**(50 948 042)**
Issue of shares	**45 553 793**	–	–	–	**45 553 793**
Employees' share option scheme	–	**(1 939 145)**	**(1 939 145)**	**6 219 958**	**4 280 813**
Balance at 31 March 2015	**631 127 028**	**16 893 054**	**16 893 054**	**103 121 581**	**751 141 663**
Notes	17	18			

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	GROUP 2015 R	GROUP 2014 R	COMPANY 2015 R	COMPANY 2014 R
Cash flows from operating activities					
Cash generated from/(utilised in) operations	30	114 192 061	84 437 984	(13 232 469)	(12 225 572)
Interest income		2 167 996	2 693 264	41 924	263 308
Dividends received		–	–	–	–
Finance costs		(19 632 742)	(17 939 091)	(1 000)	(16)
Taxation paid	31	(25 802 273)	(28 357 299)	–	–
Net cash from/(utilised in) operating activities		70 925 042	40 834 858	(13 191 545)	(11 962 280)
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(30 437 943)	(40 706 776)	(221 272)	–
Sale of property, plant and equipment	4	618 158	4 929 319	–	–
Purchase of investment property	3	–	–	(491 191)	(4 051 135)
Proceeds on disposal of other financial assets		–	5 760 244	–	–
Net loans advanced		1 606 002	1 932 773	1 606 002	1 932 773
Government grant received		1 436 787	831 895	–	–
Net cash (utilised in)/from investing activities		(26 776 996)	(27 252 545)	893 539	(2 118 362)
Cash flows from financing activities					
Proceeds on share issue	17	16 514 952	2 970 737	16 514 952	2 970 737
Proceeds from other financial liabilities		130 000 000	123 848 444	–	–
Repayment of other financial liabilities		(28 750 000)	(137 075 108)	–	–
Settlement of deferred vendor loan		(117 000 000)	–	–	–
Decrease in loans with group companies		–	337 058	8 000 000	337 058
Net cash from/(utilised in) financing activities		764 952	(9 918 869)	24 514 952	3 307 795
Total cash and cash equivalents movement for the year		44 912 998	3 663 444	12 216 946	(10 772 847)
Cash and cash equivalents at the beginning of the year		26 001 268	22 337 824	3 021 146	13 793 993
Total cash and cash equivalents at end of the year	16	70 914 266	26 001 268	15 238 092	3 021 146

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2015

1. Presentation of annual financial statements

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

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

The accounting policies are consistent with the previous year, except for the new or revised accounting standards and interpretations of those standards that were adopted.

1.1 Consolidation

Basis of consolidation

The group consolidates its subsidiaries over which it has control as indicated. The group's interest in its associate is accounted for using the equity method of accounting. Accounting policies are applied consistently in all group companies.

The results of the subsidiary are included for the duration of the period in which the group exercised control over the subsidiary.

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

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

Business combinations

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

Contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liabilities or equity which arise as a result of the contingent consideration are not 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.

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

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

Investment in associate

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

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

The group's share of unrealised intra company gains are eliminated upon consolidation and the group's share of intra company losses are 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 and for share options granted from 2012, used the binomial valuation model to determine the fair value of the options at issue date. Additional details regarding the estimates are included in the note 18 Share-based payments.

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

Impairment testing of goodwill and investment in subsidiary
The recoverable amount of the cash-generating unit (Métier) has been determined on a value-in-use calculation, using cash flow projections which cover a two-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 18,50%, which is the estimated cost of capital;
- asset values were based on the carrying amounts for the financial period;
- future profits were estimated using historical information and approved two-year budgets;
- sales growth/gross margins were based on historical achievement/known future prospects;
- costs were assumed to grow in line with expansion and expected inflation; and
- cash flows have been extended into perpetuity at the growth rates noted above as management has no reason to believe the company will not continue past the budget period.

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

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

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

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

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

The useful life of the intangible asset is assessed at a minimum on an annual basis, or when there are indicators present that there is a change from the previous estimate. Estimates are based on the remaining customer contractual period of the asset of seven years.

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

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

ACCOUNTING POLICIES CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

1. Presentation of annual financial statements (continued)

1.3 Investment property (continued)

Fair value

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

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

1.4 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

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

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

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

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

Plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Land and buildings	*
Plant and machinery	10 years
Furniture and fixtures	6 years
Motor vehicles	4 years
Office equipment	5 years
Computer equipment	3 years

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

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

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

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

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

1.5 Intangible asset

An intangible asset is recognised when:

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

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

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

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

Amortisation is provided to write down the Vulindlela Development Association customer contract classified as an intangible asset on a straightline basis over the contractual period of seven years. The residual value for the contract is nil.

1.6 Investments in subsidiaries

Company annual financial statements

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

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

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

1.7 Investment in associate

Company annual financial statements

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

1.8 Financial instruments

Classification

Financial instruments are classified as financial assets, financial liabilities and equity instruments. The group classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

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.

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.

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.

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

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

Impairment losses are recognised in profit or loss.

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

Reversals of impairment losses are recognised in profit or loss.

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

Derecognition

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

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

Loans to/(from) group companies

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

Loans to group companies are classified as loans and receivables.

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

Loans to shareholders

These financial assets are classified as loans and receivables and are subsequently measured at amortised cost. No discounting is applied for loans at amortised cost where the loan is receivable within.

ACCOUNTING POLICIES CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

1. Presentation of annual financial statements (continued)

1.8 Financial instruments (continued)

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 30 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.

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

Cash and cash equivalents

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

Cash and cash equivalents are classified as loans and receivables.

Bank overdraft and other financial liabilities

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

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

1.9 Taxation

Current taxation assets and liabilities

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

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

Deferred taxation assets and liabilities

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

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

Taxation expenses

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

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

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

1.10 Leases

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

Operating leases – lessor

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

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

Operating leases – lessee

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

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

1.11 Inventories

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

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

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

1.12 Impairment of assets

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

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

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

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

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

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

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

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

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

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

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

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

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

1.13 Stated capital and equity

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

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

ACCOUNTING POLICIES CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

1. Presentation of annual financial statements (continued)

1.14 Share-based payments

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

When the 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 services received and the corresponding increase in equity are measured, directly, at the fair value of the services received provided that the fair value can be estimated reliably.

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

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

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

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

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

1.15 Employee benefits

Short-term employee benefits

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

1.16 Contingencies

Contingent liabilities are not recognised.

1.17 Government grants

Government grants are recognised when there is reasonable assurance that:
- the group will comply with the conditions attaching to them; and
- the grants will be received.

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

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

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

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

1.18 Revenue

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

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

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

1.19 Cost of sales

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

1.20 Borrowing costs

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

The capitalisation of borrowing costs commences when:

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

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

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

1.21 Operating segments

Operating segments are reported on in a manner consistent with internal reporting provided to the chief operating decision-maker. An operating segment is a component of an entity:

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

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Amendment to IAS 32: Offsetting Financial Assets and Financial Liabilities

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 has adopted the amendment for the first time in the 2015 annual financial statements. The impact of the amendment is not material.

Amendment to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets

The amendment to IAS 36 Impairment of Assets now requires:

- disclosures to be made of all assets which have been impaired, as opposed to only material impairments;
- the disclosure of each impaired asset's recoverable amount; and
- certain disclosures for impaired assets whose recoverable amount is fair value less costs to sell in line with the requirements of IFRS 13 Fair Value Measurement.

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

The group has adopted the amendment for the first time in the 2015 annual financial statements. The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 April 2015 or later periods:

IFRS 9 Financial Instruments

This new standard is the result 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 as well as new hedging requirements. 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.
- 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 group 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.
- Investments in equity instruments may be measured at fair value through profit or loss. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remain unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.
- The new hedging provisions align hedge accounting more closely with the actual risk management approach.
- Certain non-derivative financial instruments are now allowed as hedging instruments.
- Additional exposures are allowed as hedged items. These exposures include risk components of non-financial items, net positions and layer components of items, aggregated exposures combining derivative and non-derivative exposures and equity instruments at fair value through other comprehensive income.
- The hedge effectiveness criteria have been amended, including the removal of the 80% – 125% "bright line test" to qualify for hedge accounting.
- The concept of rebalancing has been introduced when the hedging relationship is ineffective because the hedge ratio is no longer appropriate. When rebalancing is required, and provided the risk management objective remains the same, the hedge ratio is adjusted rather than discontinuing the hedging relationship.
- Additional disclosure requirements have been introduced for hedging.

The effective date has not yet been established as the project is currently incomplete. The IASB has communicated that the effective date will not be before years beginning on or after 1 January 2018. IFRS 9 may be early adopted. If IFRS 9 is early adopted, the new hedging requirements may be excluded until the effective date.

The group expects to adopt the standard for the first time in the first annual financial period after the effective date.

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

Amendment to IAS 19: Defined Benefit Plans: Employee contributions
The amendment relates to contributions received from employees or third parties for defined benefit plans. These contributions could either be discretionary or set out in the formal terms of the plan. If they are discretionary then they reduce the service cost. Those which are set out in the formal terms of the plan are either linked to service or not. When they are not linked to service then the contributions affect the remeasurement. When they are linked to service and to the number of years of service, they reduce the service cost by being attributed to the periods of service. If they are linked to service but not to the number of years' service then they either reduce the service cost by being attributed to the periods of service or they reduce the service cost in the period in which the related service is rendered.

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

The group expects to adopt the amendment for the first time in the 2016 annual financial statements.

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

Amendment to IFRS 2: Share-based Payment: Annual improvements project
Amended the definitions of "vesting conditions" and "market conditions" and added definitions for "performance condition" and "service condition".

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

The group expects to adopt the amendment for the first time in the 2016 annual financial statements.

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

Amendment to IFRS 3: Business Combinations: Annual improvements project
The amendment clarifies that contingent consideration in a business combination which meets the definition of a financial instrument shall be classified as a financial liability or equity. It further stipulates that contingent consideration which is required to be measured at fair value shall be done so by recognising changes in fair value through profit or loss. Reference to measuring contingent consideration to fair value through other comprehensive income has been deleted.

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

The group expects to adopt the amendment for the first time in the 2016 annual financial statements.

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

Amendment to IFRS 8: Operating Segments: Annual improvements project
Management is now required to disclose the judgements made in applying the aggregation criteria. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

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

The group expects to adopt the amendment for the first time in the 2016 annual financial statements.

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

Amendment to IAS 16: Property, Plant and Equipment: Annual improvements project
The amendment adjusts the option to proportionately restate accumulated depreciation when an item of property, plant and equipment is revalued. Instead, the gross carrying amount is to be adjusted in a manner consistent with the revaluation of the carrying amount. The accumulated depreciation is then adjusted as the difference between the gross and net carrying amount.

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

The group expects to adopt the amendment for the first time in the 2016 annual financial statements.

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

Amendment to IAS 24: Related Party Disclosures: Annual improvements project
The definition of a related party has been amended to include an entity, or any member of a group of which it is a part, which provides key management personnel services to the reporting entity or to the parent of the reporting entity ("management entity"). Disclosure is required of payments made to the management entity for these services but not of payments made by the management entity to its directors or employees.

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

The group expects to adopt the amendment for the first time in the 2016 annual financial statements.

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

Amendment to IFRS 13: Fair Value Measurement: Annual improvements project
The amendment clarifies that references to financial assets and financial liabilities in paragraphs 48 – 51 and 53 – 56 should be read as applying to all contracts within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities in IAS 32 Financial Instruments: Presentation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

2. New standards and interpretations (continued)
2.2 Standards and interpretations not yet effective (continued)

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

The group expects to adopt the amendment for the first time in the 2016 annual financial statements.

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

Amendment to IAS 40: Investment Property: Annual improvements project
The amendment requires an entity to determine whether the acquisition of investment property is the acquisition of an asset or a business combination, in which case the provisions of IFRS 3 Business Combinations applies.

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

The group expects to adopt the amendment for the first time in the 2016 annual financial statements.

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

Amendment to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
The amendment clarifies that a depreciation or amortisation method that is based on revenue that is generated by an activity that includes the use of the asset is not an appropriate method. This requirement can be rebutted for intangible assets in very specific circumstances as set out in the amendments to IAS 38.

The effective date of the amendment is for years beginning on or after 1 January 2016.

The group expects to adopt the amendment for the first time in the 2017 annual financial statements.

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

IFRS 15: Revenue from Contracts with Customers
IFRS 15 supersedes IAS 11 Construction Contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:
- Identify the contract(s) with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 1 January 2017.

The group expects to adopt the standard for the first time in the 2018 annual financial statements.

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

IFRS 7: Financial Instruments: Disclosures: Annual improvements project
The amendment provides additional guidance to help entities identify the circumstances under which a servicing contract is considered to be 'continuing involvement' for the purpose of applying the disclosure requirements in paragraphs 42E – 42H of IFRS 7. Such circumstances commonly arise when, for example, the servicing fee is dependent on the amount or turning of the cash flows collected from the transferred financial asset or when a fixed fee is not paid in full due to non-performance of that asset.

The effective date of the amendment is for years beginning on or after 1 July 2016.

The group expects to adopt the amendment for the first time in the 2018 annual financial statements.

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

IAS 1: Presentation of Financial Statements
Additional text:
- The amendments clarifies IAS 1's specified line items on the statement(s) of profit and loss and other comprehensive income and the statement of financial position can be disaggregated.
- Provides additional requirements of how entities should present subtotals in the statement(s) of profit or loss and other comprehensive income and the statement of financial position.
- Clarifies that entities have flexibility as to the order in which they present their notes to the financial statements, but also emphasising the need to consider fundamental principles of comparability and understandability in determining the order.

The effective date of the amendment is for years beginning on or after 1 January 2016.

The group expects to adopt the amendment for the first time in the 2017 annual financial statements.

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

3. Investment property

COMPANY	2015 Cost R	2015 Accumulated fair value adjustment R	2015 Carrying value R	2014 Cost R	2014 Accumulated fair value adjustment R	2014 Carrying value R
Investment property	4 542 326	–	4 542 326	4 051 135	–	4 051 135

Reconciliation of investment property – Company – 2015

	Opening balance R	Additions R	Total R
Investment property	4 051 135	491 191	4 542 326

Reconciliation of investment property – Company – 2014

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

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

Pledged as security

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

Other disclosures

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

	GROUP 2015 R	GROUP 2014 R	COMPANY 2015 R	COMPANY 2014 R
Total straight-lined rental income from investment property	–	–	955 319	320 355
Details of property				
Erf 398 Randjespark Ext 121				
– Purchase price: 10 December 2013	–	–	4 017 750	4 017 750
– Capitalised expenditure	–	–	524 576	33 385
	–	–	4 542 326	4 051 135

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

4. Property, plant and equipment

	2015			2014		
GROUP	Cost/ valuation R	Accumulated depreciation R	Carrying value R	Cost/ valuation R	Accumulated depreciation R	Carrying value R
Land and buildings	7 208 635	–	7 208 635	6 717 444	–	6 717 444
Plant and machinery	71 608 471	(21 416 424)	50 192 047	64 213 695	(15 537 769)	48 675 926
Furniture and fixtures	624 135	(337 000)	287 135	467 281	(273 807)	193 474
Motor vehicles	138 074 504	(67 476 119)	70 598 385	118 998 360	(45 704 081)	73 294 279
Office equipment	10 495	(1 399)	9 096	–	–	–
Computer equipment	2 233 535	(1 741 536)	491 999	1 758 912	(1 459 990)	298 922
Total	219 759 775	(90 972 478)	128 787 297	192 155 692	(62 975 647)	129 180 045
COMPANY						
Furniture and fixtures	143 177	(9 583)	133 594	–	–	–
Office equipment	10 495	(1 399)	9 096	–	–	–
IT equipment	67 600	(2 000)	65 600	–	–	–
Total	221 272	(12 982)	208 290	–	–	–

Reconciliation of property, plant and equipment – Group – 2015

	Opening balance R	Additions R	Disposals R	Depreciation R	Total R
Land and buildings	6 717 444	491 191	–	–	7 208 635
Plant and machinery	48 675 926	7 394 776	–	(5 878 655)	50 192 047
Furniture and fixtures	193 474	156 854	–	(63 193)	287 135
Motor vehicles	73 294 279	21 910 004	(623 583)	(23 982 315)	70 598 385
Office equipment	–	10 495	–	(1 399)	9 096
Computer equipment	298 922	474 623	–	(281 546)	491 999
	129 180 045	30 437 943	(623 583)	(30 207 108)	128 787 297

Reconciliation of property, plant and equipment – Group – 2014

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

Reconciliation of property, plant and equipment – Company – 2015

	Opening balance R	Additions R	Depreciation R	Total R
Furniture and fixtures	–	143 177	(9 583)	133 594
Office equipment	–	10 495	(1 399)	9 096
Computer equipment	–	67 600	(2 000)	65 600
	–	221 272	(12 982)	208 290

4. Property, plant and equipment (continued)

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

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

Pledged as security

All movable assets are pledged as security for other financial liabilities as per note 19. Land of R4 542 326 (2014: R4 051 135) is pledged as security for the R2 million overdraft facility of SepHold.

	GROUP		COMPANY	
	2015 R	2014 R	**2015 R**	2014 R
Details of land and buildings				
Portion 0 of Erf 233, Phoenix Industrial Park				
– Purchase price: 12 June 2009	**2 400 000**	2 400 000	**–**	–
– Capitalised expenditure	**266 309**	266 309	**–**	–
	2 666 309	2 666 309	**–**	–
Erf 398 Randjespark Ext 121				
– Purchase price: 10 December 2013	**4 017 750**	4 017 750	**–**	–
– Capitalised expenditure	**524 576**	33 385	**–**	–
	4 542 326	4 051 135	**–**	–

5. Goodwill

	2015			2014		
GROUP	**Cost R**	**Accumulated impairment R**	**Carrying value R**	Cost R	Accumulated impairment R	Carrying value R
Goodwill on acquisition of subsidiary	**223 421 981**	**–**	**223 421 981**	223 421 981	–	223 421 981

Reconciliation of goodwill – Group – 2015

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

Reconciliation of goodwill – Group – 2014

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

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.

Based on the results of the impairment test performed, no impairment is required. Refer to accounting policy 1.2 *Impairment testing of goodwill and investment in subsidiary* for inputs used for the impairment test.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

6. Intangible asset

	2015			2014		
GROUP	Cost/ valuation R	Accumulated amortisation R	Carrying value R	Cost/ valuation R	Accumulated amortisation R	Carrying value R
Customer contract	20 438 713	(9 542 021)	10 896 692	20 438 713	(6 100 961)	14 337 752

Reconciliation of intangible asset – Group – 2015

	Opening balance R	Additions R	Amortisation R	Impairment loss R	Total R
Customer contract	14 337 752	–	(3 441 060)	–	10 896 692

Reconciliation of intangible asset – Group – 2014

	Opening balance R	Amortisation R	Total R
Customer contract	19 914 643	(5 576 891)	14 337 752

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

Amortisation and change in accounting estimate

The initial five-year contract stipulated the contract period as 1 June 2011 to 30 June 2016.

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

Fair value determination

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

Impairment testing

No indications of impairment were identified and therefore no impairment testing was performed for the current financial year.

7. Investments in subsidiaries

COMPANY	% holding 2015	% holding 2014	Carrying amount 2015 R	Carrying amount 2014 R
Name of company				
Sephaku Cement Investment Holdings Limited	100,00	100,00	1	1
Métier Mixed Concrete Proprietary Limited	100,00	100,00	209 967 287	209 967 287
			209 967 288	209 967 288

Subsidiaries are shown at carrying amounts, net of impairment.

All the subsidiaries are registered and operate within South Africa.

Impairment testing

2013

A dividend of R110 million has been received by SepHold from Métier shortly after obtaining control. This dividend was an indicator that the investment in Métier may have been impaired. An impairment test has been performed with the resulting impairment of R89 410 741. Refer to accounting policy 1.2 *Impairment testing of goodwill and investment in subsidiary* for inputs used for the impairment test.

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

8. Investment in associate

The following table lists all of the associates in the group:

GROUP	% ownership interest 2015	% ownership interest 2014	Carrying amount 2015 R	Carrying amount 2014 R
Name of company				
Sephaku Cement Proprietary Limited	36,00	36,00	652 313 212	616 388 706
COMPANY				
Sephaku Cement Proprietary Limited	36,00	36,00	635 117 284	635 117 284

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

The investment in SepCem is recognised at a cost of R635 117 284 on company level. No post-acquisition impairment has been recognised against the investment in the current or prior years. On consolidation the investment is adjusted using the equity method for the change in SepHold's share of the post-acquisition profit/(loss) of the investee amounting to R35 924 506 for the current year (2014: (R14 745 655)).

SepCem has a December year-end so as to agree with Dangote Cement Plc's year-end. In line with the requirements of IAS 28, the year-end results of SepCem as at 31 December 2014 have been included in these financial statements.

	COMPANY	
	2015 R	2014 R
Summary of group interest in Sephaku Cement Proprietary Limited and its subsidiaries		
Non-current assets	3 844 530 357	3 319 954 465
Current assets	434 023 077	110 351 889
Total assets	4 278 553 434	3 430 306 354
Total equity	1 173 212 824	1 073 422 528
Non-current liabilities	(2 712 586 543)	(2 148 277 262)
Current liabilities	(392 754 067)	(208 606 564)
Total liabilities	(3 105 340 610)	(2 356 883 826)
Revenue for the period	918 978 411	36 889 399
Cost of sales	(730 273 759)	(22 032 942)
Gross profit	188 704 652	14 856 457
Operating profit/(loss)	59 533 480	(55 472 969)
Finance costs	(112 903 760)	(27 089)
Loss before taxation	(48 440 987)	(52 346 320)
Taxation income (due to deferred tax asset)	148 231 283	11 386 166
Profit/(loss) after taxation for the period	99 790 296	(40 960 154)
Total comprehensive (loss)/income for the period	99 790 296	(40 960 154)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

9. Loans to group companies

	GROUP		COMPANY	
	2015 R	2014 R	2015 R	2014 R
Subsidiary				
Métier Mixed Concrete Proprietary Limited	–	–	(125 000 000)	–
The R125 million loan relates to acquisition financing for the Métier investment acquired during 2013. The loan is unsecured, interest-free and is repayable on demand.				
Sephaku Cement Investment Holdings Limited	–	–	4 149	4 149
The loan is unsecured, bears no interest and is repayable on demand.				
	–	–	(124 995 851)	4 149
The fair values of the loans are substantially the same as the carrying amounts reflected on the statement of financial position.				
Current assets	–	–	4 149	4 149
Current liabilities	–	–	(125 000 000)	–
Total	–	–	(124 995 851)	4 149

10. Other financial assets

Loans and receivables				
African Nickel Holdings Proprietary Limited	2 000 000	2 000 000	2 000 000	2 000 000
Cross Company Management Proprietary Limited	10 504 391	11 572 893	10 504 391	11 572 893
The loans are unsecured, bear no interest and are repayable on demand. An impairment of R6 835 864 has been recognised during the 2013 reporting period on the receivable from Cross Company Management Proprietary Limited. No change has been made to this provision in the current year.				
	12 504 391	13 572 893	12 504 391	13 572 893
Non-current assets				
Loans and receivables	–	6 924 311	–	6 924 311
Current assets				
Loans and receivables	12 504 391	6 648 582	12 504 391	6 648 582
	12 504 391	13 572 893	12 504 391	13 572 893

11. Financial assets by category

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

GROUP	Loans and receivables R	Non-financial instruments R	Total R
2015			
Other financial assets	12 504 391	–	12 504 391
Trade and other receivables	110 430 951	321 555	110 752 506
Cash and cash equivalents	70 914 266	–	70 914 266
	193 849 608	321 555	194 171 163

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

COMPANY	Loans and receivables R	Non-financial instruments R	Total R
2015			
Loans to group companies	4 149	–	4 149
Other financial assets	12 504 391	–	12 504 391
Trade and other receivables	87 268	214 915	302 183
Cash and cash equivalents	15 238 092	–	15 238 092
	27 833 900	214 915	28 048 815

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

12. Deferred taxation

	GROUP		COMPANY	
	2015 R	2014 R	2015 R	2014 R
Deferred taxation asset/(liability)				
Property, plant and equipment	(15 086 256)	(12 113 023)	–	–
Income received in advance	770 670	–	–	–
S24C allowances	(431 870)	–	–	–
Doubtful debt allowance	210 000	210 000	–	–
Provision for leave pay	207 257	170 531	–	–
Prepaid expenses	(18 454)	(18 454)	–	–
Provision for management bonus	2 009 168	1 623 065	–	–
Intangible assets	(3 051 074)	(4 014 571)	–	–
Operating lease accrual	612 236	586 519	–	–
Total deferred taxation liability	(14 778 323)	(13 555 933)	–	–
Reconciliation of deferred taxation asset/(liability)				
At beginning of the year	(13 555 933)	(15 461 556)	–	–
Originating temporary difference on property, plant and equipment	(2 973 233)	(1 766 777)	–	–
Reversing temporary difference on income received in advance	770 670	(347 687)	–	–
Originating temporary difference on accrual for leave pay	36 726	47 301		
Reversing temporary difference on S24C allowance	(431 870)	201 673	–	–
Originating temporary difference on provision for management bonus	386 103	1 623 065	–	–
Originating/(reversing) temporary difference on intangible assets	963 497	1 561 529	–	–
Originating temporary difference on operating lease accrual	25 717	586 519	–	–
	(14 778 323)	(13 555 933)	–	–
Unrecognised deferred taxation asset				
Deductible temporary differences not recognised as deferred taxation assets	78 431 113	64 989 890	78 431 113	64 989 890

13. Operating lease (accrual)/asset

Non-current assets	–	–	380 236	118 097
Non-current liabilities	–	(1 640 263)	–	–
Current liabilities	(1 806 319)	(336 348)	–	–
	(1 806 319)	(1 976 611)	380 236	118 097

Refer to note 3 and note 32 for the terms of the operating lease asset and liability respectively.

14. Inventories

Raw materials	7 064 735	6 576 690	–	–
Diesel	1 900 468	1 396 428	–	–
	8 965 203	7 973 118	–	–

Inventory pledged as security

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

15. Trade and other receivables

	GROUP		COMPANY	
	2015 R	2014 R	2015 R	2014 R
Trade receivables	109 175 444	72 691 521	–	–
Prepayments	106 640	65 910	40 730	–
Deposits	1 255 507	1 136 266	46 538	–
Value added taxation	214 915	95 107	214 915	95 107
Other receivables	–	1 947 858	–	132 375
	110 752 506	75 936 662	302 183	227 482

Trade and other receivables pledged as security

Trade and other receivables of Métier of R110 450 322 are pledged as security for other financial liabilities as per note 19.

Credit quality of trade and other receivables

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

Fair value of trade and other receivables

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

Trade and other receivables past due but not impaired

Trade and other receivables which are less than three months past due are not considered to be impaired.

At 31 March 2015, R34 966 605 (2014: R22 155 961) were past due but not impaired.

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

	GROUP		COMPANY	
	2015 R	2014 R	2015 R	2014 R
1 month past due	21 388 845	16 299 021	–	–
2 months past due	6 493 859	1 128 013	–	–
3 months past due	7 083 901	4 728 927	–	–

Trade and other receivables – provision for impairment

As of 31 March 2015, trade and other receivables of R1 000 000 (2014: R1 000 000) were provided for.

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

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

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

Reconciliation of provision for impairment of trade and other receivables

	GROUP		COMPANY	
	2015 R	2014 R	2015 R	2014 R
Opening balance	1 000 000	1 000 000	–	–
Closing balance	1 000 000	1 000 000	–	–

Exposure to credit risk

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

16. Cash and cash equivalents

	GROUP		COMPANY	
	2015 R	2014 R	2015 R	2014 R
Cash and cash equivalents consist of:				
Cash on hand	73 000	57 000	–	–
Bank balances	70 841 266	25 944 268	15 238 092	3 021 146
	70 914 266	26 001 268	15 238 092	3 021 146
The fair values of cash and cash equivalents are considered to be equal to the carrying value.				
Sephaku Holdings Limited has an available Absa overdraft facility of R2 000 000 and Métier Mixed Concrete Proprietary Limited has an available Standard Bank overdraft facility and a general short-term banking facility of R21 990 000 in total.				
The total amount of undrawn overdraft and term loan facilities available for future operating activities and commitments	23 990 000	12 778 247	2 000 000	2 000 000
Credit facilities are secured as per note 19.				
Credit quality of cash at bank and short-term deposits, excluding cash on hand				
The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:				
Credit rating				
Fitch short-term rating: F1+	70 841 266	25 944 268	15 238 092	3 021 146

17. Stated capital

Authorised				
1 000 000 000 ordinary shares with no par value				
Reconciliation of number of shares issued:				
Number of shares at beginning of period	189 872 979	187 901 843	189 872 979	187 901 843
Number of ordinary shares issued during the period	11 351 529	1 971 136	11 351 529	1 971 136
Number of ordinary shares at end of period	201 224 508	189 872 979	201 224 508	189 872 979

2015: 4 429 196 shares were issued during the year in terms of a specific authority to the sellers of Métier at a 60-day VWAP of 643,488 cents for no cash consideration as final settlement for the Métier acquisition (refer to note 25). The additional consideration shares were issued to the following directors and public officers: 1 018 715 shares to KJ Capes, 974 423 shares to WM Witherspoon and 974 423 shares to RS Thompson.

A total amount of 6 707 333 (2014: 1 971 136) shares issued during the year for a cash amount of R16 514 952 relates to share options that were exercised by employees and directors (refer to note 18).

215 000 shares were issued at a value of R2,50 for no cash consideration as a float to administer the share incentive scheme on behalf of SepHold.

2014: The total amount of 1 971 136 shares issued during the year relates to share options that were exercised by employees and directors during the year (refer to note 18).

Shares issued for cash amounted to R2 970 737 and an amount of R2 011 883 were still receivable by the company on year-end for shares issued to option holders that were still to trade subsequent to year-end.

The unissued ordinary shares are under the control of the directors.

	GROUP		COMPANY	
	2015 R	2014 R	2015 R	2014 R
Issued				
Ordinary shares with no par value	631 127 028	585 573 235	631 127 028	585 573 235

18. Share-based payments

	Number R	Weighted exercise price R	Total value R
Share options granted during 2008 year (30/06/2008 to 30/06/2011)	200 000	1,50	300 000
Exercised in prior periods	(200 000)		
Outstanding at 31 March 2014	–		
Outstanding at 31 March 2015	–		
Share options granted on 31 March 2008	5 740 000	2,50	14 350 000
Exercised and expired during prior period	(316 530)		
Exercised in 2014	(1 666 803)		
Outstanding at 31 March 2014	3 756 667		
Exercised in 2015	(3 756 667)		
Outstanding at 31 March 2015	–		
Share options granted on 15 October 2010	10 000 000	3,50	35 000 000
Exercised in 2014	(304 333)		
Outstanding at 31 March 2014	9 695 667		
Exercised in 2015	(1 950 666)		
Outstanding at 31 March 2015	7 745 001		
Share options granted on 29 June 2012	3 500 000	1,90	6 650 000
Exercised in 2014	–		
Outstanding at 31 March 2014	3 500 000		
Exercised in 2015	(750 000)		
Outstanding at 31 March 2015	2 750 000		
Share options granted on 31 August 2012	1 500 000	1,90	2 850 000
Exercised in 2014	–		
Outstanding at 31 March 2014	1 500 000		
Exercised in 2015	(250 000)		
Outstanding at 31 March 2015	1 250 000		
Share options granted on 10 December 2014	1 565 000	6,80	10 642 000
Exercised in 2014	–		
Outstanding at 31 March 2014	1 565 000		
Exercised in 2015	–		
Outstanding at 31 March 2015	1 565 000		
Total outstanding at 31 March 2014	18 452 334		
Total outstanding at 31 March 2015	13 310 001		
Total exercisable at 31 March 2014	6 785 667		
Total exercisable at 31 March 2015	4 411 668		

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 all the options were exercised by the expiry date of 31 March 2015. The options vested over a three-year period on the anniversary of the grant.

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

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

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

During 2012, 5 373 470 SepFluor Limited shares were sold to Cross Company Management Proprietary Limited for R0,58875, to be held for the benefit of the holders of certain vested options over SepHold shares. SepHold has acquired the shares at R0,58875 from Cross Company Management Proprietary Limited after year-end.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

18. 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 of which 7 745 001 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 15 October 2017. No option premium was paid on the date of the grant.

Fair value was determined by using the Black Scholes method. The following inputs were used:
- Exercise price, R3,50
- Expected volatility, 55%
- Option life: 3, 4 and 5 years
- Expected dividends, Nil
- The risk-free interest rate, 7,14%

Total staff cost of R2 000 487 related to equity-settled share-based payment transactions was recognised in 2015 (2014: R3 511 018), of which R509 124 (2014: R1 372 808) relates to directors and key management personnel.

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

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

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 2 750 000 are still outstanding at year-end. These options vest over a five-year period on the anniversary of the grant of the third, fourth and fifth year and expire on 29 June 2019. No option premium was paid on the date of the grant.

Fair value was determined by using the binomial valuation method. The following inputs were used:
- Exercise price, R1,90
- Expected volatility, 55%
- Option life: 3, 4 and 5 years
- Expected dividends, Nil
- The risk-free interest rate, 6,82%

Total staff cost of R1 112 241 related to equity-settled share-based payment transactions was recognised in 2015 (2014: R1 112 241), of which R572 010 (2014: R889 793) relates to directors and key management personnel.

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

Information on options granted on 31 August 2012

On 31 August 2012, 1,5 million American-style share options with an exercise price of R1,90 were granted of which 1 250 000 are still outstanding at year-end. These options vest over a five-year period on the anniversary of the grant of the third, fourth and fifth year and expire on 31 August 2019. No option premium was paid on the date of the grant.

Fair value was determined by using the binomial valuation method. The following inputs were used:
- Exercise price, R1,90
- Expected volatility, 55%
- Option life: 3, 4 and 5 years
- Expected dividends, Nil
- The risk-free interest rate, 6,82%

Total staff cost of R788 296 related to equity-settled share-based payment transactions was recognised in 2015 (2014: R788 296), of which R394 148 (2014: R788 296) relates to directors and key management personnel.

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

Information on options granted on 10 December 2014

On 10 December 2014, 1 565 000 American-style share options with an exercise price of R6,80 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 10 December 2021. No option premium was paid on the date of the grant.

Fair value was determined by using the binomial valuation method. The following inputs were used:
- Exercise price, R6,80
- Expected volatility, 36,4%
- Contractual life of 7 years
- Expected dividends, Nil
- The risk-free interest rate, 7,90%

Total staff cost of R379 789 related to equity-settled share-based payment transactions was recognised in 2015 of which R218 409 relates to directors and key management personnel.

Expected volatility is based on share price history and 36,4% was considered to be reasonable for future volatility.

At the start of the financial year, five million share options were available for distribution under the share option scheme. 1 565 000 share options were granted on 10 December 2014, resulting in a balance of 3 435 000 share options still being available at 31 March 2015.

19. Other financial liabilities

	GROUP		COMPANY	
	2015 R	2014 R	**2015 R**	2014 R
Held at amortised cost				
Deferred vendor loan The final cash payment of R117 million (R125 million reduced with R8 million not recovered from the customer TBP Buildings and Civils Proprietary Limited) was settled with the sellers of Métier Mixed Concrete Proprietary Limited during the year and the acquisition is now financed through the subsidiary itself (note 9). The R117 million of the above amounts were discounted over 21 months at a rate of 0,53% per month and finance charges of R4 842 760 (2014: R6 890 908) (note 27) relating to the unwinding of the liability/imputed interest for the financial period has been recognised.	**–**	112 157 240	**–**	112 157 240
Standard Bank – Facility B This loan bears interest at the variable JIBAR rate, currently 6,11% plus a margin of 3,75%, therefore 9,86% (2014: 9,33%). Capital and interest are repayable quarterly in arrears until 28 December 2018. This loan facility amounts to R150 million with a maximum final draw down on 1 December 2014 of R125 million. Capital payments based on estimated free cash flow have been estimated as follows: – R6,25 million on 30/06/2015 – R6,25 million on 30/09/2015 – R6,25 million on 31/12/2015 – R6 million on 31/03/2016 The balance will be paid in periods thereafter and has been included in the non-current portion of the other financial liabilities disclosed.	**135 666 668**	80 416 668	**–**	–
Standard Bank – Facility C This loan bears interest at a fixed rate of 10,32% per annum and is repayable in February 2018, with interest payments made quarterly in arrears.	**63 221 753**	63 221 753	**–**	–
Standard Bank – Facility D This loan bears interest at the variable JIBAR rate plus a margin of 4,25%, therefore currently 10,36% and is repayable in February 2018, with interest payments made quarterly in arrears.	**77 000 000**	31 000 000	**–**	–
Capitalised transaction costs Transaction costs of the above loans are capitalised and released as part of finance cost by applying the effective interest rate over the term of the loan.	**(2 466 113)**	(3 311 638)	**–**	–
	273 422 308	283 484 023	**–**	112 157 240

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

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

Total term lending facilities are R260 000 000 (2014: R260 000 000).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

19. Other financial liabilities (continued)

	GROUP		COMPANY	
	2015 R	2014 R	2015 R	2014 R
Non-current liabilities				
At amortised cost	248 672 308	142 576 783	–	–
Current liabilities				
At amortised cost	24 750 000	140 907 240	–	112 157 240
	273 422 308	283 484 023	–	112 157 240

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

20. Deferred income

Government grants of R1 436 787 relating to assets were received during the 2015 financial year (2014: R831 894). 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 2015 amounts to R428 813 (2014: R238 558).

	GROUP		COMPANY	
	2015 R	2014 R	2015 R	2014 R
Movement for the period:				
Opening balance	1 885 115	1 291 779	–	–
Received during the year	1 436 787	831 894	–	–
Amortisation	(428 813)	(238 558)	–	–
Closing balance	2 893 090	1 885 115	–	–
Non-current liabilities	2 379 952	1 577 232	–	–
Current liabilities	513 138	307 883	–	–
	2 893 090	1 885 115	–	–

21. Trade and other payables

Trade payables	66 071 338	44 120 090	128 814	677 035
Value added taxation	2 158 447	1 897 654	–	–
Credit cards	599 144	–	599 144	–
Accrued expenses	2 260 003	2 028 191	677 312	670 000
Accrued bonus	7 175 601	5 796 663	–	–
Accrued audit fees	345 000	320 100	345 000	320 100
Sundry suppliers	3 259 944	2 831 514	372 306	–
	81 869 477	56 994 212	2 122 576	1 667135

Fair value of trade and other payables

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

22. Financial liabilities by category

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

GROUP	Financial liabilities at amortised cost	Non-financial instruments	Total
2015			
Other financial liabilities	273 422 308	–	273 422 308
Trade and other payables	70 275 426	11 594 051	81 869 477
	343 697 734	11 594 051	355 291 785

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

COMPANY	Financial liabilities at amortised cost	Non-financial instruments	Total
2015			
Trade and other payables	1 445 264	677 312	2 122 576

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

23. Revenue

	GROUP		COMPANY	
	2015 R	2014 R	2015 R	2014 R
Sale of goods	775 425 242	571 544 796	–	–

24. Cost of sales

Cost of goods/inventory sold	434 430 692	319 156 121	–	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

25. Operating profit/(loss)

	GROUP		COMPANY	
	2015 R	2014 R	2015 R	2014 R
Operating profit/(loss) for the period is stated after accounting for the following:				
Operating lease charges				
Lease rentals on operating lease				
– Contractual amounts straightlined	(9 038 532)	(9 879 742)	–	–
(Loss)/profit on sale of property, plant and equipment	(5 425)	1 076 760	–	–
Profit on disposal of other financial assets	–	860 000	–	–
Straightlined operating rent received from related party on investment property	–	–	955 319	320 355
Straight-lined operating rent paid to related party	(341 348)	–	(341 348)	–
Loss on contingent consideration*	(28 501 340)	–	(28 501 340)	–
Amortisation on intangible assets	(3 441 061)	(5 576 891)	–	–
Depreciation on property, plant and equipment	(30 207 107)	(24 552 280)	(12 982)	–
Employee costs	(51 793 499)	(40 388 366)	(6 587 377)	(8 797 187)
Management fees paid to Cross Company Management relating to employee costs	(24 931 354)	(17 325 843)	(12 190 994)	(5 757 024)
Management fee received from Métier, by SepHold, relating to employee costs	–	–	672 570	–
Auditors remuneration	(809 650)	(793 001)	(400 900)	(337 110)

* **Loss on contingent consideration**

On 28 February 2013, the group acquired 100% of the shares in Métier from KJ Capes, the JTR Trust, RS Thompson and WM Witherspoon (collectively, "the sellers").

The total nominal purchase consideration payable for Métier was R365 million and consisted of a combination of cash payments and issue of fully paid SepHold shares.

On 1 December 2014 SepHold settled the remaining consideration owing and accordingly has made the following payments:

i) a cash payment of R117 million (being R125 million less R8 million relating to an uncollected debtor) to the sellers in settlement of the final cash payments; and

ii) 4 429 196 additional consideration shares have been allotted to the sellers at the 60-day VWAP of 643,488 cents (note 17) (calculated as the difference between the minimum required payment of R100 million, and the 11 111 111 consideration shares multiplied by the 60-day VWAP of 643,488 cents).

The resulting loss on the contingent consideration of R28 501 340 is recognised in the statement of comprehensive income.

26. Investment revenue

	GROUP		COMPANY	
	2015 R	2014 R	2015 R	2014 R
Interest revenue				
Bank	1 512 395	259 314	41 924	259 314
Other interest received	655 601	2 433 950	–	3 994
	2 167 996	2 693 264	41 924	263 308

27. Finance costs

Bank	270	16	270	16
Other financial liabilities	19 632 472	17 939 073	730	–
Imputed interest charge on deferred vendor loan (note 19)	4 842 760	6 890 908	4 842 760	6 890 908
Capitalised transaction costs (note 19)	845 525	845 525	–	–
	25 321 027	25 675 522	4 843 760	6 890 924

28. Taxation

	GROUP		COMPANY	
	2015 R	2014 R	**2015 R**	2014 R
Major components of the taxation expense				
Current				
Local income taxation – current period	**23 675 796**	18 152 375	**–**	–
Donations taxation	**–**	(4 310)	**–**	–
	23 675 796	18 148 065	**–**	–
Deferred				
Originating and reversing temporary differences	**1 222 390**	(1 905 623)	**–**	–
	24 898 186	16 242 442	**–**	–
Reconciliation of the taxation expense				
Reconciliation between accounting profit and taxation expense.				
Profit/(loss) before taxation	**72 059 557**	13 424 663	**(50 948 042)**	(25 356 170)
Taxation at the applicable taxation rate of 28%	**20 176 676**	3 758 906	**(14 265 452)**	(7 099 728)
Taxation effect of adjustments on taxable income				
Non-deductible items and exempt income	**933 276**	8 799 741	**10 534 976**	3 444 690
Taxable temporary difference not recognised as deferred tax liability	**–**	–	**(57 758)**	(33 067)
Deferred taxation not raised on assessed taxation loss	**3 788 234**	3 688 105	**3 788 234**	3 688 105
Donations taxation	**–**	(4 310)	**–**	–
	24 898 186	16 242 442	**–**	–

No provision has been made by the company for 2015 or 2014 taxation as the company has no taxable income. The estimated taxation loss available for set off against future taxable income for the group is R78 431 113 (2014: R64 989 890) and for the company is R78 431 113 (2014: R64 989 890).

29. Auditor's remuneration

	GROUP		COMPANY	
	2015 R	2014 R	**2015 R**	2014 R
Fees for audit services	**783 380**	642 050	**400 900**	332 850
Consulting	**–**	86 720	**–**	4 260
Tax and secretarial services	**26 270**	22 235	**–**	–
Disbursements	**–**	41 996	**–**	–
	809 650	793 001	**400 900**	337 110

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

30. Cash generated from/(used in) operations

	GROUP		COMPANY	
	2015 R	2014 R	2015 R	2014 R
Profit/(loss) for the year/period	72 059 557	13 424 663	(50 948 042)	(25 356 170)
Adjustments for:				
Depreciation and amortisation	33 648 168	30 129 171	12 982	–
Loss/(profit) on sale of non-current assets	5 425	(1 076 760)	–	–
Loss on contingent consideration	28 501 340	–	28 501 340	–
Profit on disposal of other financial assets	–	(860 000)	–	–
(Profit)/loss from equity accounted investments	(35 924 506)	14 745 655	–	–
Interest received – investment	(2 167 996)	(2 693 264)	(41 924)	(263 308)
Finance costs	25 321 027	25 675 522	4 843 760	6 890 924
Movements in operating lease assets and accruals	(170 292)	1 976 611	(262 139)	(118 097)
Deferred income	(428 813)	(238 558)	–	–
Share options recorded against salary expense	4 280 814	5 411 555	4 280 814	5 411 555
Changes in working capital:				
Inventories	(992 085)	(1 242 893)	–	–
Trade and other receivables	(34 815 844)	(15 336 387)	(74 701)	69 084
Trade and other payables	24 875 266	14 522 669	455 441	1 140 440
	114 192 061	84 437 984	(13 232 469)	(12 225 572)

31. Taxation (paid)/received

Balance at beginning of the year	(1 192 809)	(11 402 043)	–	–
Current taxation for the period recognised in profit or loss	(23 675 796)	(18 148 065)	–	–
Balance at end of the period	(933 668)	1 192 809	–	–
	(25 802 273)	(28 357 299)	–	–

32. Commitments

Authorised capital expenditure				
Operating leases – as lessee (expense)				
Minimum lease payments due by Métier Mixed Concrete Proprietary Limited				
– within one year	9 909 793	8 506 241	–	–
– in second to fifth year inclusive	42 020 629	36 739 506	–	–
– later than five years	30 063 054	30 636 782	–	–
	81 993 476	75 882 529	–	–

Operating lease payments represent rentals payable by Métier for certain of its plant sites. Leases are negotiated for an average term of seven years per lease. The average escalation rate per lease is 9% per annum. No contingent rent is payable.

Minimum lease payments due by Sephaku Holdings Limited to Sephaku Cement Proprietary Limited				
– within one year	591 036	–	591 036	–
– in second to fifth year inclusive	204 768	–	204 768	–
– later than five years	–	–	–	–
	795 804	–	795 804	–

Operating lease payments represent rentals payable by SepHold for its offices. Leases are negotiated for an average term of two years per lease. The average escalation rate per lease is 10% per annum. No contingent rent is payable.

32. Commitments (continued)

	GROUP		COMPANY	
	2015 R	2014 R	2015 R	2014 R
Operating leases – as lessor (income)				
Minimum lease payments due				
– within one year	–	–	(731 808)	(682 000)
– in second to fifth year inclusive	–	–	(4 636 684)	(3 319 022)
– later than five years	–	–	(3 207 491)	(5 309 542)
	–	–	(8 575 983)	(9 310 564)

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

33. Related parties

Relationships

Subsidiaries	Refer to note 7
Associate	Refer to note 8
Shareholder with significant influence	Dangote Industries Limited
Company with common shareholders	Incubex Minerals Limited SepFluor Limited
Directors	B Williams MG Mahlare PM Makwana MM Ngoasheng Dr L Mohuba NR Crafford-Lazarus RR Matjiu KJ Capes PF Fourie J Pitt
Prescribed officers (also executive directors of Métier Mixed Concrete (Proprietary) Limited)	RS Thompson WM Witherspoon
Key management personnel of the group	Refer to directors as listed above. Also includes two prescribed officers.
Companies with common directors	Métier Concrete Products Proprietary Limited Plazatique Corp 27 CC Meadowland Estates Proprietary Limited WKRD Properties Proprietary Limited (Formerly Métier Aggregates Proprietary Limited) Cross Company Management Proprietary Limited Metransport Proprietary Limited African Nickel Limited

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

33. Related parties (continued)

	GROUP		COMPANY	
	2015 R	2014 R	2015 R	2014 R
Related party balances				
Loan accounts – Owing by/(to) related parties				
African Nickel Limited	2 000 000	2 000 000	2 000 000	2 000 000
Métier Mixed Concrete Proprietary Limited	–	–	(125 000 000)	–
Cross Company Management Proprietary Limited	10 504 391	11 572 893	10 504 391	11 572 893
Sephaku Cement Investment Holdings Limited	–	–	4 149	4 149
Amounts included in trade receivables/(trade payables) regarding related parties				
Cross Company Management Proprietary Limited	(5 394)	–	(5 394)	–
Métier Concrete Products Proprietary Limited	–	137 677	–	–
Meadowland Estates Proprietary Limited	565 377	112 436	–	–
Metransport Proprietary Limited	5 095 861	–	–	–
Sephaku Cement Proprietary Limited	1 380 099	–	–	–
Metransport Proprietary Limited	(17 545 131)	–	–	–
Sephaku Cement Proprietary Limited	(109 279 370)	–	–	–
Provision for rent payable to related party				
Sephaku Cement Proprietary Limited	(372 306)	–	(372 306)	–
Related party transactions				
Sales to related parties				
Métier Concrete Products Proprietary Limited	–	2 738 681	–	–
Meadowland Estates Proprietary Limited	565 377	642 272	–	–
Metransport Proprietary Limited	5 019 465	–	–	–
Sephaku Cement Proprietary Limited	1 210 613	–	–	–
Purchases from related parties				
WKRD Properties Proprietary Limited	–	7 184 618	–	–
Plazatique Corp 27 CC	–	1 275 317	–	–
Métier Concrete Products Proprietary Limited	–	239 800	–	–
Sephaku Cement Proprietary Limited	95 859 095	–	–	–
Metransport Proprietary Limited	17 545 031	–	–	–
Rent paid to/(received from) related parties				
Plazatique Corp 27 CC	819 433	751 773	–	–
WKRD Properties Proprietary Limited	5 542 976	5 015 662	–	–
Métier Mixed Concrete Proprietary Limited	–	–	(955 319)	(320 355)
Sephaku Cement Proprietary Limited	341 348	–	341 348	–
Fees paid to/(received from) related parties for management services, overheads and salaries				
Métier Mixed Concrete Proprietary Limited	–	–	(4 672 570)	–
Cross Company Management Proprietary Limited	25 230 969	17 808 951	12 490 609	6 203 232
Utilities paid to related parties				
Plazatique Corp 27 CC	412 690	366 926	–	–
WKRD Properties Proprietary Limited	1 415 370	1 199 593	–	–

34. Directors' and prescribed officer's emoluments

Executive	Remuneration R	Transaction bonuses R	Performance bonuses R	Travel allowances R	Total R
2015					
Dr L Mohuba	2 547 028	–	234 360	–	2 781 388
NR Crafford-Lazarus	2 711 111	1 500 000	234 360	144 000	4 589 471
RR Matjiu	82 039	–	–	10 005	92 044
KJ Capes	2 480 500	–	1 932 221	–	4 412 721
	7 820 678	1 500 000	2 400 941	154 005	11 875 624

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

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

Non-executive	Fees for services as director R	Remuneration R	Transaction bonus R	Pension fund R	Allowances R	Total R
2015						
B Williams	320 000	–	–	–	–	320 000
MG Mahlare	240 000	–	–	–	–	240 000
PM Makwana	240 000	–	–	–	–	240 000
MM Ngoasheng	240 000	–	–	–	–	240 000
PF Fourie	–	2 436 839	1 500 000	213 516	270 793	4 421 148
	1 040 000	2 436 839	1 500 000	213 516	270 793	5 461 148

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

[1] *Resigned on 21 April 2014.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

34. Directors' and prescribed officer's emoluments (continued)

For 11 months of the financial year, a management fee was paid to Cross Company Management Proprietary Limited for the services of all executive directors and staff of SepHold. The fees are calculated on the basis of time spent on group activities. The amounts included as directors' emoluments are the amounts paid to Cross Company Management Proprietary Limited for the services rendered by the SepHold directors to the group.

Cross Company Management Proprietary Limited also provided administrative services to Métier for 11 months of the financial year and all the executive directors of Métier were paid by Cross Company Management and recovered from Métier in the form of a management fee.

From 1 March 2015, all payroll services relating to SepHold's and Métier's payroll were done by SepHold for which and an inter-company management fee was charged.

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

Service contracts

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

Prescribed officers	Remuneration R	Performance bonuses R	Travel allowances R	Total R
2015				
RS Thompson	2 480 500	1 932 221	–	4 412 721
WM Witherspoon	2 293 165	1 932 221	187 334	4 412 720
	4 773 665	3 864 442	187 334	8 825 441

	Remuneration R	Performance bonuses R	Travel allowances R	Total R
2014				
RS Thompson	2 255 169	1 561 281	–	3 816 450
WM Witherspoon	2 067 666	1 561 281	187 503	3 816 450
	4 322 835	3 122 562	187 503	7 632 900

35. Risk management

Capital risk management

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

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

There are no externally imposed capital requirements.

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

Liquidity risk

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

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

35. Risk management (continued)

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

GROUP	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R
2015			
Other financial liabilities	37 834 720	31 275 178	267 954 120
Trade and other payables	70 275 426	–	–

	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R
2014			
Other financial liabilities	41 847 601	162 834 720	138 211 423
Trade and other payables	47 880 748	–	–

COMPANY	Less than 1 year R	Between 1 and 2 years R	Between 2 and 5 years R
2015			
Loans from group company	125 000 000	–	–
Trade and other payables	1 445 263	–	–

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

Interest rate risk

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

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

At 31 March 2015, 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 R302 479 (2014: R51 856) 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 2015, if interest rates on rand-denominated borrowings had been 1% higher/lower with all other variables held constant, pre-tax profit of the group would have been R2 047 800 (2014: R1 878 460) lower/higher, as a result of higher/lower interest expense on floating rate borrowings. The resulting taxation effect would have been R573 384 (2014: R525 969).

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 1 to 2 years R	Due in 2 to 5 years R	Due in 3 to 4 years R
Cash in current banking institutions	5,00	30 228 889	–	–	–
Fixed rate financial liabilities	10,32	–	–	140 221 753	–
Floating rate financial liabilities	5,73	24 750 000	18 208 333	90 242 222	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

35. Risk management (continued)

Credit risk

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

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

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

Financial assets exposed to credit risk are as follows:

	GROUP		COMPANY	
Financial instrument	2015 R	2014 R	2015 R	2014 R
Loans to group companies	–	–	4 149	4 149
Other financial assets	12 504 391	13 572 893	12 504 391	13 572 893
Trade and other receivables	110 430 951	75 775 645	87 268	132 375
Cash and cash equivalents	70 914 266	26 001 268	15 238 092	3 021 146

36. Going concern

Refer to the directors' report note 2.

37. Events after the reporting period

Refer to the directors' report note 3.

38. Net asset value per share and earnings per share

	COMPANY	
	2015 R	2014 R
Net asset value and tangible net asset value per share		
Total assets	1 219 489 216	1 106 812 425
Total liabilities	(374 769 517)	3
Net asset value attributable to equity holders of parent	844 719 699	747 723 722
Goodwill	(223 421 981)	(223 421 981)
Intangible assets	(10 896 692)	(14 337 752)
Deferred tax raised on intangible assets	3 051 074	4 014 571
Tangible net asset value	613 452 100	513 978 560
Shares in issue	201 224 508	189 872 979
Net asset value per share (cents)	419,79	393,80
Tangible net asset value per share (cents)	304,86	270,70
Earnings diluted earnings and headline earnings per share		
Reconciliation of basic earnings to diluted earnings and headline earnings:		
Basic profit/(loss) and diluted profit/(loss) from total operations attributable to equity holders of parent	47 161 371	(2 817 779)
Loss/(profit) on sale of non-current assets	5 425	(1 076 760)
Profit on disposal of other financial assets held for sale	–	(860 000)
Total taxation effect of adjustments	(1 519)	301 493
Headline earnings/(loss) and diluted headline earnings/(loss) attributable to equity holders of parent	47 165 277	(4 453 046)
Basic weighted average number of shares	193 050 707	188 987 697
Dilutive effect of share options	6 849 198	9 556 129
Contingent issuable shares*	–	3 747 730
Diluted weighted average number of shares	199 899 905	202 291 556
Basic earnings/(loss) per share (cents)	24,43	(1,49)
Diluted earnings/(loss) per share (cents)	23,59	(1,39)
Headline earnings/(loss) per share (cents)	24,43	(2,36)
Diluted headline earnings/(loss) per share (cents)	23,59	(2,20)

* ***2014:*** *Diluted loss per share have been adjusted for in 2014 for 3 747 730 contingent issuable shares to the sellers of Métier to provide for the contingency that the SepHold share price, based on a 60-day volume-weighted average price is below R9 and above R4 at 1 December 2014. The contingent issuable shares were calculated based on the SepHold share price at the 31 March 2014 year-end of R6,73 as required by IAS 33.*

2015: *On 1 December 2014 SepHold settled the remaining consideration owing to the sellers of Métier and issued 4 429 196 additional consideration shares during the current financial year. No diluted effect has therefore been taken into account (refer to note 25).*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

39. Segment information

	Ready-mixed concrete R	Head office R	Group totals R
2015			
Segment revenue – external revenue	775 425 242	–	775 425 242
Segment cost of sales	(434 430 692)	–	(434 430 692)
Segment expenses	(242 117 993)	(49 587 652)	(291 705 645)
Profit from equity accounted investment	–	35 924 506	35 924 506
Loss on sale of property, plant and equipment	(5 425)	–	(5 425)
Loss on contingent consideration	–	(28 501 340)	(28 501 340)
Segment profit/(loss) after taxation	64 662 471	(17 501 100)	47 161 371
Taxation	(25 861 683)	963 497	(24 898 186)
Interest received	2 126 072	41 924	2 167 996
Interest paid	(20 477 267)	(4 843 760)	(25 321 027)
Depreciation and amortisation	(30 194 125)	(3 454 043)	(33 648 168)
Segment assets	425 062 048	794 427 168	1 219 489 216
Investment in associate included in the above total segment assets	–	652 313 212	652 313 212
Capital expenditure included in segment assets	29 725 480	712 463	30 437 943
Segment liabilities	(369 976 119)	(4 793 398)	(374 769 517)

	Ready-mixed concrete R	Head office R	Group totals R
2014			
Segment revenue – external revenue	571 544 796	–	571 544 796
Segment cost of sales	(319 156 121)	–	(319 156 121)
Segment expenses	(190 867 146)	(24 314 339)	(215 181 485)
Loss from equity accounted investment	–	(14 745 655)	(14 745 655)
Profit on sale of property, plant and equipment	1 076 760	–	1 076 760
Profit on disposal of other financial assets	860 000	–	860 000
Segment profit/(loss) after taxation	41 299 405	(44 117 184)	(2 817 779)
Taxation	(17 803 973)	1 561 531	(16 242 442)
Interest received	2 429 956	263 308	2 693 264
Interest paid	(18 784 598)	(6 890 924)	(25 675 522)
Depreciation and amortisation	(24 552 280)	(5 576 891)	(30 129 171)
Segment assets	231 791 330	875 021 095	1 106 812 425
Investment in associate included in above total segment assets	–	616 388 706	616 388 706
Capital expenditure included in segment assets	36 655 641	4 051 135	40 706 776
Segment liabilities	(241 367 871)	(117 720 832)	(359 088 703)

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

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

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

SHAREHOLDERS' ANALYSIS

Sephaku Holdings Limited

Ordinary shares as at 31 March 2015

Number of ordinary shares issued:	11 351 529
Total holders:	2 286

Issued capital

Type of shares	Number of shareholders	% of shareholders	Number of shares
Certificated shares	163	7,13	29 752 527
Dematerialised shares	2 123	92,87	171 471 981
Total issued capital	2 286	100,00	201 224 508

Shareholders holding greater than 5% of the issued share capital at year-end	Number of shares	%
Truffle Asset Management	19 705 670	9,79
Safika Resources Proprietary Limited Nominees	15 580 823	7,74
Laurium Capital	14 085 259	7,00

Range of shareholdings

Share range	Number of shareholders	% of shareholders	Number of shares
1 – 1 000	578	25,28	280 470
1 001 – 10 000	1 045	45,71	4 418 968
10 001 – 50 000	393	17,19	9 541 086
50 001 – 100 000	92	4,02	6 487 836
100 001 – 500 000	108	4,72	27 019 472
500 001 – 1 000 000	27	1,18	18 612 508
1 000 001 shares and over	43	1,88	134 864 168
Total	2 286	100,00	201 224 508

Breakdown by domicile

Domicile	Number of shareholders	% of shareholders	Number of shares
Resident shareholders	2 250	98,43	183 746 260
Non-resident shareholders	36	1,57	17 478 248
Total	2 286	100,00	201 224 508

Public and non-public shareholders	Shares held	%	Number of shareholders
Public	164 583 446	81,79	2 276
Non-public	36 641 062	18,21	10
– Directors' direct holdings	10 900 002	5,42	5
– Directors' indirect holdings	14 697 326	7,30	2
– Directors' associates	340 000	0,17	1
– Directors of a subsidiary's direct holdings	10 703 734	5,32	2
	201 224 508	100,00	2 286

CORPORATE INFORMATION

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

° *Executive*
* *Independent*
# *Alternate*

Company secretary
Jennifer Bennette
Email: Jbennette@sepcem.co.za
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PO Box 7651
Centurion
0046
Website: www.sephakuholdings.com

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

JSE sponsor
Questco Proprietary Limited
Claudia Adamson
Telephone: +27 11 011 9209

Auditors
Grant Thornton
Chartered accountants (SA)
Registered auditors

Bankers
Nedbank

Métier Mixed Concrete (wholly owned subsidiary)
Physical address: Romead Business Park, 23 Malone Road, Maxmead, 3610
Postal address: Postnet Suite #546, Private Bag x4, Kloof, 3640
Telephone: +27 31 716 3600/0861 638437
Website: www.metiersa.co.za

Sephaku Cement (Associate)
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SEPHAKU
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