WG WEARNE

LIMITED IS ONE OF
SOUTH AFRICA'S
OLDEST SUPPLIERS
OF MATERIALS TO THE
BUILDING AND CONSTRUCTION INDUSTRY

WEARNE
WG WEARNE LTD

2013
ANNUAL REPORT

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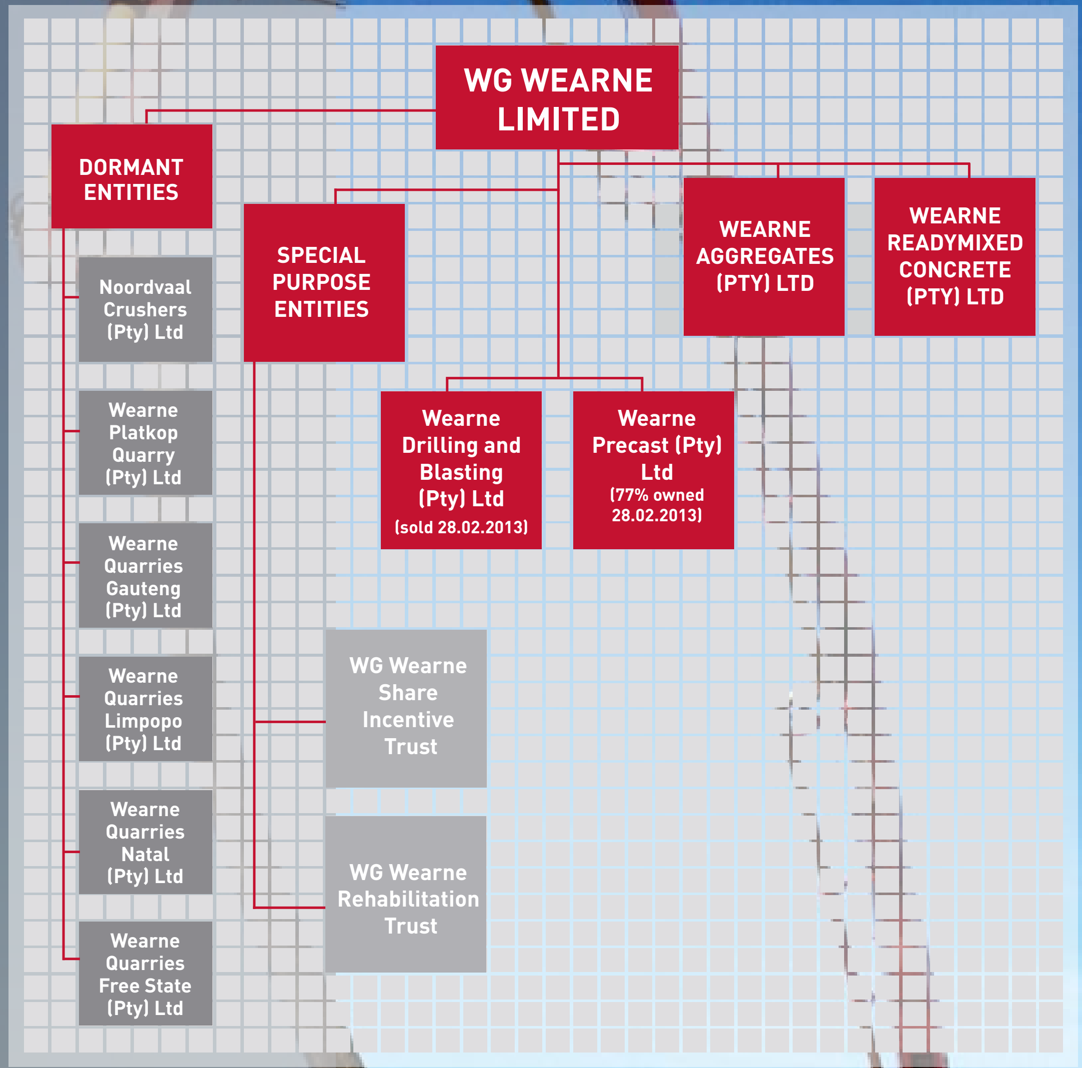
GROUP STRUCTURE



COMPANY OVERVIEW

INTRODUCTION

WHO IS WEARNE?

The Group is proudly one of South Africa's oldest suppliers of ready-mixed concrete and aggregates. Established in 1910 as a construction concern by it's founder William George Wearne, the company was initially involved in the sand and stone business in the small town of Carletonville located near Johannesburg.

The readymix division was established in the early 1970's and firmly positioned Wearne as a serious player in the industry. From there the company grew and what was once a small family owned business is now known as The Wearne Group of Companies ("the Group"), listed on the JSE-AltX and operating in many of the major metropolitan areas with a staff compliment of over 600 people.

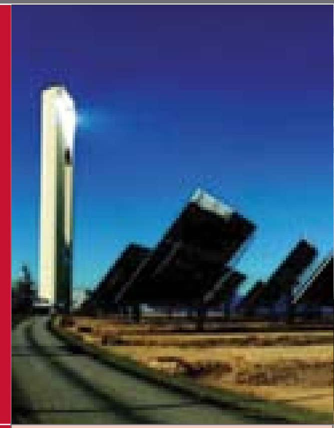
WHY WEARNE?

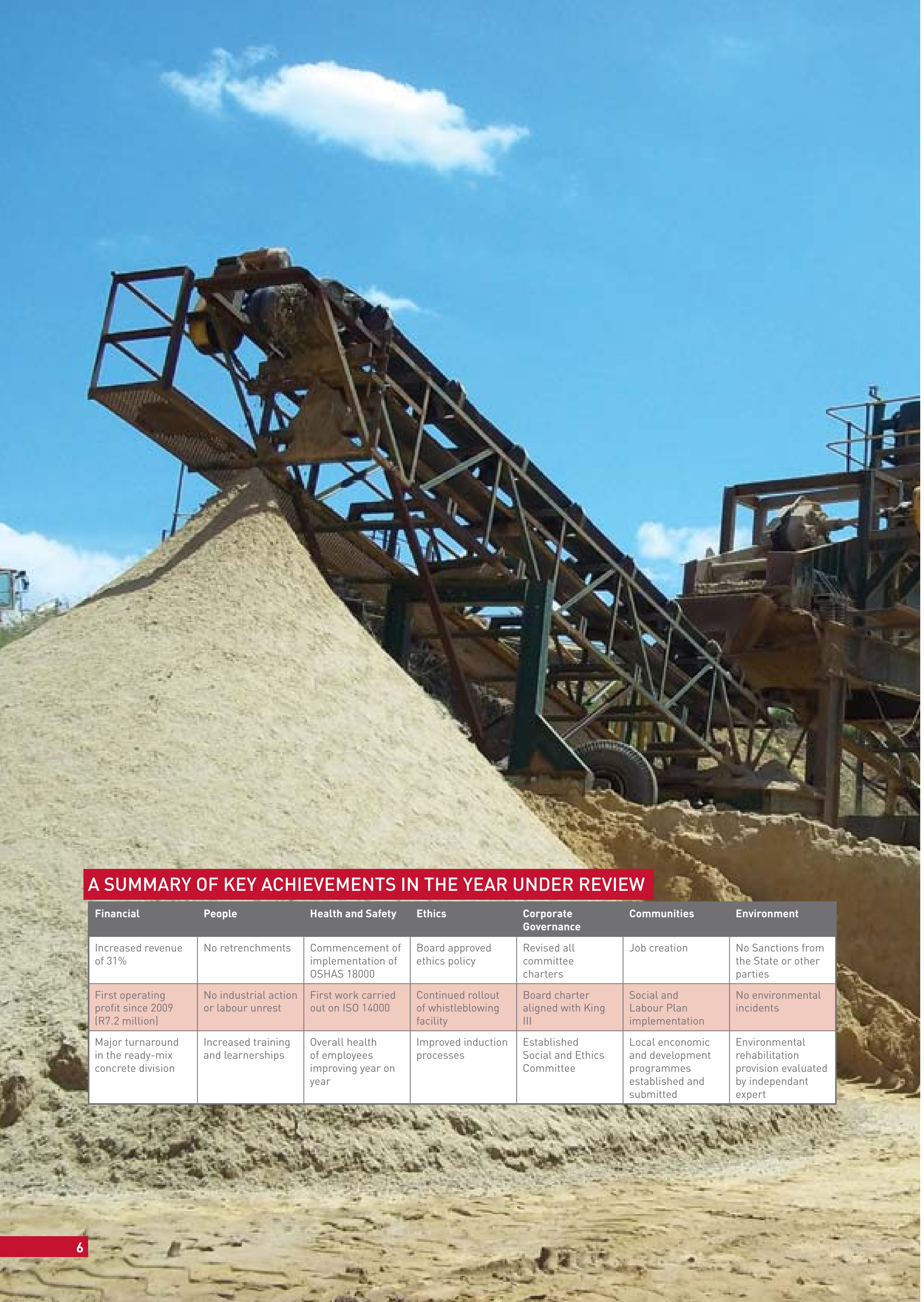
The Group's goal is to be one of the leading concrete products and aggregate suppliers in South Africa. We strive to achieve this by providing a professional service and a complete range of products to the building industry, establishing the Group as the preferred supplier in all areas in which it operates. Our products and services include aggregates, readymix concrete, precast concrete, premix as well as contract crushing and screening services.

MAIN OPERATING SEGMENTS

	Aggregates	Readymix Concrete	Precast	Contract Crushing
				
Description	We currently operate at eight quarries scattered throughout various parts of South Africa which provide for road building materials as well as all types of concrete and building aggregates.	With nine fixed and four mobile plants in almost all of our country's provinces, we are able to efficiently meet our clients' needs by catering to the housing, industrial, commercial and mining sector.	Our focus is on manufacturing precast concrete products to satisfy all storm water and sewer irrigation needs for infrastructure developments and road construction in the civil industry or any specialized products that are required. We are based in Polokwane but service the whole of the Limpopo Province.	We are able to provide mobile crushing, contract crushing and screening services to mines, civils companies, demolition contractors and construction companies throughout South Africa.
Industry compliance	The aggregates we manufacture all comply with COLTO and SANS specifications and our crushing operations are all active members of ASPASA (Aggregate and Sand Producers Association of South Africa).	As an active member of SARMA (South African Ready-Mix association) we meet the SABS 878 code of practice for the production of ready-mixed concrete, as well as the relevant SABS 1200G and SABS 0100 specifications.	All Precast products comply with SANS specifications and we have implemented an ISO9001 quality assurance plan.	With over 30 years of experience in mobile crushing and screening, we can do small or large jobs and provide all the necessary plant equipment with fully certified operators.
Products and services	• Base course materials (G1 – G3) • Sub base materials (G5 – G7) • 6.7mm stone • 9.5mm stone • 13.2mm stone • 26.5mm stone • 37.5mm stone • Dump rock • Ballast stone • Crusher sand • River sand (Decomposed Granite) • Pit / Building sand • Plaster sand • Builders Mix • UTFC (Ultra Thin Friction Course) Aggregates Gabion Stone	**Wearne Generic Concrete range:** • No fines • Screeds • Mortars (retarded and normal) • Concrete for pumping **Wearne Speciality Concrete** • Wearne Easyflow • Wearne Triblend • Wearne ColourCrete **Wearne High Performance Concrete** • High-Strength Concrete • Early-Strength Concrete • FibreCrete • High Density Concrete	• Concrete pipes • Culverts • Man holes	The most popular stone sizes our mobiles crush with ease: • Base course materials (G1-G3) • Sub Base Materials (G5-G7) • 6.7mm stone • 9.5mm stone • 13.2mm stone • 19mm stone • 26.5mm stone • 37.5mm stone For hire • 5 x jaw crushers • 5 x Cone Crushers • 6 x Aggregate Screens • 3 x VSI Crushers • and many excavators and loaders necessary to keep a plant running effectively
Benefits of using Wearne	We carry out in-house testing on our products to confirm compliance to these specifications and to study the performance character-istics of these materials.	Our strength levels range from 10-70Mpa, and are easily modified to each client's exact specifications. We are capable of producing almost any kind of concrete for any application, therefore suiting our client's exact specifications.	We use imported technology for the manufacturing of high strength quality concrete products.	Our extensive range of crushers and supporting equipment is one of our many strengths. Our depth of replacement machinery and stock will always ensure that the job continues to run smoothly, thereby enabling you to meet deadlines.
Revenue R'000 (before inter- company eliminations)	R228,646	R192,064	R10,662	R42,273
Prospects	The outlook for the aggregate business remains positive as the South African Government's planned infrastructure development starts to materialize.	A supplier agreement with a cement provider is to be concluded early in the new financial year which will result in lower cement costs and higher gross profit margins. The readymix division is expected to continue gaining market share.	Market conditions are expected to improve for the 2014 year and an upgrade has been performed on the plant to allow for new product lines.	Our mobile crushing division is expected to grow from strength to strength as we continue to service all around South Africa and even into Lesotho.

OTHER PRODUCTS AND SERVICES

	Wearne EPC	Wearne Premix	Wearne Concrete Lab services
			
Description	Wearne EPC is a Joint Venture initiative that is combining world-class engineering and construction experts for the fulfilment of the most demanding projects in Southern Africa. It is a division of the WG Wearne Group of Companies.	Wearne is available to cater to all construction needs as we supply 40kg and 1000kg bags in a variety of products.	Wearne's Central Laboratory is located in Randfontein and provides an internal service to our ready-mix plants and quarries.
Industry compliance	Our vision is to offer the optimal combination of quality and cost, customized to your requirements and project schedule. The EPC Management Team is committed to our holding company's well established and respected motto: On Spec, On site and On Time.	Wearne started producing 40kg bags of premix materials in 2007. Products comply with industry specifications and are tested by our laboratory.	A qualified concrete technologist is available to provide our customers with site consulting services related to all aspects of concrete quality control, advice regarding good concrete practice, site laboratory set up, as well as trouble shooting with remedial proposals.
Products and services	Engineering, Procurement and Construction, known as EPC in the industry, is our core business, although our field of expertise covers the entire spectrum of what is considered civil and mechanical works.	• **Building Mix:** Consists of building sand and cement. • **Concrete Mix:** Consists of river sand, cement and stone. It is used to cast foundations, concrete slabs and general maintenance. • **Plaster Mix:** Consists of plaster sand and cement. This premix is used to plaster walls and for general maintenance. • **Screed Mix:** Consists of river sand and cement. Applied as a finishing layer for concrete flooring, and is applied to create a smooth and level finish. • Building Sand Plain • River Sand Plain • Plaster Sand • Stone 13mm & 19mm	Services include: • Ongoing routine testing to ensure compliance of materials and products • Determining concrete mix proportions for special applications • Performing aggregate analyses and assessing constituent materials • Research and development testing to strive for constant improvement • Expert advice and recommendations
Benefits of using Wearne	Based in Johannesburg, Wearne EPC offers an extensive portfolio of technical capabilities and services.	Wearne Premix bags are available in well known retail outlets and a wide variety of products are available.	Our central Laboratory has recently undergone a substantial upgrade. Our new facility has produced a platform of standards, specialist equipment and procedures to enable us to offer our operations enviable facilities combined with appropriately experienced staff.
Prospects	Awarded a major contract in the 2014 financial year by Abeinsa EPC for the supply of earthworks and concrete services at the KHI Solar One power plant in Upington. Wearne EPC will also focus on securing work in the booming renewable energy sector.	Wearne Premix continues to supply major building supplier stores with our products.	The vision of our laboratory is to offer the industry assurance of compliance to strict internal quality control measures through technical support, including concrete consulting and laboratory services.



A SUMMARY OF KEY ACHIEVEMENTS IN THE YEAR UNDER REVIEW

Financial	People	Health and Safety	Ethics	Corporate Governance	Communities	Environment
Increased revenue of 31%	No retrenchments	Commencement of implementation of OSHAS 18000	Board approved ethics policy	Revised all committee charters	Job creation	No Sanctions from the State or other parties
First operating profit since 2009 (R7.2 million)	No industrial action or labour unrest	First work carried out on ISO 14000	Continued rollout of whistleblowing facility	Board charter aligned with King III	Social and Labour Plan implementation	No environmental incidents
Major turnaround in the ready-mix concrete division	Increased training and learnerships	Overall health of employees improving year on year	Improved induction processes	Established Social and Ethics Committee	Local enconomic and development programmes established and submitted	Environmental rehabilitation provision evaluated by independant expert

GEOGRAPHICAL FOOTPRINT

WEARNE AGGREGATE QUARRY LOCATIONS ACROSS SOUTH AFRICA:

WEARNE READYMIX PLANT LOCATIONS ACROSS SOUTH AFRICA:

BUSINESS MODEL OVERVIEW

FIND	SECURE	EXTRACTION	PROCESSING	MOVE	SELL
• Careful quarry planning ensures the best method of exposing the "production face"	• Gaining and maintaining our social and legal license to operate is critical to the sustainability of our business	• Drilling and Blasting • Waste rock/ tailings • Excavation	• Crushing • Screening and sorting • Washing	• We offer efficient and effective transport of all of our products	• We collaborate with customers around the country to tailor products to their specific needs

CHIEF EXECUTIVE OFFICER'S REVIEW

OVERVIEW

The 2013 financial year showed a significant improvement in the Group's fortunes as the turnaround strategies implemented in 2012 started to bear fruit. All loss making entities were either sold or shut down but the Group still struggled to return to profitability due to low gross margins achieved in the market place. The main reason for this was the continued excess capacity in the construction materials market. The economic downturn in the residential construction market as well as delays in the implementation of the South African government's infrastructure development programme resulted in tendering activity to be very competitive. This negatively affected the average selling prices achieved. The Group is however now well positioned to take advantage of the expected upswing in the construction market in 2014.

FINANCIAL PERFORMANCE

The Group is pleased to report an increase of revenue of 31% (or R94.1 million) to R400 million (2012: R305 million) for the financial year ended 28 February 2013. The largest contributor to this increase in turnover was the turnaround in the ready-mixed concrete division, where turnover increased by 62% (or R73.4 million) to R191 million (2012: R118 million). The Group's profit margins remained consistent at around 20% even though the Group's market share increased significantly.

For the first time since the 2009 financial year the Group recorded an operating profit of R7.2 million which was a noticeable improvement on the operating loss of R18.3 million from the 2012 financial year. Continuing with key management initiatives at business unit operating levels, unproductive assets were identified and sold, resulting in proceeds of R1.3 million (2012: R12.6 million). Critical plant needing improvement was also identified and R8.9 million (2012: 18.4 million) was spent on these assets resulting in increased efficiency.

The Group continued to focus on its core activities and a decision was taken to sell its interest in Wearne Drilling and Blasting Proprietary Limited. The Group's 50% interest in the Joint Venture was sold effective 28 February 2013 for R4.7 million. This resulted in a loss on the sale of business of R700 000.

The current year performance resulted in a headline loss per share of 6.15 cents (2012: 19.88 cents) and a diluted loss per share from continuing operations of 6.49 cents (2012: 21.76 cents). The net asset value per share reduced to 13.00 cents (2012: 19.33 cents).

SOLVENCY, LIQUIDITY AND GOING CONCERN

The Group incurred a total comprehensive loss for the 2013 financial year of R17.7 million (2012: R11.7 million). This highlights a going concern issue which is emphasised further by the Group's negative liquidity position, high gearing and depleted net asset value.

The Group is currently technically solvent with net asset value of R35.4 million (2012: R52.8 million). Current liabilities of R153.6 million (2012: R119.7 million) exceed current assets of R73.4 million (2012: R70 million) by R80.2 million. The Group's financiers have agreed to extend the repayment terms of long term borrowings to assist with the Group's cash management objectives. The current overdraft of R19.6 million (2012: R30.5 million) will be converted into a 2 year term loan which will assist with the Group's liquidity. In addition, the Group has undrawn loans totalling R10 million from the Industrial Development Corporation (" IDC") at 28 February 2013 which further ensures that the going concern statement is still applicable.

CASH FLOW

The Group's cash flow management remains a priority and is monitored and reviewed by management in order to ensure the Group's obligations are met when due. The Group benefits from an Invoice Discounting Facility provided by one of our financiers and continued support was given by the IDC who provided funds in the 2013 financial year. The last Section 311 payment to concurrent creditors was made in March 2013.

PROSPECTS

The Group continues to focus on key strategic areas and will continue monitoring individual business operating units at a management level. With relatively low gross margin levels at certain business units constant monitoring and early management intervention mitigates the risk of losses.

The ready-mixed concrete division showed remarkable growth during the current financial year and performance is expected to improve further. Market conditions are expected to remain competitive as there is still spare capacity in the cement industry. New entrants in the cement industry could also change the operating environment in this business. A supplier agreement with a cement provider is to be concluded early in the new financial year which will result in lower cement costs and higher gross profit margins.

The outlook for the aggregate business remains positive as the South African Government's planned infrastructure development starts to materialize. The increased demand for road building material and railway ballast that was seen towards the end of the 2013 financial year is expected to continue. The order book for aggregates indicates that revenue targets set out at the beginning of the financial year will be met.

The Concrete Manufactured Products division performed admirably in a tough environment during the 2013 financial year. The issuing of very few tenders by the Limpopo Roads Agency during the 2013 financial year still negatively affected the market for concrete pipes and culverts in the Limpopo area. Greater plant efficiencies however resulted in improved profitability on slightly lower revenue. Market conditions are expected to improve for the 2014 year and the board decided to expand the plant capacity further with an investment of R 700 000 in new product lines. The additional products lines will expand the product offering and make the business more competitive in the concrete pipe market.

Our Contracting business that has always been classified under the aggregates division received a major boost when it was awarded a R 32 million contract after the 2013 financial year end. The contract was awarded by Abeinsa EPC for the supply of earthworks and concrete services at the KHI Solar One power plant in Upington. This project will be executed in a joint venture with a Spanish engineering firm IDD Global. The Joint Venture will also focus on securing additional work in the booming renewable energy sector.

The Group continues to emphasize the importance of customer relations and an exceptionally strong focus has been placed on the constructive engagement with our customers in order to provide the highest levels of service.

The continuing market improvements mentioned above as well as further initiatives to reduce operating costs should see the Group return to profitability for the financial year ending February 2014.

SUSTAINABILITY

The Group values the importance of Sustainable Development and the Board and Executive leadership remain committed to ensure that our activities takes into account the economic, social and environmental impacts on the communities in which the Group operates. We continue to evaluate our activities against best practices, implement corrective action where necessary and make meaningful progress in benefitting the communities in which we operate.

GOVERNANCE

This annual report outlines how the Group is progressing with its journey to apply the principles set out in the King Report. The Group complies with the Companies Act No. 71 of 2008,the Listing Requirements of the JSE Limited and other relevant legislation.

DIVIDEND POLICY

In line with Group Policy, due to the losses incurred for the year under review no dividend has been declared.

APPRECIATION

We extend our gratitude to the Board and the Executive Team for their leadership and counsel during the difficult financial year to reposition the Group for growth.

A special thanks to all stakeholders including our bankers, creditors, advisers and customers for your ongoing support.

We also thank the staff, who continue to show extraordinary commitment and loyalty, who have given so much during these difficult times and will result in the Group meeting its strategic objectives in the future.

SJ Wearne

HUMAN CAPITAL

HUMAN CAPITAL PHILOSOPHY

Our people are our most valuable asset.

Our focus is to attract, train and retain the best people. We have adopted a more focussed and strategic approach to recruitment which is aligned to our Employment Equity Plan and strategic objectives.

Our focus for the 2013 financial year was to drive the measurement of our Human Capital and their role in driving performance in order to create a competent and sustainable workforce needed to deliver on our strategic intent.

We employ
626
permanent employees

Employee numbers have increased by

6.64% ▲

This growth is indicative of the status of the workforce aligned to the stabilisation of the Group. In February 2012 the Group employed 587 employees which was a decline from February 2011 of 16%.

SAFETY

The Group has an integrated Safety, Health and Environment programme which covers all operations within the Group. Our strategy focused on increased visibility and awareness. This was achieved by increasing the number of qualified SHE officers within the Group ensuring all divisions in the six provinces were represented. This has resulted in:

406 Fatality Free Days Worked

THE HEALTHCARE OF OUR PEOPLE

Initiatives Completed

- All employees receive annual medical screening by a competent occupational health nurse.
- HIV/AIDS training
- The Group provides Anti-Ret-roviral (ARV's) medication to employees who disclosed their status

10% ▲

of workforce infected with HIV which has stabilised and is below the National HIV prevalence rate of 29.6%

HEALTH & ENVIRONMENT

Focus from 2013 Financial Year

- Regular SHE Forums where all SHE issues are addressed and mitigated
- Focus on SHE through training
- No fatal incidents
- Introduction of OSHAS 18000
- Introduction of ISO 14000

Focus for 2014 Financial Year

- Official launch of OSHAS 18000 in 3rd quarter of 2013
- Official launch of ISO 14000 in 3rd quarter of 2013
- Full accreditation in 2014
- No fatal incidents for 2013
- Address lost time injuries

Our operations are audited by independent auditors

Aggregate Operations

- Audited by the Aggregates and Sand Producers Association of South Africa (ASPASA)
- All quarries achieved the required standards

Ready-Mix Operations

- Audited by South African Ready-Mix Association (SARMA)
- All operations achieved the required standards. Six of our operations were awarded Platinum status for achievements in excess of 90% compliance.

EQUIPPING OUR WORKFORCE

Training spend increased by

53% ▲

as a percentage of payroll

Employee development is strategic to the success of our Group. In the financial period under review, the Group dramatically increased training and development initiatives for HSDA employees. These included registered artisan Learnerships; financial Learnerships at NQF Levels 3 and 4; Formal coaching and mentoring; and ABET.

2.9% ▲

of our employees are on **registered learnerships** registered through the Mining Qualifications Authority. These employees also receive on-site coaching and mentoring in order to ensure successful completion and readiness for the workplace.

10.4 % ▲

Employees on ABET. This forms part of our succession model in equipping the employees to meet the entry requirements for the artisan Learnerships

TRANSFORMATION & EMPLOYMENT EQUITY

We support employee development as a key driver to transformation.

We have implemented strategies to ensure improvement through training, development and promotion of historically disadvantaged ("HDSA") employees. The transformation is linked to our Employment Equity Plan which clearly defines the Affirmative Action measures required to achieve transformation in the workplace.

17.5% ▲

Improvement year-on-year of employee participation at management level.

The Company has established a recognised consultative forum that approved a 3-year equity plan. The plan addresses the following short-term and long term measures:

- Affirmative Action Measures
- Development Initiatives, including formal mentorship programmes
- Skills Development Programmes
- Learnerships through the recognised training institutions
- Diversity Training

The Company's Employment Equity goals are to achieve an 85.3% representation of designated groups with growth in women in mining.

74%

Of workforce are HDSA

EMPLOYEE MOVEMENT

7.5%

Employees resigned in the year ending February 2013. This must be compared to 10% in the previous financial year.

NO EMPLOYEES RETRENCHED

compared to 10.9% in the previous financial year

5.6%

Employees were dismissed following a formal disciplinary enquiry (compared to 12.9% the previous financial year).

Our focus for 2014 is to ensure synergy between our employment equity plan and transformation in the workplace. In addition to the legislative forums, the Group will establish a transformation committee with representatives from all sectors of the business.

BROAD BASED BEE

As stated in the 2012 audited financials, the Group developed a formal BEE strategy aligned to the needs of the business. Our objective was to achieve a Level 4 BEE rating through a SANAS approved agency. The following table represents the improvement in our BEE audit which was conducted in November 2012.

Element	Target	Achieved in 2012 Fin Year	Achieved in 2013 Fin Year
Ownership	25 Points	16.65	22.35
Management	10 Points	10	2.84
Employment Equity	10 Points	2.7	4.33
Skills Development	15 Points	0	8.97
Preferential Procurement	20 Points	9.36	18.15
Enterprise Development	15 Points	14.22	11.54
Socio-Development	5 Points	5	5
Total	**100 Points**	**57.93**	**73.18**
BEE RECOGNITION LEVEL		**Level 5**	**Level 4**

Transformation as a percentage of Mining Charter HSDA Targets:

- 125% at Board Level
- 28% at Top Management
- 33% at Senior Management
- 88% at Middle Management
- 147% at Junior Management
- 245% at core skills Level

Broad Based Black Economic Empowerment

Level 4 ▲

(100% BEE Compliant)

Black Ownership

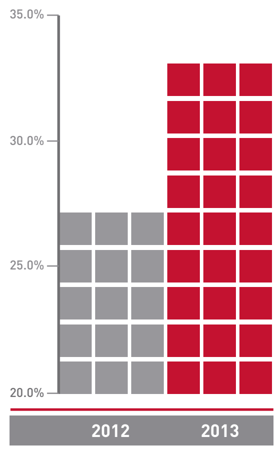
Black Ownership up from

27.49%

to

32.66%

Ownership %



We exceeded the CSI targets within the BEE Construction Charter. We continued to support the Diepsloot Community project

STAKEHOLDER COMMUNICATION

UNION Representation

We support the rights of employees regarding representation. There are two majority unions based on their regional locations. NUM have organisational rights assigned, based on its majority in Polokwane and Tzaneen, while SATAWU has the majority in Gauteng, having representation at the main quarries and ready-mix plants.

50%

of workforce is unionised

A 2-year substantive wage agreement was signed in April 2012.

Negotiations regarding the renewal of this agreement are scheduled for the last quarter of 2013 effective 1 April 2014.

Focus from 2013 Financial Year	Focus for 2014 Financial Year
• No Industrial Action • Regular stakeholder meetings at operational and Group level • Disputes addressed through transparent dialogue	• No industrial action • Continued stakeholder engagement • Successful and transparent wage negotiations • 3-year substantive wage agreement effective 1 April 2014

SOCIAL CAPITAL

SOCIAL CAPITAL AND THE COMMUNITY

The Group is committed to assist Government in its objectives, namely, to develop and implement a comprehensive Local Economic and Development (LED) program that will incorporate the local community and promote sustainable development.

We have partnered with four other companies in the development of this project under the company name of Group 4.

The objectives is to assist the local community to develop a project under the guidance and mentorship of an established company. The Group in conjunction with the consortium, will direct the project and guide the local employees in the following:

- Entrepreneurship
- Basic principles to business skills
- Finance skills
- Supervisory and Management Skills
- Customer Service
- Develop a sense of pride under employees working on the project as well as the local community.
- Empower the local community to take ownership of the project.
- Advance social and economic welfare of HDSA and eradicate poverty.
- Reaffirming Group 4's commitment to guarantee security of tenure in respect of its mining operations.
- Sustainable development
- Develop portable skills

Focus from 2013 Financial Year

- Three Social and Labour Plans ("SLP") revised, updated and resubmitted.
- All SLP's submitted approved
- LED Project consortium established for Gauteng
- LED Project plan approved for Bethlehem

Focus for 2014 Financial Year

- All SLP's revised, updated and submitted for approval
- LED projects launched and metrics communicated
- Minimum of 100% compliance toward SLP targets.

TRANSPARENCY & ACCOUNTABILITY

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

John Wearne (43)
Chief Executive Officer
B Rek (Stell), Hons B Compt

John joined the Group as Financial Manager in 1998, was appointed as Financial Director in 2000 and then as CEO in 2003. He resigned as CEO in November 2010 and was re-appointed with effect from 29 February 2012.

Marius Bierman (43)
Chief Financial Officer
B Comm (UJ), B Comm Hons, CA (SA), MBA (Potchefstroom)

Marius completed his articles at the now-named PriceWaterhouseCoopers Inc and has been employed since then in various financial roles by a number of listed companies.

NON-EXECUTIVE INDEPENDANT DIRECTORS

Mitesh Patel (39)
Chairman
B Acc (Wits), CA (SA)

Mitesh is currently the Managing Partner at Nkonki Inc, one of the leading black firms of chartered accountants, and also serves on the boards of various other listed companies.

Matsobane Khwinana (48)
B Comm Hons (Unisa)

Matsobane served articles at Deloitte and Touche in Johannesburg. As part of his career development, Matsobane has attended various courses in Private Equity and Venture Capital. He currently works for the Industrial Development Corporation of South Africa Limited (IDC) in the Workout and Restructuring Department where he is responsible for managing a portfolio of IDC clients that are in distress.

Mfanyana Salanje (51)
B Comm (Transkei), Hons B Compt, MBA (Natal), CA (SA), ACMA (UK), HDip Tax Law

Mfanyana is an independent financial consultant, offering services through Mfanyana Financial Solutions CC. Previously he was Group Financial Director at Thebe Investment Corporation, Chief Financial Officer at the State Information Technology Agency, Audit Partner at Ernst & Young and SizweNtsalubaGobodo, and Financial General Manager at Transnet. He is presently an independent non-executive director of Merafe Resources Limited and the Passenger Rail Agency of South Africa, and member of the Audit & Risk Committee of ThebeMed.

Wessel van der Merwe (43)
B Comm (UJ), B Comm Hons, CA (SA),

Wessel has been involved with Wearne since its initial listing and brings a wealth of experience and knowledge to the Board. He has served as a member of the AltX Advisory Committee since 2007 and previously headed a corporate advisory business for more than 14 years. His directorships include Alert Steel Ltd, Imbalie Beauty Limited and Taste Holdings Ltd.

GOVERNANCE

Our Board subscribes to the highest standards of corporate governance. Its main objective is to provide responsible, effective leadership and direction aimed at ensuring that the Group's strategies deliver sustained economic, social and environmental performance. To ensure that we consistently practise effective corporate governance throughout the Group our Board applies the principles of King III.

OUR APPROACH TO GOVERNANCE

We are committed to transparency and accountability, which is essential if our Group is to thrive and succeed in the short, medium and long term. We understand that a sound and robust approach to corporate governance standards throughout our business requires a focus on performance as well as compliance.

APPLICATION OF KING III

The JSE has included certain aspects of South Africa's King III Report on Corporate Governance ("King III") in its Listings Requirements. The Board has adopted the recommendations on good corporate governance contained in the King III Report, as well as the King Code of Governance Principles for South Africa. The King III principles and recommendations have been implemented across WG Wearne Limited and it's subsidiaries ("the Group"). A full report of our compliance with each of the King III principles is available on the Group's website, www.wearne.co.za.

MEMORANDUM OF INCORPORATION

On 1 May 2011, South Africa's Companies Act No 71 of 2008 (as amended) ("the Act") came into force – replacing the Companies Act No 61 of 1973. Although already compliant with most of the terms of the Act prior to it coming into force, during 2012 we took additional actions to ensure full conformance with the Act and the amended JSE Listings Requirements, including implementation of our new Memorandum of Incorporation ("MOI")(which replaces our previous Articles of Association). These were approved at our Annual General Meeting ("AGM") on Wednesday, 19 September 2012. We are in the process of ensuring all the MOI's of our subsidiary companies are similarly aligned.

BOARD OF DIRECTORS

The Board is the highest governing authority of the Group. The Board Charter articulates the objectives and responsibilities of the Board (see below). Likewise, each of the Board Sub-Committees operates in accordance with written terms of reference, which are regularly reviewed by the Board. The Board takes ultimate responsibility for the Group's adherence to sound corporate governance standards and sees to it that all business decisions and judgements are made with reasonable care, skill and diligence. Non-Executive Directors are expected to contribute an unfettered and independent view on matters considered by the Board. All Directors have the requisite knowledge and experience required to properly execute their duties, and all participate actively in Board meetings.

In terms of the MOI, the number of Directors shall not be less than 4. At the date of issuing the annual report the Board comprised 6 Directors, of whom only two are Executive Directors and 4 Non-Executive Directors, all of whom are independent. Advised by the Remuneration and Nominations Committee, the Board ensures that the election of independent Directors falls on reputable persons of well-known competence and experience, who are willing to devote a sufficient part of their time to the Group.

Details of the Directors in office as on 28 February 2013 appear on page 23 of this report.

The roles of the Chairman of the Board and the Chief Executive Officer ("CEO") are kept separate. There is a clear division of responsibilities on the Board which forms part of the policy to ensure a balance of power.

In 2012, there was a single change to the composition of the Board. Mr MC Khwinana was appointed as a director on 5 September 2012.

No director has been appointed for a specified period. Non-Executive Directors are however subject to retirement by rotation and one third of the Non-Executive Directors are expected to retire and, if eligible and willing, make themselves available for re-election by shareholders at the AGM. In addition, all Directors appointed following the conclusion of the previous AGM have to offer themselves for election by shareholders. In terms of this policy, the Directors retiring by rotation at the forthcoming AGM are Messrs MC Khwinana and GM Salanje.

The Board reviewed the previously approved Board Charter to align it to the recommendation of King III. The Board Charter compels Directors to promote the vision of the Group, while upholding sound principles of corporate governance. The Board Charter sets out the primary functions of the Board as being to:

- retain full and effective control of the group;
- review and approve corporate strategy;
- approve and oversee major capital expenditure, acquisitions and disposals;
- review and approve annual budgets and business plans;
- monitor operational performance and management;
- determine the Group's purpose and values;
- ensure that the Group complies with sound codes of business behaviour;
- ensure that appropriate control systems are in place for the proper management of risk, financial control and compliance with all laws and regulations;
- appoint the Chief Executive Officer and ensure proper succession planning for executive management;
- regularly identify and monitor key risk areas and the management thereof; and
- to oversee the Group's disclosure and communication process.

The Board's governance procedures and processes are continuously being reviewed and a number of specific policies have been adopted by the Board, expanding on the content of the Board charter in the following areas:

- communication on behalf of the Group and the Board;
- conflict of interest;
- access to independent professional advice;
- whistleblowing policy;
- trading in Company shares;
- a policy dealing with conflicts of interests has been adopted and a register of Directors' declarations of interest is retained.

An orientation and induction programme for Directors is in place. Directors have unrestricted access to Company information and records. In addition, all new appointees are required to attend the four-day Altx Directors' Induction Programme run by the Wits Business School and endorsed by the Institute of Directors. The programme covers pertinent aspects of company law, stock exchange regulations, the roles, responsibilities and liabilities of Directors, basic techniques of financial analysis and the importance of investor and media relations. All of the Group's current Directors have completed the Altx Directors' Induction Programme.

he Board is required to meet at least four times a year. During 2012, it convened five times. Quarterly Board meetings have been included in the Board's annual calendar. In addition to the above, the Board reviewed the previously approved governance work plan to ensure that the Board discharged its duties in a structured manner and that all governance issues are considered and appropriately dealt with in an annual cycle.

Summary of attendance table of Board meetings during the financial year ended 28 February 2013

Member	30/05/2012	21/06/2012	31/07/2012	30/10/2012	01/02/2013
JJ Bierman	P	P	P	P	P
MC Khwinana	N/A	N/A	N/A	P	P
MM Patel	P	P	P	P	P
RC Ramushu	P	A	∞	∞	∞
GM Salanje	P	A	A	P	P
WP van der Merwe	P	P	P	P	P
SJ Wearne	P	P	P	P	P

Key:

A – Apology N/A – Not applicable

P – Present ∞ - Passed away on 23 June 2013

In compliance with the JSE Listings Requirements, a representative of Exchange Sponsors (2008) Proprietary Limited, the Group's Designated Adviser, attends all Board and Audit Committee meetings.

Executive Directors' service contracts may be terminated on three months' notice. The daily management of the Group's affairs is the responsibility of the CEO. In addition to the annual work plan, an approvals framework is also in place, setting out the respective responsibilities and levels of authority of the Board and executive management. The Board is kept informed of all developments at the Group, primarily through the Executive Directors and the Company Secretary.

COMPANY SECRETARY

Our Company Secretary is responsible for administering the proceedings and affairs of the directorate, the Group and, where appropriate, owners of securities in the Group, in accordance with the relevant laws. The Company Secretary is available to assist all our directors with advice on their responsibilities, their professional development and any other relevant assistance they may require. Our Non-Executive Directors can, if necessary, obtain independent professional advice at the Group's expense.

iThemba Governance and Statutory Solutions Proprietary Limited, represented by Ms Elize Greeff (B.Iur. LLB) is the Company Secretary. Ms Greeff has nearly 18 years' experience as a Company Secretary and corporate lawyer and is actively involved in assisting the Board in its governance initiatives.

The Board has assessed the competence, qualifications and experience of the Company Secretary, as required in terms of Section 3.84 (i) of the JSE Listings Requirements and has agreed that she is sufficiently qualified, competent and experienced to hold her position as Company Secretary.

The Company Secretary fulfils no executive management function and is not a Director. Therefore, the Board is satisfied that the Company Secretary maintained an arm's length relationship with the executive team, the Board and individual Directors in terms of Section 3.84(i) of the JSE Listings Requirements.

Contact details of the Company Secretary are disclosed on page 106.

ROTATION AND RETIREMENT FROM THE BOARD

In accordance with the MOI, one-third of the Non-Executive Directors shall retire from office at each AGM and their re-appointment is subject to shareholders' approval. All Non-Executive Directors are subject to retirement and re-election by shareholders every second year. In addition, all Directors are subject to election by shareholders at the first opportunity after their initial appointments. The Board, assisted by the Remuneration and Nominations Committee, recommends the eligibility of retiring Directors (subject to availability and their contribution to the business) for re-appointment. The Directors retiring by rotation at the forthcoming AGM are Messrs MC Khwinana and GM Salanje.

REMUNERATION

Details of Directors' fees and remuneration are fully disclosed in note 37 to the financial statements. In addition, the proposed fees to be paid to Non-Executive Directors for approval by shareholders by way of a special resolution are set out in the notice of the AGM forming part of this report. Non-Executive Directors only receive remuneration that is due to them as members of the Board. Directors serving as members on Board sub-Committees receive additional remuneration. Remuneration of Executive Directors in their capacities as executive members of the management team as approved by the Remuneration and Nominations Committee is fully disclosed in note 37 to the financial statements.

MONITORING OF PERFORMANCE

The Chairman is appointed on an annual basis by the Board, with the assistance of the Remuneration and Nominations Committee. The Nominating and Governance Committee assesses the independence of Non-Executive Directors annually.

In 2013 a detailed self-assessment of the performance of the Board and its Committees was conducted in line with the latest recommendations by King III and the results thereof were considered in order to identify areas for improvement. The assessments found the structures and processes governing the Board and its Committees were well established and functioning satisfactorily. It also found that the Board had fulfilled its role and responsibilities and had discharged its responsibility to the Group, shareholders and other stakeholders in an exemplary manner.

ENGAGING WITH OUR STAKEHOLDERS

Stakeholder engagement is one of our key material issues. The Board is responsible for communicating effectively with our shareholders and has made the CEO responsible for regularly engaging with our shareholders and potential shareholders.

In addition, specific engagement forums have been established under the leadership of the CEO to ensure that other stakeholders, such as our employees and the communities in which we operate, have a platform to raise their concerns and have meaningful discussions with management.

BOARD COMMITTEES

The Board has established a number of standing Committees with delegated authority from the Board. Each Committee has agreed terms of reference as approved by the Board that addresses issues such as composition, duties, responsibilities and scope of authority.

Although the Board delegates certain functions to these Committees, it retains ultimate responsibility for their activities. The Committee members are all independent, Non-Executive Directors and the CEO and CFO are permanent invitees to each Committee meeting. Each Board Committee is chaired by a Non-Executive Director.

Committees operate in accordance with Board approved terms of reference, as well as annual work plans, which are reviewed and updated on a regular basis to align them further with best practice. The Board appoints the Chairman and the members of these Committees. In addition, the Committees are required to evaluate their effectiveness and performance on an annual basis and to report the respective findings to the Board for consideration. The Board has an Audit, Risk, Remuneration and Nomination Committee as well as a Social and Ethics Committee. All these Committees operate under Board approved terms of reference.

EXECUTIVE COMMITTEE ("EXCO")

The EXCO comprises the Group's Executive Directors, together with managers of business units. It is responsible for the daily running of the Group and regularly reviews current operations in detail, and develops strategy and policy proposals for submission to the Board.

The CEO liaises on a regular basis with the CFO and other Directors, with regard to matters concerning the daily running of the Group to be raised at EXCO meetings.

AUDIT COMMITTEE

The Committee consisted of three Non-Executive Directors throughout the financial year and membership and attendance at meetings is set out on page 29. Following the appointment of Mr MM Patel as Chairman of the Board, he stepped down from the Audit Committee on 14 June 2012 and attends these meetings by invitation only. Mr GM Salanje was appointed Chairman of the audit committee on this date. Mr WP van der Merwe was appointed as a member to the Audit Committee effective from 30 May 2012. Following the untimely death of Ms RC Ramushu (a former member of the Audit Committee) and in compliance with the provisions of the Act, Mr MC Khwinana was appointed to the Audit Committee on 30 October 2012. At the time of publishing the annual report, the composition of the Audit Committee was as follows:

Mr GM Salanje (Chairman)
Mr MC Khwinana
Mr WP van der Merwe

The relevant resolution for the appointment of the Audit Committee as required by the Act is set out in the notice of the AGM as contained in this report. The Board is satisfied that the members as proposed for approval by shareholders meet the definition of Non-Executive Directors, acting independently, as defined in the Act.

The Audit Committee has updated, formal Board approved terms of reference. The Board is satisfied that the Committee has complied with these terms and with its legal and regulatory responsibilities as set out in the Act, King III and the JSE Listings Requirements. The terms of reference for the Audit Committee intend to ensure compliance with both governance recommendations and statutory requirements.

The Board believes that the members collectively possess the knowledge and experience to exercise oversight of the Group's financial management, internal and external auditors, the quality of the Group's financial controls, the preparation and evaluation of the Group's financial statements and financial reporting. The Board has established and maintains internal controls and procedures, which are reviewed on a regular basis. These are designed to manage the risk of business failures and to provide reasonable assurance against such failures but this is not a guarantee that such risks are eliminated.

It is the duty of this Committee, among other things, to monitor and review:

- Audit findings, audit reports and the appointment of external auditors, their independence, objectivity and effectiveness, and the supply of non-audit services by them;
- Reports of external auditors;
- Evaluation of the performance of the Chief Financial Officer;
- The adequacy and effectiveness of the Group's enterprise-wide risk management policies, processes and mitigating strategies;
- The governance of information technology (IT) and the effectiveness of the Group's information systems;
- Quarterly and annual financial and operational reports, the annual financial statements and all other widely distributed documents;
- Accounting policies of the Group;
- Compliance with applicable legislation, requirements of appropriate regulatory authorities;
- The integrity of the annual report (by ensuring that its content is reliable and recommending it to the Board for approval); and
- undertaking the prescribed functions (in terms of section 94(7) of the Companies Act No. 71 of 2008 (Act 71 of 2008)) on behalf of the Company and all subsidiary companies.

The Committee is responsible for facilitating the relationship with the external auditors and for monitoring the non-audit services provided by the external auditors. The external auditors have direct access to the Chairman of the Committee and attend all meetings of the Committee ensuring that auditors are able to maintain their independence. The Chairman of the Committee is expected to attend the AGM in order to answer any questions that shareholders may have relevant to the Committee's areas of responsibility. The Committee is responsible for recommending the appointment of a firm of external auditors to the Board, who in turn will recommend the appointment to the shareholders. The Audit Committee is satisfied that the audit partner observed the highest level of business and professional ethics and independence. Rotation of the engagement partner responsible for the external audit happens every five years. The Audit Committee also considered and satisfied itself that the Group's external auditors are registered on the JSE register of auditors as contemplated in paragraph 3.86 of the JSE Listing Requirements. Pre-approved non-audit related services do not exceed 10% of the total Group audit fee agreed by the Audit Committee for the financial year in question.

The Chairman of the Audit Committee is present at the AGM of the shareholders, to answer questions on the Audit Committee's activities and matters within the scope of the Audit Committee's responsibilities. The external auditors also attend the AGM of shareholders. The Committee is also responsible for determining that the designated appointee has the necessary experience, qualifications and skills and that the audit fee is adequate.

The Committee has, in addition to its other duties, also satisfied itself as to the appropriateness of the experience and expertise of the Financial Director as required in terms of the JSE Listings Requirements.

The Board is satisfied that the Committee has been equipped to properly fulfil its duties going forward.

The Statutory Report of the Committee as required by the Act can be found on page 44 of the annual report.

Summary attendance table of members at the Audit Committee meetings during the financial year ended 28 February 2013

Member	30/05/2012	14/06/2012	27/07/2012	22/10/2012	21/02/2013
MC Khwinana	N/A	N/A	N/A	N/A	P
MM Patel	P	I	A	A	A
GM Salanje	P	P	P	P	P
RC Ramushu	P	A	∞	∞	∞
W P van der Merwe	N/A	N/A	P	P	P

Key:
A – Apology
I – By invitation
N/A – Not applicable
P – Present
∞ - Passed away on 23 June 2013

RISK COMMITTEE

The main purpose of the Risk Committee is to assist the Board in ensuring that management has implemented an effective risk management process that identifies and monitors the management process that identifies and monitors the management of the key risks facing the Group in an integrated and timely manner.

Mr WP van der Merwe was appointed to the Committee on 30 May 2012.

At the time of publishing the annual report, the composition of the Risk Committee was as follows:

Mr GM Salanje (Chairman)
Mr WP van der Merwe
Mr SJ Wearne

Summary attendance table of members at the Risk Committee meetings during the financial year ended 28 February 2013

Member	22/10/2012	24/01/2013
GM Salanje	P	P
WP van der Merwe	P	P
SJ Wearne	P	P

Key:
P – Present

SOCIAL AND ETHICS COMMITTEE

The recently established Social and Ethics Committee saw its first full year of operation over 2012 and was subject to an annual work plan to ensure it met all of its statutory requirements.

It is the responsibility of this Committee, to ensure, among other things, that:

- the Group discharges its statutory duties in respect of section 72 of the Act dealing with the structure and composition of Board Sub-Committees;
- the Group upholds the goals of the Organisation of Economic Co-operation and Development (OECD) recommendations regarding corruption;
- the Group complies with the Employment Equity Act (as amended) and the Broad Based Black Economic Empowerment Act (as amended);
- the Group's Directors and staff comply with the Group's Code of Ethics;
- the Group practices labour and employment policies that comply with the terms of the International Labour Organization (ILO) protocol on decent work and working conditions;
- the Group ensures the continued training and skills development of its employees; and
- the Group performs its responsibilities in respect of social and ethics matters in line with relevant policies and that these policies are reviewed on an annual basis, or as required.

At the time of publishing the annual report, the composition of the Social and Ethics Committee was as follows:

Mr WP van der Merwe (Chairman)
Mr JJ Bierman
Mr SJ Wearne

Summary attendance table of members at the Social and Ethics Committee meetings during the financial year ended 28 February 2013

Member	30/05/2012	23/11/2012	01/02/2013
M Bierman	P	P	P
W Van der Merwe	P	P	P
SJ Wearne	P	A	A

Key:
A - Apology
P – Present

REMUNERATION PHILOSOPHY, STRATEGY AND POLICY

Disclosure of remuneration

Details of Directors' fees and remuneration are fully disclosed in note 37 to the financial statements. In addition, the proposed fees to be paid to Non-Executive Directors for approval by shareholders by way of a special resolution are set out in the notice of the AGM forming part of this report. Non-Executive Directors only receive remuneration that is due to them as members of the Board. Directors serving as members on Board sub-Committees receive additional remuneration. Remuneration of Executive Directors in their capacities as executive members of the management team as approved by the Remuneration and Nominations Committee is fully disclosed in note 37 to the financial statements. Executive directors do not receive Board fees in addition to their remuneration packages.

Our Remuneration and Nomination Committee meets half-yearly and its mandate includes:

- ensuring alignment of the remuneration strategy and policy with the Group's business strategy, desired culture, shareholders' interests and commercial well-being;
- determining remuneration packages needed to attract, retain and motivate high performing executives without paying more than is necessary for this purpose;
- ensuring that remuneration levels relative to other comparable companies are pitched at the desired level taking relative performance into account;
- ensuring adequacy of retirement and healthcare funding for senior executives;
- communicating remuneration policies and strategic goals and objectives to all stakeholders; and
- identifying candidates and making recommendations for the appointment of directors.

The remuneration and nomination committee reviews its terms of reference annually. In discharging its responsibilities the committee consults with the company secretary and draws extensively on external surveys, independent outside advice and information.

Remuneration philosophy, strategy and policy

Using a consultative process our remuneration policy and approach, retention policy and incentive schemes were aligned with our business objectives. Our primary remuneration philosophy is to employ and retain high-calibre, high- performing individuals who subscribe to our shared values and the culture of our Company. Our key aim is to motivate our employees and align their behaviour with our business objectives and our shared values.

Retention policy

Our retention policy provides mechanisms that allow us to identify the type of potential employees we need to attract in terms of the skills we require and the type of employees we need to retain. The policy assists us in proactively identifying retention risks at supervisory level and above and ensuring that critical resources are remunerated at market levels.

SOCIAL AND ETHICS COMMITTEE REPORT

Wearne's Social and Ethics Committee was established in 2012 in accordance with the requirements of the Companies Act No. 71, 2008 (the Act), Section 72 (4) and Regulation 43 (2).

The Social and Ethics Committee of a company is entitled to the rights laid out in Section 72(8) of the Act and carries the responsibilities described in the Companies Act Regulations.

The committee is chaired by Wessel Van Der Merwe, a Non-Executive Director, and consists of two other Executive Directors.

A summary of its membership, the meetings held during the year under review as well as attendance at these meetings is reported on page 30 of our annual report.

The committee has an independent role and is governed by formal terms of reference which will be reviewed annually by the Board. The committee assists the Board in monitoring the Group's activities in terms of legislation, regulation and codes of best practice relating to:

- ethics
- stakeholder engagement, including employees, customers, communities and the environment
- strategic empowerment and compliance with transformation codes

and is responsible for:

- monitoring the Group's activities relating to social and economic development, good corporate citizenship, the environment, and health and public safety
- ensuring appropriate short- and long- term targets are set by management
- monitoring progress on strategic empowerment and performance against targets
- monitoring changes in the application and interpretation of empowerment charters and codes
- monitoring functions required in terms of the Companies Act and its regulations.

The members of the committee believe that the Group is substantively addressing the issues it is required to monitor in terms of the Companies Act.

Wessel Van Der Merwe
Chairman

ETHICS AND HUMAN RIGHTS

We believe in ethical business conduct and have a zero tolerance approach to corrupt behaviour and any behaviour that may compromise human rights.

We require our directors and employees, including our contractors and consultants, to apply the highest ethical standards when conducting business on behalf of the Group. We have a Code of Ethics in place and a whistleblowing facility. Members of our workforce and our suppliers are encouraged to report any suspicions they may have of irregularities. Anyone using our whistleblowing facility is guaranteed anonymity. We investigate cases reported on our whistleblowing facility and take corrective action if it is required. Since the inception of this facility in 2012, 2 cases have been reported. These cases are reported on to the Risk Committee and the Social and Ethics Committee.

The Board approved our ethics policy, based on international best practice, during 2012.

To help us establish a culture of ethical behaviour and a respect for human rights, the induction process at our operations includes training in human rights and ethics. We also have the necessary grievance and corrective action procedures in place to ensure that any corrupt behaviour or behaviour that may compromise human rights that we become aware of, is dealt with accordingly.

CODE OF ETHICS

Our Code of Ethics explains that we do not tolerate acts of bribery or fraud by our employees, contractors, suppliers, joint venture partners and other business partners. We take immediate action (which may include dismissal and legal action) against any organisation or person committing bribery or fraud and have systems in place to prevent these misdemeanours. We are also committed to fair trade and purchasing in an ethical manner.

HUMAN RIGHTS

We are committed to upholding the UN Universal Declaration of Human Rights and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and complying with all relevant South African legislation.

We are committed to the elimination of all forms of forced or compulsory labour and prohibit any form of child labour in our operations.

RISK MANAGEMENT

Risk is inherent in everything the Group does. Our aim is to achieve best practice in controlling all the risks to which the Group is exposed. We will achieve this by identifying our priority exposures, addressing these, incorporating appropriate risk management strategies, risk improvements and contingency planning into our business, monitoring and reviewing on-going risk to account for changes in our operations and to enable us to make well-informed decisions on risk controls.

RISK MANAGEMENT STRUCTURE AND RESPONSIBILITIES

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

All employees are responsible for managing risk within their span of control, for promoting the application of risk management by contractors, and assisting with the identification of global or broadly based risks that could impact on the Group as a whole.

Business Unit managers are responsible for overseeing the Business Unit Risk Management Program and endorsing risk mitigation strategies and action plans.

A Risk Management Steering Committee has been established by the Board of Directors and is responsible for:

- Co-ordinating the regular formal updating of Business Unit and corporate Risk Registers and Risk Treatment Action Plans and compiling into a master set;
- Maintaining corporate risk and risk control information;
- Ensuring that all relevant risk areas are considered including those emanating from the services of external providers and contractors;
- Analysis and reporting to the Group's Executive;
- Ensuring appropriate linkages to the Group's business and corporate planning processes, and where necessary, to budget processes.

The Risk Management function is one directed by the Board, facilitated by the Risk Management Steering Committee and carried out by every manager in each area as a core activity.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group has exposure to the following risks:

Risk Category	Risk Description	Response to Risk
CREDIT RISK	Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.	Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, who represents the maximum open amount; these limits are reviewed on an ad hoc. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a cash-on-delivery basis.
LIQUIDITY RISK	Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.	The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.
MARKET RISK	Market risk is the risk that changes in market prices, such as interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments.	The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group incurs financial liabilities in order to manage market risks.
OPERATIONAL RISK	Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.	The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas: • requirements for appropriate segregation of duties, including the independent authorisation of transactions • requirements for the reconciliation and monitoring of transactions • compliance with regulatory and other legal requirements • documentation of controls and procedures • requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified requirements for the reporting of operational losses and proposed remedial action • development of contingency plans • training and professional development • ethical and business standards • risk mitigation, including insurance where this is effective.
LEGAL RISK	Legal risk arises where: • the Group's businesses or functions may not be conducted in accordance with applicable laws in the countries in which it operates; • incorrect application of regulatory requirements takes place; • the Group may be liable for damages to third parties; and • contractual obligations may be enforced against the Group in an adverse way, resulting from legal proceedings being instituted against it.	Although the Group has processes and controls in place to manage its legal risk, failure to manage risks effectively could result in legal proceedings impacting the Group adversely, both financially and reputational.

Risk Category	Risk Description	Response to Risk
ENVIRONMENTAL RISK		Environmental risk falls within the Group sustainability management programme, which aims to create a consistent approach to environmental and social risk management within the Group's operations. Environmental risk is governed by the safety, health and environmental risk oversight committee which comprise executive representation from various divisions across the Group. Group sustainability management sets the strategic direction, oversees implementation and reviews and assesses performance and compliance. Raising awareness and training will be an on-going element of managing environmental risk and identifying opportunities and business solutions to environmental and social concerns.
OCCUPATIONAL HEALTH AND SAFETY		The health and safety of employees, customers and other stakeholders is a priority and the Group aims to identify and reduce the potential for accidents or injuries in all its operations. Training of health and safety officers and staff awareness is an on-going endeavour. Standards that support uniform health and safety requirements across all Group operations are being developed. The focus on health and safety is closely linked to employee wellbeing and the Group's efforts to attract, retain and develop skilled and talented employees.
COMPLIANCE RISK	Compliance risk is the risk of legal or regulatory sanctions, financial loss or loss to reputation that the Group may suffer as a result of its failure to comply with all laws, regulations, codes of conduct and standards of good practice applicable to its financial services activities.	The Group's approach to managing compliance risk is proactive and premised on internationally-accepted principles of risk management. It is also aligned with other Group risk type methodologies. Staff are made aware of their responsibilities in terms of current and emerging legislative and regulatory requirements and developments through induction programmes and on-going training and awareness initiatives. A programme has also been put in place to enhance senior executives' awareness of their roles and responsibilities with regard to regulatory expectations.
BUSINESS RISK	Business risk relates to the potential revenue shortfall compared to the cost base due to strategic and/or reputational reasons. The Group's ability to generate revenue is impacted by, among others, the external macroeconomic environment, its chosen strategy and its reputation in the markets in which it operates.	Business risk is governed by the Group's executive committee which is ultimately responsible for managing the costs and revenues of the Group. In addition, mitigation of business risk is undertaken in a number of ways including: comprehensive due diligence during the investment appraisal process (in particular new acquisitions); stakeholder engagement to ensure positive outcomes from external factors beyond the Group's control; consistently monitoring the profitability of product lines and customer segments; maintaining tight control over the cost base of the Group, including the management of its cost-to-income ratio. This allows for early intervention and management action to reduce costs where necessary; and being alert and responsive to changes in market forces.

Risk Category	Risk Description	Response to Risk
REPUTATIONAL RISK	Reputational risk results from damage to the Group's image which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationships.	Safeguarding the Group's reputation is of paramount importance to its continued success and is the responsibility of every member of staff. The Group will at all times strive to minimise reputational damage. The Group's agreed values provide guidance on acceptable behaviours for all staff members, and provide structure and guidance for non-quantifiable decision making, thereby assisting in the management of the Group's reputation. Each business unit, legal entity or support function executive is responsible for identifying, assessing and determining all reputational risks that may arise within their respective areas of business. Risks to reputation can be evaluated by considering the likelihood of the risk occurring and the likely impact. The impact of such risks is considered explicitly alongside financial or other impacts.

The global economy continues to be volatile and under stress, and our continued commitment to sound risk management will be key in improving our liquidity position. We recognise that maintaining and continually enhancing our risk management capabilities will be critical in the months ahead to ensure that the Group's financial and strategic objectives are achieved within approved levels of risk appetite.

STAKEHOLDER ENGAGEMENT

Engaging with our stakeholders, listening to their views and addressing their concerns are an integral part of our sustainable development and risk management strategies.

We have a broad range of internal and external stakeholders who have a material interest in or are affected by the Group. Our comprehensive stakeholder engagement framework identifies our stakeholders, the material issues involved with each stakeholder, the frequency of engagement and the processes in place to ensure that material issues are effectively addressed.

The methods of engagement that we use are as diverse as our stakeholders. We encourage dialogue and feedback. The following stakeholders have been identified as key:

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for the year ended 28 February 2013

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These financial statements have been prepared under the supervision of JJ Bierman CA(SA), designation CFO.

STATEMENT OF RESPONSIBILITY BY THE DIRECTORS

The directors are required in terms of the Companies Act (2008) of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards ("IFRS") and the AC500 standards as issued by the Accounting Practices Board and its successor. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with IFRS 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 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 28 February 2014 and, in the light of this review and the current financial position, are satisfied that the Group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Group's financial statements. The financial statements have been examined by the Group's external auditors and their report is presented on page 49.

The financial statements set out on pages 48 to 93, which have been prepared on the going concern basis, were approved by the Board of Directors and signed on its behalf by:

SJ Wearne	**JJ Bierman**
Chief Executive Office	Chief Financial Officer

Johannesburg
26 August 2013

CERTIFICATION BY COMPANY SECRETARY

In terms of Section 88(2)(e) of the Companies Act No. 71 of 2008, as amended, I certify that, to the best of my knowledge and belief, the Company has, in respect of the financial year reported upon, lodged with the Companies and Intellectual Property Commission all returns required of a public Company in terms of the Act and that all such returns are true, correct and up to date.

Elize Greeff
iThemba Governance and Statutory Solutions Proprietary Limited

26 August 2013

REPORT OF THE AUDIT COMMITTEE

BACKGROUND

The audit and risk management committee ("the Committee") is pleased to present this report on its activities during the financial year ended 28 February 2013.

The Audit Committee (the Audit Committee) was established in line with the requirements of the Companies Act of South Africa ("the Act"). The Audit Committee reports that it has adopted its terms of reference as its Audit Committee Charter, and that it has discharged all its responsibilities during the financial year under review, in compliance with its Charter.

OBJECTIVE AND SCOPE

The main purpose of the committee is to review and report back to the board on all financial matters of the Group. The Audit Committee further assists the Board of Directors in discharging its duties relating to safeguarding of assets, the operation of adequate systems, control and reporting processes and the preparation of accurate reporting and financial statements in compliance with the applicable legal requirements and accounting standards, to provide a forum for discussing business risk and control issues for developing recommendations for consideration by the Board of Directors, oversee the activities of external audit and to perform duties that are attributed to it by the Act.

The Audit Committee has evaluated the Group and company Annual Financial Statements for the year ended 28 February 2013 and based on the information provided to the Audit Committee, considers that it complies, in all material respects with the requirements of various Acts governing disclosure and reporting in the Annual Financial Statements.

The Audit Committee is satisfied that an adequate system of internal control is in place to reduce significant risks faced by the Group to an acceptable level, and that these controls have been effective throughout the period under review. The system is designed to manage, rather than eliminate, the risk of failure and to maximise the opportunities to achieve business objectives. This can provide only reasonable, but not absolute assurance.

MEMBERSHIP

The committee comprises Mr G M Salanje as Chairman, Mr W P van der Merwe and Mr M Khwinana, who was appointed to the committee on 30 October 2012. These independent Non-Executive Directors all have specific financial expertise.

EXTERNAL AUDIT

The Audit Committee has evaluated the independence of the external auditors and external auditors have remained independent as defined by the Act.

Both audit and non-audit services performed by the external auditors were reviewed and pre-approved. There is a formal procedure that governs the process whereby the auditor is considered for non-audit services, and each engagement letter for such work is reviewed by the committee.

The committee, in consultation with executive management, agreed to a provisional audit fee for the 2013 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at that time. The final adjusted fee will be agreed on completion of the audit. Meetings were held with the auditor and no matters of concern, other than the ability of the business to continue as a going concern, were raised.

The Committee reviewed the performance of the external auditors and nominated, for approval at the annual general meeting, Grant Thornton as the external auditor for the 2014 financial year, and Mr MZ Sadek as the designated lead auditor. This will be his third year as auditor of the company.

CHIEF FINANCIAL OFFICER

As required in terms of the JSE Listings Requirements, the committee has satisfied itself that the company's chief financial officer, Mr J J Bierman, has the appropriate expertise and experience to meet the responsibilities of his position and confirmed his suitability for appointment as financial director in terms of the JSE Listings Requirements.

ANNUAL FINANCIAL STATEMENTS

The committee evaluated the annual financial statements for the year ended 28 February 2013 and considered that they comply in all material aspects, with the requirements of the Act and International Financial Reporting Standards. The committee has therefore recommended the financial statements for approval to the Board. The Board has subsequently approved the financial statements which will be open for discussion at the forthcoming annual general meeting.

Grant Thornton, the external auditors, have provided stakeholders with an independent opinion on whether the annual financial statements for the year ended 28 February 2013 fairly present, in all material respects, the financial results for the year and the position of the company and the group at 28 February 2013.

Mr G M Salanje
Chairman of the Audit Committee
Johannesburg
26 August 2013

DIRECTOR'S REPORT

The directors of WG Wearne Limited present their report for the group for the year ended 28 February 2013.

NATURE OF BUSINESS

The company and its subsidiaries are engaged in the manufacture, marketing and transport of crushed stone, sand, ready-mixed concrete and pre-cast concrete products in the Gauteng, North West, Free State, Limpopo and KwaZulu-Natal Provinces, all of which are in the Republic of South Africa.

GROUP STRUCTURE

Details of the company's subsidiary companies are contained in Annexure A of the annual financial statements.

FINANCIAL RESULTS

The Group's business and operations, and the results thereof, are reflected in the attached annual financial statements and no other fact or circumstance material to a fair assessment of the financial position of the Group has occurred.

The current year performance saw the Group make a headline loss per share of 6.15 cents (2012: 19.88 cents) and a diluted loss per share of 6.49 cents (2012: 22.86 cents).The net asset value per share reduced to 13.00 cents (2012: 19.33).

EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the financial statements.

ACCOUNTING POLICIES

Detailed accounting policies are set out on pages 54 to 66 of the annual financial statements.

DIVIDEND

In line with Group policy no dividend has been declared for the year.

SHARE CAPITAL

In terms of a resolution passed at the annual general meeting, and valid until the next annual general meeting, the company authorised the directors, subject to the regulations of the JSE, to:-

- repurchase shares in the company, by special resolution and
- allot and issue for cash any shares in the company, limited to 50% of the company's issued capital, by ordinary resolution.

An analysis of the company's shareholders is provided in Annexure B of the integrated annual report.

At 28 February 2013 there were 1,592 public shareholders in the company, who held 43.16% of the ordinary shares.

There were no changes in the authorised or issued share capital of the company during the year under review.

As far as the company is aware, at 28 February 2013, the following represent shareholders other than directors and their associates who hold an interest of 5% or more in the company:

Shareholder	Percentage held
Samant Trust	17.94%
Industrial Development Corporation (IDC)	15%
Richtrau No 329 (Pty) Ltd	15%

PROPERTY, PLANT AND EQUIPMENT

The directors have critically reviewed the fixed asset requirements of the Group as well as the carrying values. As a result of this, nonessential and surplus-to-requirement fixed assets have been sold. Where carrying values were higher than net realisable value, these assets have been appropriately impaired. Other than the acquisitions, disposals and impairments disclosed in note 3, there have been no major changes in the property, plant and equipment of the Group during the period or any changes in the policy relating to their use

DIRECTORS

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

Executive directors	Nationality	Changes
SJ Wearne	South African	
JJ Bierman	South African	

Non-executive directors	Nationality	Changes
WP van der Merwe	South African	
MM Patel	South African	
GM Salanje	South African	
RC Ramushu	South African	Deceased August 2012
MC Khwinana	South African	Appointed 5 September 2012

DIRECTORS' AND OFFICERS' INTERESTS IN CONTRACTS

No material contract in which directors have an interest was entered into during the year.

REMUNERATION OF DIRECTORS

The directors' remuneration is reflected in full in note 37 to the annual financial statements.

SHAREHOLDING OF DIRECTORS

Details of the number of shares in the company beneficially held by the directors and their associates at 28 February 2013 are as follows:

	2013		2012	
	Direct	Indirect	Direct	Indirect
Executive directors				
SJ Wearne [1]	21,180,400	-	19,741,867	-
	21,180,400	**-**	**19,741,867**	**-**
Non-executive directors				
WP Van Der Merwe	-	3,400,000	-	3,400,000
	-	**3,400,000**	**-**	**3,400,000**
	21,180,400	**3,400,000**	**19,741,867**	**3,400,000**

[1] Beneficiaries of the Samant Trust hold 49,588,967 shares in the company.

The shares listed above were all beneficially held. There have been no changes to the above post year end.

COMPANY SECRETARY

Ithemba Governance and Statutory Solutions (Proprietary) Limited continued to act as company secretary during the current financial year.

AUDITORS

Grant Thornton will continue in office in accordance with section 90 of the Companies Act No. 71 of 2008.

ACQUISITIONS AND DISPOSALS

The Group made no acquisitions in the financial year under review. During the current financial year the Group sold its interest in Wearne Drilling and Blasting Proprietary Limited for R4.7 million effective 28 February 2013.

BORROWINGS

The borrowing powers of the directors are unlimited in terms of the company's Memorandum of Incorporation. However, in terms of the Loan Agreement with the IDC they are limited to R5 million unless prior written consent is obtained as part of the terms of the loan agreement.

GOING CONCERN

The consolidated 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.

In order to ensure that these required funds are available, the Directors implemented a turnaround strategy from March 2011. The most significant features of the strategy include the following in the current financial year:

- The sale of non-critical assets and business segments, which includes, the sale of the Group's interest in Wearne Drilling and Blasting Proprietary Limited and the disposal of non-essential components of property, plant and equipment. The proceeds from these disposals were applied to reduce the Group's outstanding debt,
- Receipt of R16 million in funding from the IDC, granting the Group time and the ability to conduct an asset revitalisation program aimed at enhancing productivity,
- The group has entered into a re-payment plan with its financiers regarding the outstanding long term debt in order to ensure optimal cash flow management, and
- Cost cutting programmes focusing on reducing unnecessary expenditure.

The board considered the material uncertainty regarding the going concern assumption in the context of the deliberations on the annual financial statements. These indicate that the Group has yielded a headline loss of approximately R64 million for the last two years, a decreasing net asset value, increased borrowings and negative liquidity.

In addressing these matters the directors have taken into account the losses incurred in the current financial year attributable to the implementation of the turnaround strategy as well as expected revenues for the foreseeable future combined with budgets and cash flow forecasts, indicating that the Group will be able to honour its commitments.

The Group has also entered into a joint venture with a Spanish Engineering Procurement and Contracting firm which has secured a civil works contract in Upington with Abeinsa EPC Proprietary Limited, which is building a solar plant.

Lastly, the Group still maintains the support of its financiers with whom it continues to work closely in order to ensure that its working capital is managed. Furthermore, the Group continues to maintain a strict financial discipline ensuring that costs are tightly managed and assets effectively utilised.

As a result of the actions and plans presented above, the annual financial statements have been prepared on the going concern basis as the directors are of the view that the Group has adequate resources in place to continue in operation for the foreseeable future.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements were approved by the Board of Directors at Johannesburg on 26 August 2013, and are signed on its behalf by:

SJ Wearne
Chief Executive Office
Johannesburg
26 August 2013

JJ Bierman
Chief Financial Officer

INDEPENDANT AUDITOR'S REPORT

We have audited the consolidated and separate annual financial statements of WG Wearne Limited set out on pages 50 to 97, which comprise the consolidated and separate statements of financial position as at 28 February 2013, and the consolidated and separate statements of comprehensive income, consolidated and separate 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 FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of WG Wearne Limited at 28 February 2013, and its consolidated and separate financial performance and consolidated and separate cash flows for the year than ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the consolidated and separate financial statements for the year ended 28 February 2013, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. This report is the responsibility of the respective preparers. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion thereon.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to Note 40 in the consolidated financial statements which indicates that the group incurred a total comprehensive loss of R17.4 million for the year ended 28 February 2013 and as of that date, the Group's current liabilities exceeds its current assets by R80.1 million. These conditions, along with other matters as set forth in Note 40, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Grant Thornton

GRANT THORNTON
Chartered Accountants (SA)
Registered Auditors

M Z Sadek
Partner
Chartered Accountant (SA)
Registered Auditor
26 August 2013

42 Wierda Road West
Wierda Valley
2196

STATEMENT OF FINANCIAL POSITION

	Notes	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Assets					
Non-current assets					
Property, plant and equipment	3	339,726	370,803	200,595	213,247
Investments in subsidiaries	4	-	-	2	2
Investment in joint ventures	5	-	-	*	*
Other financial assets	6	4,875	5,223	14	907
Deferred taxation	7	10,560	-	-	-
		355,161	**376,026**	**200,611**	**214,156**
Current assets					
Inventories	8	19,848	17,305	1,258	1,616
Loans to Group companies and joint ventures	9	-	-	2,435	3,359
Other financial assets	6	987	4,014	987	1,000
Trade and other receivables	10	45,519	42,371	9,585	9,731
Cash and cash equivalents	11	7,047	6,368	3,537	3,186
		73,401	**70,058**	**17,802**	**18,892**
Non-current assets held for sale	12	4,500	4,500	4,500	4,500
Total Assets		**433,062**	**450,584**	**222,913**	**237,548**
Equity and Liabilities					
Equity					
Share capital	13	178,357	178,357	181,838	181,838
Reserves	14	759	345	-	-
Revaluation reserves	14	39,296	43,299	32,912	36,205
Accumulated loss		(182,923)	(169,215)	(217,646)	(221,463)
Non-controlling interest		-	-	-	-
		35,489	**52,786**	**(2,896)**	**(3,420)**
Non-Current Liabilities					
Borrowings	15	218,272	252,281	147,975	165,259
Deferred taxation	7	13,860	8,921	4,157	4,157
Trade and other payables	17	-	2,023	-	917
Provisions	16	11,875	14,866	-	-
		244,007	**278,091**	**152,132**	**170,333**
Current Liabilities					
Loans from Group companies and joint ventures	9	-	5,193	610	10,409
Borrowings	15	52,467	10,751	36,424	6,418
Taxation payable		647	1,821	-	-
Trade and other payables	17	65,567	71,437	17,008	23,303
Bank overdraft	11	34,885	30,505	19,635	30,505
		153,566	**119,707**	**73,677**	**70,635**
Total liabilities		**397,573**	**397,798**	**225,809**	**240,968**
Total Equity and Liabilities		**433,062**	**450,584**	**222,913**	**237,548**

**Amounts less than R1,000*

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Continuing operations					
Revenue	22	400,001	305,870	81,868	86,542
Cost of sales	23	(315,478)	(247,798)	(43,618)	(53,064)
Gross profit		**84,523**	**58,072**	**38,250**	**33,478**
Other income		2,065	3,397	5,237	4,112
Operating expenses		(79,428)	(79,815)	(37,974)	(88,307)
Operating Profit/(Loss)	**24**	**7,160**	**(18,346)**	**5,513**	**(50,717)**
Investment revenue	27	475	1,546	12,607	12,673
Finance costs	28	(27,318)	(35,928)	(17,596)	(23,610)
Profit/(Loss) before taxation		**(19,683)**	**(52,728)**	**524**	**(61,654)**
Taxation	29	4,365	425	-	4,143
Profit/(Loss) from continuing operations		**(15,318)**	**(52,303)**	**524**	**(57,511)**
Discontinued operations					
(Loss) from discontinued operations	33	(2,393)	(2,650)	-	(4,139)
		(17,711)	**(54,953)**	**524**	**(61,650)**
Other comprehensive income					
Fair value adjustments: Available-for-sale		414	213	-	-
Deferred Tax on Fair Value Adjustment		(77)	-	-	-
Release of reserve		-	(242)	-	(242)
Gain on revaluation		-	54,357	-	44,506
Deferred tax on revaluation		-	(11,058)	-	(8,301)
Total comprehensive loss for the year		**(17,374)**	**(11,683)**	**524**	**(25,417)**
Total comprehensive Profit/ (Loss) attributable to:					
Owners of the parent		(17,374)	(11,683)	524	(25,417)
Non-controlling interest		-	-	-	-
		(17,374)	**(11,683)**	**524**	**(25,417)**
Continuing operations					
Basic and diluted loss per share (cents)	30	(5.61)	(21.76)		
Continuing and discontinued operations					
Basic and diluted loss per share (cents)	30	(6.49)	(22.86)		

STATEMENT OF CHANGES IN EQUITY

	Share capital R `000	Share premium R `000	Total share capital R `000	Revaluation reserves R `000	Reserves R `000	Accumulated loss R `000	Total attributable to equity holders of the group R `000	Non-controlling Interest R `000	Total equity R `000
Group									
Balance at 01 March 2011	246	174,391	174,637	-	374	(114,344)	60,667	784	61,451
Loss for the year	-	-	-	-	-	(54,953)	(54,953)	-	(54,953)
Other comprehensive income	-	-	-	43,299	(29)	-	43,270	-	43,270
Non-controlling interest disposed of	-	-	-	-	-	82	82	(784)	(702)
Issue of shares	83	11,616	11,699	-	-	-	11,699	-	11,699
Share issue expenses	-	(61)	(61)	-	-	-	(61)	-	(61)
Movement on treasury shares	1	7	8	-	-	-	8	-	8
Redemption of shares	(57)	(7,869)	(7,926)	-	-	-	(7,926)	-	(7,926)
Total changes	**273**	**3,693**	**3,720**	**43,299**	**(29)**	**(54,871)**	**(7,881)**	**(784)**	**(8,665)**
Balance at 01 March 2012	**273**	**178,084**	**178,357**	**43,299**	**345**	**(169,215)**	**52,786**	**-**	**52,786**
Loss for the year	-	-	-	-	-	(17,711)	(17,711)	-	(17,711)
Other comprehensive income	-	-	-		337		337	-	337
Release of revaluation reserve	-	-	-	(4,003)	-	4,003	-	-	-
Total changes	**-**	**-**	**-**	**(4,003)**	**337**	**(13,708)**	**(17,374)**	**-**	**(17,374)**
Balance at 28 February 2013	**273**	**178,084**	**178,357**	**39,296**	**759**	**(182,923)**	**35,489**	**-**	**35,489**
Notes	13	13	13	14	14				

*Amounts less than R1,000

	Share capital R `000	Share premium R `000	Total share capital R `000	Revaluation reserves R `000	Reserves R `000	Accumulated loss R `000	Total attributable to equity holders of the company R `000	Non-controlling Interest R `000	Total equity R `000
Company									
Balance at 01 March 2011	250	177,876	178,126	-	242	(159,813)	18,555	-	18,555
Loss for the year	-	-	-	-	-	(61,650)	(61,650)	-	(61,650)
Other comprehensive income	-	-	-	36,205	(242)	-	35,963	-	35,963
Issue of shares	83	11,616	11,699	-	-	-	11,699	-	11,699
Share issue expenses	-	(61)	(61)	-	-	-	(61)	-	(61)
Redemption of shares	(57)	(7,869)	(7,926)	-	-	-	(7,926)	-	(7,926)
Total changes	**276**	**3,686**	**3,712**	**36,205**	**(242)**	**(61,650)**	**(21,975)**	**-**	**(21,975)**
Balance at 01 March 2012	276	181,562	181,838	36,205	-	(221,463)	(3,420)	-	(3,420)
Loss for the year	-	-	-	-	-	524	524	-	524
Release of revaluation reserve	-	-	-	(3,293)	-	3,293	-	-	-
Total changes	**-**	**-**	**-**	**(3,293)**	**-**	**3,817**	**524**	**-**	**524**
Balance at 28 February 2013	**276**	**181,562**	**181,838**	**32,912**	**-**	**(217,646)**	**(2,896)**	**-**	**(2,896)**
Notes	13	13	13	14	14				

*Amounts less than R1,000

STATEMENT OF CASH FLOWS

	Notes	Group 2013 R'000	2012 R'000	Company 2013 R'000	2012 R'000
Cash flows from operating activities					
Cash generated from operations	34	31,715	21,704	3,900	9,042
Interest income		275	1,526	12,420	12,673
Dividends received		14	20	-	-
Finance costs		(25,343)	(28,812)	(16,671)	(16,494)
Tax (paid) refunded	35	-	(961)	-	-
Net cash from operating activities		**6,661**	**(6,523)**	**(351)**	**5,221**
Cash flows from investing activities					
Replacement of property, plant and equipment		(9,003)	(16,485)	(2,074)	(6,549)
Expansion of property, plant and equipment		-	(1,912)	-	-
Proceeds on the disposal of property, plant and equipment		1,380	12,663	626	2,042
Proceeds on the disposal of non-current asset held for sale		-	30,000	-	30,000
Proceeds on disposal of interest in joint venture		-	3,000	-	3,000
Proceeds on loans from group companies		-	-	12,026	-
Loan paid to group companies		-	(484)	(1,570)	(30,202)
Loan written off on disposal of Joint Venture		(5,184)	-	-	-
Proceeds on sale of other financial asset		1,094	(1,734)	1,094	(714)
Net cash from investing activities		**(11,713)**	**25,048**	**10,102**	**(2,423)**
Cash flows from financing activities					
Net proceeds from the issue of shares		-	11,647	-	11,647
Proceeds from term loans		-	10,000	-	10,000
Proceeds from IDC funding		16,000	43,000	16,000	43,000
Repayment of borrowings		(11,823)	(19,100)	(13,612)	(13,092)
Trade and other payables		(2,023)	(17,598)	(917)	(7,112)
Net cash from financing activities		**2,154**	**27,949**	**1,471**	**44,443**
Net change in cash from continuing operations		(2,898)	46,474	11,221	47,241
Net cash flows from discontinued operations		(803)	991	-	-
Cash movement for the year		(3,701)	47,465	11,221	47,241
Cash at the beginning of the year		(24,137)	(71,602)	(27,319)	(74,560)
Total cash at end of the year	11	**(27,838)**	**(24,137)**	**(16,098)**	**(27,319)**

ACCOUNTING POLICIES

1.BASIS OF PREPARATION

The consolidated financial statements of WG Wearne Limited have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, specific plant and machinery, available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the notes to these consolidated financial statements.

Functional and presentation currency:

These financial statements are presented in South African Rand (ZAR), which is the Group's functional currency.

These accounting policies are consistent with the previous financial period.

1.1 CONSOLIDATION

Basis of consolidation

The consolidated financial statements incorporate the consolidated annual financial statements of the Group and its subsidiaries, including special purpose entities, which are controlled by the Group.

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

Subsidiaries:

Subsidiaries are all entities where the company has the power to govern the financial and operating policies controlled by the Group. The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal. Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

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

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

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

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Investments in jointly ventures:

Investments in joint ventures are proportionately consolidated from the date on which the company has the power to exercise joint control, up to the date on which the power to exercise joint control ceases. This excludes cases where the investment is classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations.

The company's share of assets, liabilities, income, expenses and cash flows of jointly controlled entities are combined on a line by line basis with similar items in the consolidated financial statements.

The company's proportionate share of inter-company balances and transactions, and resulting profits or losses between the company and jointly controlled entities are eliminated on consolidation.

Special purpose entities:

The Group has established special purpose entities (SPEs) for investment and incentive purposes. The Group does not have any direct or indirect shareholdings in these entities. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group concludes that it controls the SPE. SPEs controlled by the Group were established under terms that impose strict limitations on the decision-making powers of the SPEs' management and that result in the Group receiving the majority of the benefits related to the SPEs' operations and net assets, being exposed to the majority of risks incident to the SPEs' activities, and retaining the majority of the residual or ownership risks related to the SPEs or their assets.

Transactions eliminated on consolidation:

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.2 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the annual financial statements in conformity with IFRS requires management to make judgements estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is disclosed below:

Property, plant and equipment:

The useful lives and residual values of items of property, plant and equipment are assessed annually and may differ depending on various factors. The details of useful lives are disclosed in note 1.4.

Items of property, plant and equipment may consist of separately identifiable components with a cost that is significant in relation to the total cost of the item. The determination of what constitutes a significant separately identifiable component requires judgement. Where management has determined that components of particular items of property, plant and equipment are significant, having different useful lives and residual values, these components are depreciated separately.

Significant judgement is required in the valuation classes of property, plant and equipment measured according to revaluation model. In valuing these classes of assets the Group makes use of independent experts.

Inventory:

The determination of what constitutes slow moving, damaged, or obsolete inventory requires judgement. When inventory has been identified as slow moving, damaged, or obsolete it is written off.

A significant portion of the Group's inventory relates to aggregate that is held in stockpiles at various locations. The determination of the volume of a stockpile is complex and requires both a degree of judgement and estimation. Management utilizes Independent Quantity Surveyors in order to quantify the volume of aggregate on hand.

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Fair value estimation:

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price.

The company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Trade and other receivables:

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

Non-derivative financial liabilities:

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Impairment testing:

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value tangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use tangible assets are inherently uncertain and could materially change over time

Provisions:

Provisions were raised and management determined an estimate based on the information available. Additional disclosure on provision can be found under note 16.

Decommissioning and quarry rehabilitation Provision:

Group companies are required to restore quarry and processing site at the end of their useful lives to a condition acceptable to the relevant authorities. A rehabilitation trust fund has been established at the request of the regulatory authorities, and annual contributions have been made to the trust as required, in order for the ultimate rehabilitation cost to be provided for at the end of the useful life of a site.

Quantifying the future costs of these obligations is complex and requires various estimates to be made as well as interpretations of and decisions regarding regulatory requirements, particularly with respect to the degree of rehabilitation required, with reference to the sensitivity of the environmental area surrounding the sites. Consequently, the guidelines issued for quantifying the future rehabilitation cost of a site, as issued by the Department of Minerals and Energy, have been used to estimate future rehabilitation costs.

The expected costs of any decommissioning and rehabilitation program, discounted to its net present value, are capitalised at the beginning of a project and amortised over the estimated remaining useful life of the quarry. The increase or decrease in the net present value of the provision for the expected cost is included with finance costs.

The quantification of future rehabilitation costs was conducted by an independent expert, Pieter Jacobus Greyling (a Quantity Surveyor, member of Plato as Professional Mine Surveyor 1995, Member. PMS0122). The rehabilitation costs were determined by the quantity surveyor based on the current market conditions necessary for quarry rehabilitation.

Taxation:

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

The Group recognises the net future tax benefit related to deferred income tax 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 tax 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 tax 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 tax assets recorded at the end of the reporting period could be impacted.

SARS Diesel Rebate Dispute

The Group is currently in dispute with SARS regarding the repayment of previously claimed diesel rebates from SARS including penalties and interest thereon. The issue pertains to the interpretation of being a mining company in terms of Customs and Excise Duty legislation. The Aggregate and Sand Producers Association of Southern Africa (ASPASA) has taken this issue to the National Treasurer and is in the process of taking legal action against SARS on behalf of the entire Industry. The Group has deemed it not necessary to provide for the previously claimed rebates apart from including it as a contingent liability as per note 18 in the financial statements as the directors are confident that the Group is in a good position with regards to defending this claim.

1.3 IMPAIRMENT

Financial assets (including receivables):

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables and held- to-maturity investment securities with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Non-financial assets:

The carrying amounts of the Group's non-financial assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount. Recoverable amount is determined as the greater of Fair value less cost to sell and Value-in-use. Impairment loss represents the difference between the asset's carrying amount and the recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.4 PROPERTY, PLANT AND EQUIPMENT

Cost model

The following classes of property, plant and equipment are carried according to the cost model;

- Motor vehicles
- Office equipment
- IT equipment
- Plant-under-construction

Recognition and measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Revaluation model

The following classes of property, plant and equipment are carried according to the revaluation model;

- Land and buildings
- Specific plant and machinery

Recognition and measurement:

Items of property, plant and equipment are measured at their revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment. On initial recognition application of the revaluation model to a particular class of property, plant and equipment any revaluation surplus is credited directly to equity via the statement of other comprehensive income under the heading revaluation reserve. A decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of the asset. Any further impairment balance remaining after the debit against other comprehensive income is taken to profit and loss as an impairment loss.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self- constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

Subsequent costs:

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation:

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated except where the land is used for quarrying activities.

The estimated useful lives for the current and comparative periods are as follows:

Item	Average useful life
• Land: Commercial Land	Indefinite
• Land: Quarry	Life of quarry
• Buildings	20 - 50 years
• Plant and machinery	1 - 15 years
• Motor vehicles	5 - 10 years
• Office equipment	5 - 10 years
• IT equipment	2 - 3 years
• Plant-under-construction	*

** The plant-under-construction is not depreciated until it becomes ready for use*

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

The Group is required to restore quarry sites at the end of their productive lives to a condition acceptable to the relevant authorities. A rehabilitation trust fund has been established at the request of the regulatory authorities, and annual contributions are made to the trust as required, in order for the ultimate rehabilitation cost to be provided for at the end of the useful life of the site. These contributions are capitalised to the investment in the rehabilitation trust.

Assets relating to quarry resources are classified as tangible assets and are capitalised to the cost of land. Stripping costs in the production phase of a quarry are capitalised to the cost of land and are depreciated over the expected useful life of the quarry.

The commercial land has been revalued based on fair value less cost to sell whereas quarrying land has been revalued using the value in use based on the life of quarry.

1.5 INVENTORIES

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling expenses.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

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, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.6 SHARE CAPITAL AND EQUITY

Ordinary shares:

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase of share capital (treasury shares):

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to / from retained earnings.

1.7 PROVISIONS AND CONTINGENCIES

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

1.8 REVENUE

Goods sold:

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, volume rebates and value added taxes.

Revenue recognition criteria for Sale of goods:

When persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfers of risks and rewards varies depending on the individual terms of the agreement of sale.

Services:

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. Measurement of Revenue from the rendering of services is at fair value of the consideration received or receivable. The stage of completion is assessed by reference to surveys of work performed.

Revenue recognition Criteria for the Rendering of services:

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of the transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the reporting date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Rental income:

Rental income is recognised as revenue on the straight line basis over the lease term.

1.9 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.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.10 EMPLOYEE BENEFITS

Defined contribution plans:

Payments to defined contribution retirement plans are charged as an expense as they fall due.

Payments made to industry-managed retirement benefit schemes are dealt with as defined contribution plans where the Group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.11 LEASES

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Group's statement of financial position.

Lease payments:

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

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

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

1.12 EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for options granted to employees.

Headline Earnings per share is calculated as per the Johannesburg Stock Exchange requirements and prepared in accordance with The South African Institute of Chartered Accountants, Headline Earnings per share circular 3/2012.

1.13 INVESTMENT INCOME AND FINANCE COSTS

Investment income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss.

Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, dividends on preference shares classified as liabilities, changes in the fair value of financial assets at fair value through profit or loss,impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

1.14 TAXATION

Income tax, current tax assets and liabilities

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.15 FINANCIAL INSTRUMENTS

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: loans and receivables and available-for sale financial assets.

Loans and receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

Cash and cash equivalents:

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available-for-sale financial assets:

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

1.16 FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Risk and Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Trade and other receivables:

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk, particularly in the currently deteriorating economic circumstances.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, who represents the maximum open amount; these limits are reviewed on an ad hoc basis. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on cash-on-delivery basis.

As a result of the deteriorating economic circumstances in 2010, 2011, 2012 and 2013 certain purchase limits have been redefined.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due,under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

During the prior year the Wearne Limited Group and its subsidiary Wearne Aggregates Proprietary Limited entered into a scheme of arrangement with both its secured and concurrent creditors. In terms of the scheme of arrangement the companies have been granted payment moratoriums and extended repayment terms which have improved the Groups liquidity position.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions
- Requirements for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a programme of periodic reviews. The results of reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Risk and Audit Committee and senior management of the Group.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-redeemable preference shares and non-controlling interests. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the year except for a change in accounting policy regarding specific classes of property, plant and equipment.

1.17 SEGMENTAL REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

1.18 COMPARATIVE FIGURES

The comparative figures are consistent with the prior year.

2. NEW STANDARDS AND INTERPRETATIONS

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

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

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

IFRS 7 Amendments to IFRS 7 (AC 144) Disclosures – Transfers of financial assets

Amended the required disclosures to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position.

The effective date of the amendment is for years beginning on or after 01 July 2011.

The company has adopted the amendment for the first time in the 2013 financial statements. The impact of the amendment is not material

2.2 STANDARDS AND INTERPRETATIONS EARLY ADOPTED

The company has chosen to early adopt the following standards and interpretations.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine.

Clarifies the requirement for accounting for stripping costs in surface mining. Specifically, it provides requirements on when to recognise costs as assets, when they provide improved access to ore. The depreciation requirements are also clarified.

The effective date of the amendment is for years beginning on or after 01 January 2013.

The group early adopted the amendment for the first time in the 2012 financial statements. The impact of the amendment is not material to the group financial statements.

2.3 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 March 2013 or later periods:

IFRS 9 Financial Instruments

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

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

The effective date of the standard is for years beginning on or after 01 January 2015.

The company expects to adopt the standard for the first time in the 2016 financial statements.

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

IFRS 10 Consolidated Financial Statements

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

The effective date of the standard is for years beginning on or after 01 January 2013.

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

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

IFRS 11 Joint Arrangements

The standard replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities – Non Monetary Contributions by Venturers. The standard defines a Joint arrangement as existing only when decisions about relevant activities requires the unanimous consent of the parties sharing joint control in terms of a contractual arrangement. The standard identifies two types of joint arrangements as:

- Joint operations which exist when the entities sharing joint control have direct rights to the assets and obligations for the liabilities of the joint arrangements. In such cases the joint operators recognise their share of the assets and liabilities and profits and losses of the joint arrangements in their financial statements.
- Joint operations which exist when the entities sharing joint control have direct rights to the assets and obligations for the liabilities of the joint arrangements. In such cases the joint operators recognise their share of the assets and liabilities and profits and losses of the joint arrangements in their financial statements.

The effective date of the standard is for years beginning on or after 01 January 2013.

The company expects to adopt the standard for the first time in the 2014 financial statements. The impact of this standard is currently being assessed.

IFRS 12 Disclosure of Interests in Other Entities

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

The effective date of the standard is for years beginning on or after 01 January 2013.

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

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

IFRS 13 Fair Value Measurement

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

The effective date of the standard is for years beginning on or after 01 January 2013.

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

IAS 1 Presentation of Financial Statements

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

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

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

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

The effective date of the amendment is for years beginning on or after 01 July 2012.

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

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

IFRS 1 – Annual Improvements for 2009 – 2011 cycle

The amendment allows an entity to be a first time adopter of IFRS more than once, if its previous financial statements did not contain an explicit unreserved statement of compliance with IFRS. In addition, borrowing costs capitalised in accordance with previous GAAP before the date of transition to IFRS may be applied unadjusted at the transition date.

The effective date of the amendment is for years beginning on or after 01 January 2013.

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

IAS 32 – Annual Improvements for 2009 – 2011 cycle

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

The effective date of the amendment is for years beginning on or after 01 January 2013.

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

CONSOLIDATED FINANCIAL STATEMENTS, JOINT ARRANGEMENTS AND DISCLOSURES OF INTERESTS IN OTHER ENTITIES: TRANSITION

Guidance.

Transitional guidance for the application of IFRS 10, IFRS 11 and IFRS 12. The amendment limits the requirement to provide adjusted comparative information to only the preceding comparative period.

The effective date of the amendment is for years beginning on or after 01 January 2013.

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

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

3. PROPERTY, PLANT AND EQUIPMENT

			2013			2012
Group	Cost / Revalued amount R `000	Accumulated depreciation and impairments R `000	Carrying value R `000	Cost / Revalued amount R `000	Accumulated depreciation and impairments R `000	Carrying value R `000
Land and buildings	192,917	(39,229)	153,688	188,173	(33,754)	154,419
Plant and machinery	252,498	(116,229)	136,269	261,854	(100,224)	161,630
Motor vehicles	97,454	(49,198)	48,256	77,700	(24,383)	53,317
Office equipment	1,566	(844)	722	1,566	(615)	951
IT equipment	4,768	(4,035)	733	4,202	(3,732)	470
Plant-under-construction	58	-	58	16	-	16
Total	**549,261**	**(209,535)**	**339,726**	**533,511**	**(162,708)**	**370,803**

			2013			2012
Company	Cost R `000	Accumulated depreciation and impairments R `000	Carrying value R `000	Cost / Revalued amount R `000	Accumulated depreciation and impairments R `000	Carrying value R `000
Land and buildings	172,625	(37,004)	135,621	168,393	(32,854)	135,539
Plant and machinery	141,905	(78,555)	63,350	145,165	(69,372)	75,793
Motor vehicles	3,046	(1,977)	1,069	3,012	(1,676)	1,336
Office equipment	259	(122)	137	259	(91)	168
IT equipment	2,923	(2,505)	418	2,643	(2,232)	411
Total	**320,758**	**(120,163)**	**200,595**	**319,472**	**(106,225)**	**213,247**

Reconciliation of property, plant and equipment – Group 2013

	Opening balance R `000	Additions R `000	Disposals R `000	Reclassifi -cations R `000	Transfer to non-current asset held for sale R `000	Revaluation R `000	Depreciation R `000	Impairment R `000	Closing Balance R `000
Land and buildings	154,419	1,929	-	-	-	-	(2,660)	-	153,688
Plant and machinery	161,630	4,809	(5,531)	-	-	-	(24,639)	-	136,269
Motor vehicles	53,317	1,594	(510)	-	-	-	(6,145)	-	48,256
Office equipment	951	-	(9)	-	-	-	(220)	-	722
IT equipment	470	629	(14)	-	-	-	(352)	-	733
Plant-under-construction	16	42	-	-	-	-	-	-	58
Total	**370,803**	**9,003**	**(6,064)**	**-**	**-**	**-**	**(34,016)**	**-**	**339,726**

Reconciliation of property, plant and equipment – Group 2012

	Opening balance R `000	Additions R `000	Disposals R `000	Reclassifi cations R `000	Transfer to non-current asset held for sale R `000	Revaluation R `000	Depreciation R `000	Impairment R `000	Closing Balance R `000
Land and buildings	117,994	1,497	-	-	(8,639)	44,506	(939)	-	154,419
Plant and machinery	167,341	13,194	(4,969)	814	-	9,852	(24,563)	(39)	161,630
Motor vehicles	77,700	2,745	(13,860)	-	-	-	(12,317)	(951)	53,317
Office equipment	1,150	56	(14)	-	-	-	(241)	-	951
IT equipment	1,082	294	(19)	-	-	-	(887)	-	470
Plant-under-construction	199	631	-	(814)	-	-	-	-	16
Total	**365,466**	**18,417**	**(18,862)**	**-**	**(8,639)**	**54,358**	**(38,947)**	**(990)**	**370,803**

Reconciliation of property, plant and equipment – Company 2013

	Opening balance R `000	Additions R `000	Disposals R `000	Reclassifi cations R `000	Transfer to non-current asset held for sale R `000	Revaluations R `000	Depreciation R `000	Impairment R `000	Closing Balance R `000
Land and buildings	135,539	103	-	-	-	-	(21)	-	135,621
Plant and machinery	75,793	1,673	(790)	-	-	-	(13,326)	-	63,350
Motor vehicles	1,336	22	(14)	-	-	-	(275)	-	1,069
Office equipment	168	-	-	-	-	-	(31)	-	137
IT equipment	411	277	-	-	-	-	(270)	-	418
Total	**213,247**	**2,075**	**(804)**	**-**	**-**	**-**	**(13,923)**	**-**	**200,595**

Reconciliation of property, plant and equipment – Company 2012

	Opening balance	Additions	Disposals	Reclassifi -cations	Transfer to non-current asset held for sale	Revaluations	Depreciation	Impairment	Closing Balance
	R `000	R `000	R `000	R `000	R `000	R `000	R `000	R `000	R `000
Land and buildings	99,693	-	-	-	(8,639)	44,506	(21)	-	135,539
Plant and machinery	87,409	6,170	(3,630)	-	-	-	(14,156)	-	75,793
Motor vehicles	2,007	88	(353)	-	-	-	(383)	(23)	1,336
Office equipment	193	6	-	-	-	-	(31)	-	168
IT equipment	730	285	-	-	-	-	(604)	-	411
Total	**190,032**	**6,549**	**(3,983)**	**-**	**(8,639)**	**44,506**	**(15,195)**	**(23)**	**213,247**

For the detail for property, plant and equipment pledged as security refer to note 11

The revaluation was conducted by an independent appraiser, Fredrick Senekal (a Sworn Appraiser to the Master of the Supreme Court, duly appointed by the Minister of justice in terms of section 6(1) of the Administration of Estates Act, 1965 (Act 66 of 1965), effective 29th February 2012. The fair values were determined by the appraiser based on the current market values for similarly traded items of property, plant and equipment.

Had the assets continued to been carried according to the cost model the carrying values would be as follows:

	Cost Model	Revaluation Model	Surplus
	R `000	R `000	R `000
Group 2013			
Land	113,519	153,979	40,460
Plant and Machinery	127,099	135,965	8,866
	240,618	**289,944**	**49,326**
Company 2013			
Land	95,054	135,514	40,460
Plant and Machinery	-	-	-
	95,054	**135,514**	**40,460**

4. INVESTMENTS IN SUBSIDIARIES

Name of company	% Holding 2013	% Holding 2012	Carrying value 2013	Carrying value 2012
Noordvaal Crushers Proprietary Limited	100.00	100.00	*	*
Wearne Platkop Quarry Proprietary Limited	100.00	100.00	*	*
Wearne Aggregates Proprietary Limited	100.00	100.00	*	*
Wearne Precast Proprietary Limited	77.00	77.00	2	2
Wearne Quarries Free State Proprietary Limited	100.00	100.00	*	*
Wearne Quarries Gauteng Proprietary Limited	100.00	100.00	*	*
Wearne Quarries Limpopo Proprietary Limited	100.00	100.00	*	*
Wearne Quarries Natal Proprietary Limited	100.00	100.00	*	*
Wearne Ready Mixed Concrete Proprietary Limited	100.00	100.00	*	*
			2	2

**Amounts less than R1,000*

The carrying amounts of subsidiaries are shown net of impairment losses.

Where applicable the carrying value and fair value of investments in subsidiaries is less than a thousand rand and therefore rounded to R Nil. Refer to annexure A for carrying value denominated in South African Rand.

All subsidiaries are incorporated in the Republic of South Africa.

5. INVESTMENTS IN JOINT VENTURES

Name of company	% Holding 2013	% Holding 2012	Carrying value 2013	Carrying value 2012
Wearne Drilling and Blasting Proprietary Limited	-	50.00	*	*
			*	*

**Amounts less than R1,000*

[1] The Company disposed of their investment in Wearne Drilling and Blasting (Proprietary) Limited at its net asset value as at 28 February 2013 during the year under review.

The carrying value and fair value of investments in joint ventures are less than a thousand rand and therefore rounded to R Nil. Refer to annexure A for carrying value denominated in South African Rand.

All joint ventures are incorporated in the Republic of South Africa.

Summary of the Group's interest in its joint ventures	2013 R `000	2012 R `000
Non-current assets	5,981	4,135
Current assets	7,362	3,411
Long-term liabilities – Interest bearing	(3,968)	(2,404)
Long-term liabilities – Non-interest bearing	(1,036)	(1,036)
Current liabilities – Interest bearing	(305)	(349)
Current liabilities – Non-interest bearing	(2,666)	(2,878)
Revenue	12,869	12,020
Expenses	(7,970)	(14,628)
Investment revenue	-	475
Finance costs	(411)	(337)
Taxation	-	(1,457)
Profit/(Loss) after tax	4,488	(3,634)
Cash flows from operating activities	(3,050)	1,010
Cash flows from investing activities	4,700	-
Cash flows from financing activities	(1,217)	921

**Amounts less than R1,000*

6. OTHER FINANCIAL ASSETS

	Group 2013	Group 2012	Company 2013	Company 2012
	R'000	R'000	R'000	R'000
Available for sale				
Held by the Wearne Rehabilitation Trust: Stanlib Wealth Management Limited	4,861	4,316	-	-
Held by WG Wearne Limited: Stanlib Wealth Management Limited	14	13	14	13
	4,875	**4,329**	**14**	**13**
Loans and receivables				
Balance of purchase price of Wearne Bricks Proprietary Limited	987	1,894	987	1,894
Loans to share scheme participants	2,447	3,215	-	-
Impairment losses	(2,447)	(201)	-	-
	987	**4,908**	**987**	**1,894**
Non-current assets				
Available for sale	4,875	4,329	14	13
Purchase price of Wearne Bricks Proprietary Limited	-	894	-	894
	4,875	**5,223**	**14**	**907**
Current assets				
Loans and receivables	-	3,014	-	-
Purchase price of Wearne Bricks Proprietary Limited	987	1,000	987	1,000
	987	**4,014**	**987**	**1,000**
	5,862	**9,237**	**1,001**	**1,907**
Reconciliation of impairment losses				
Opening balance	(201)	(201)	-	-
Raised during the year	(2,246)	-	-	-
Closing Balance	**(2,447)**	**(201)**	**-**	**-**

During the current financial year the Group sold its investment in Wearne Drilling and Blasting Proprietary Limited for R4.7 million. The purchase price was settled by means of the write-off of the inter-company loan owing by the Wearne Limited to Wearne Drilling and Blasting Proprietary Limited.

The Stanlib Wealth Management Limited fair values of quoted investments are based on the quoted market prices. These financial assets are therefore classified as Level 1 in the IFRS 7 fair value hierarchy. The fair values are determined annually at the Statement of Financial Position date. The maximum exposure to credit risk at the reporting date is the fair value of the debt securities classified as available-for-sale and the credit risk exposures attributable from the loans and receivables classified in other financial assets.

Loans to the WG Wearne Share Scheme participants bear interest at 6.5%, are unsecured and have no fixed terms of repayment.

7. DEFERRED TAXATION

	Group		Company	
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
Deferred taxation (Liability)				
Accelerated capital allowances for tax purposes	(35,389)	(59,656)	(14,382)	(26,641)
Provisions	354	679	182	228
Debtors payments in advance	(337)	1,128	129	-
Estimated losses	21,512	48,928	9,914	22,256
	(13,860)	**(8,921)**	**(4,157)**	**(4,157)**
Deferred taxation Asset				
Accelerated capital allowances for tax purposes	(11,060)	-	-	-
Provisions	516	-	-	-
Debtors payments in advance	729	-	-	-
Estimated losses	20,375	-	-	-
	10,560			
Reconciliation of deferred taxation (liability)				
At beginning of year	(8,921)	248	(4,157)	-
Accelerated capital allowances for tax purposes	23,202	(32,546)	12,259	7,633
Provisions	(296)	347	(46)	(30,127)
Debtors payments in advance	(1,465)	931	129	-
Estimated losses	(27,416)	34,786	(12,342)	18,337
Deferred taxation transferred to discontinued operation	1,036	(12,687)	-	-
	(13,860)	**(8,921)**	**(4,157)**	**(4,157)**
Reconciliation of deferred taxation asset				
At beginning of year	-	-	-	-
Deferred tax on estimated loss recognised	10,560	-	-	-
	10,560	**-**	**-**	**-**
Non-current assets	10,560	-	-	-
Non-current liabilities	(13,860)	(8,921)	(4,157)	(4,157)
	(3,300)	**(8,921)**	**(4,157)**	**(4,157)**

Deferred Income Tax Assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of R 3,808,081 (2012: R 14,458,018) in respect of losses amounting to R 13,600,288 (2012: R 51,635,777)that can be carried forward against future taxable income.

8. INVENTORIES

	Group		Company	
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
Finished goods	13,222	9,916	-	-
Raw materials	5,029	5,094	-	-
Work In Progress	240	-	-	-
Diesel	1,357	1,616	1,258	1,616
Tyres	-	679	-	-
	19,848	**17,305**	**1,258**	**1,616**

9. LOANS TO (FROM) GROUP COMPANIES AND JOINT VENTURES

	Group		Company	
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
Loans to (from) subsidiaries				
Noordvaal Crushers Proprietary Limited	-	-	(22)	(22)
Portland Holdings Proprietary Limited	-	-	-	-
Shabaz Investments Proprietary Limited	-	-	-	-
Wearne Aggregates Proprietary Limited	-	-	133,657	85,708
Wearne Platkop Quarry Proprietary Limited	-	-	*	*
Wearne Precast Proprietary Limited	-	-	12,571	11,895
Wearne Quarries Free State Proprietary Limited	-	-	-	-
Wearne Quarries Gauteng Proprietary Limited	-	-	-	-
Wearne Quarries Limpopo Proprietary Limited	-	-	-	-
Wearne Quarries Natal Proprietary Limited	-	-	1,081	1,081
Wearne Ready Mixed Concrete Proprietary Limited	-	-	(588)	60,168
Total loans payable	**-**	**-**	**146,699**	**158,830**
Allowance for impairment of loans	-	-	(147,309)	(158,852)
	-	**-**	**(610)**	**(22)**
These loans bear interest at prime, are unsecured and have no fixed terms of repayment.				
For detail on the cession of the above loans as security for overdraft facilities provided to the Group, refer to note 11.				
Loans from joint ventures				
Wearne Drilling and Blasting Proprietary Limited	-	(5,193)	-	(10,409)
The loans from joint ventures are interest-free, unsecured and have no fixed terms of repayment.				
Loans to special purpose entity				
WG Wearne Share Incentive Trust	-	-	4,383	4,365
Allowance for impairment of loan	-	-	(1,948)	(1,006)
	-	**-**	**2,435**	**3,359**
The loan bears interest at a rate of 6.5% per annum (the official interest rate in terms of the Seventh Schedule of the Income Tax Act of South Africa), is unsecured and has no fixed terms of repayment.				
Reconciliation of the allowance for impairment of loan				
Opening balance	-	-	(1,006)	(1,006)
Raised during the year	-	-	(942)	-
Closing balance	**-**	**-**	**(1,948)**	**(1,006)**
Current assets	-	-	2,435	3,359
Current liabilities	-	(5,193)	(610)	(10,409)
	-	**(5,193)**	**1,825**	**(7,050)**

Credit quality of loans to and from Group companies and joint ventures

No credit ratings for loans to and from subsidiaries, from joint ventures and to special purpose entities have been performed.

Fair value of loans to and from Group companies

Loans to subsidiaries are of a short-term nature and arise from trade. Carrying amounts of these loans approximate fair values.

The loan to the special purpose entity is stated at its cost less impairment. The carrying amounts of the loans approximate their fair values.

Loans to Group companies past due but not impaired

The loan to the special purpose entity is not past due. As the loan does not have any terms of repayment, the loan is not past its due date. A portion of the loan is considered recoverable and the remaining balance was considered to be impaired.

Loans to Group companies impaired

As of 28 February 2013, loans to Group companies of R 149,257,414 (2012: R159,858,000) were considered impaired and an impairment provision was thus raised.

Reconciliation of allowance for impairment of loans to Group companies

	Group 2013 R'000	2012 R'000	Company 2013 R'000	2012 R'000
Opening balance	-	-	158,852	156,132
Reversed during the year	-	-	(9,595)	(45,689)
Raised during the year	-	-		48,409
Closing balance	**-**	**-**	**149,257**	**158,852**
Loans to various subsidiaries have been subordinated in favour of the other creditors of those companies. The loans were subordinated in respect of the following amounts:				
Wearne Share Incentive Trust	-	-	4,383	1,006
Wearne Aggregates Proprietary Limited	-	-	133,657	85,708
Wearne Precast Proprietary Limited	-	-	12,571	11,895
Wearne Quarries Natal Proprietary Limited	-	-	1,081	1,081
Wearne Ready Mixed Concrete Proprietary Limited	-	-	-	60,168
	-	**-**	**151,692**	**159,858**

10. TRADE AND OTHER RECEIVABLES

	Group 2013 R'000	2012 R'000	Company 2013 R'000	2012 R'000
Trade receivables	42,265	40,815	8,657	9,731
Prepayments	1,023	675	125	-
Value Added Taxation	-	-	-	-
Other receivables	2,231	881	803	-
	45,519	**42,371**	**9,585**	**9,731**
Fair value of trade and other receivables				
Trade and other receivables	45,519	42,371	9,585	9,731

Carrying values of trade and other receivables approximate fair values.

Trade and other receivables pledged as security

For detail regarding the cession of trade receivables as security for overdraft facilities provided to the Group refer to note 11.

Credit quality of trade receivables

Trade receivables comprise a widespread customer base. The table below shows the balances of the five major trade receivables at the Statement of Financial Position date. Credit ratings were obtained for all external trade receivables.

As at 28 February 2013

	Group Credit limit R `000	Balance R `000	Company Credit limit R `000	Balance R `000
Debtor A	5,500	2,398	3, 500	868
Debtor B	1,500	1,326	1,000	430
Debtor C	1,500	1,174	-	-
Debtor D	1,500	1,103	-	-
Debtor E	2,000	1,076	-	-

As at 28 February 2012

	Group Credit limit R `000	Balance R `000	Company Credit limit R `000	Balance R `000
Debtor A	3,500	2,540	3,500	2,269
Debtor B	3,500	2,269	50	13
Debtor C	4,500	1,756	-	-
Debtor D	2,000	1,608	-	-
Debtor E	1,500	1,500	-	-

Trade receivables

The table below shows the ageing of trade receivables:

	Group Credit limit R `000	Balance R `000	Company Credit limit R `000	Balance R `000
Less than 30 days	31,422	23,749	7,924	9,553
31 to 60 days	7,321	7,215	40	39
61 to 90 days	1,679	1,943	384	-
91 to 120 days	1,719	3,142	163	37
Over 120 days	124	4,766	146	102
	42,265	**40,815**	**8,657**	**9,731**

Trade and other receivables past due but not impaired

Trade receivables which are past due are not considered to be impaired, except as detailed below. The ageing of amounts past due but not impaired are as follows:

	Group Credit limit R `000	Balance R `000	Company Credit limit R `000	Balance R `000
The ageing of the amounts past due but not impaired is as follows:				
Less than 3 months	1,679	1,563	384	-
3 to 6 months	1,719	2,432	163	37
Over 6 months	124	4,611	146	102
	3,522	**8,606**	**693**	**139**

Trade and other receivables impaired

Group

As of 28 February 2013, trade and other receivables of R2,735,609 (2012:R1,245,295) were impaired and provided for.

Company

As of 28 February 2013, trade and other receivables of R Nil(2012: R Nil) were impaired and provided for.

	Group Credit limit R `000	Balance R `000	Company Credit limit R `000	Balance R `000
The ageing of the impairment provision is as follows:				
Less than 3 months	-	380	-	-
3 to 6 months	651	710	-	-
Over 6 months	2,085	155	-	-
	2,736	**1,245**	**-**	**-**
Reconciliation of provision for impairment of trade receivables:				
Opening balance	1,245	10,266	-	1,398
Utilised during year	(220)	(9,021)	-	-
Unused amounts reversed during year	-	-	-	(1,398)
Raised during year	1,711	-	-	-
	2,736	**1,245**	**-**	**-**

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	Credit limit R `000	Balance R `000	Credit limit R `000	Balance R `000
Cash on hand and on deposit	199	302	42	31
Bank balances	6,661	12,692	3,338	4,018
Invoice discounting facility utilised	187	(6,626)	157	(863)
Current assets	**7,047**	**6,368**	**3,537**	**3,186**
Bank overdraft	(19,635)	(30,505)	(19,635)	(30,505)
Invoice discounting facility utilised	(15,250)	-	-	-
Current liabilities	**(34,885)**	**(30,505)**	**(19,635)**	**(30,505)**
	(27,838)	**(24,137)**	**(16,098)**	**(27,319)**

There is no material difference between the fair value of cash and cash equivalents and their nominal value. No credit ratings of the relevant banking institutions have been obtained.

The Group has a multi-optional facility with Nedbank Limited by way of overdraft, short term loan, factoring agreement with Nedbank Debtor Management (for R10,000,000) or letter of guarantee facility. As security for the facility, the bank holds:

- Unrestricted first cession of all present and future book debts;
- Unlimited inter-linking suretyships including a cession of loan funds in favour of the bank between WG Wearne Limited and its subsidiary companies;
- First and second covering mortgage bond for R1,300,000 over the remaining extent of Portion 31 (a portion of Portion 1) of the farm Middelvlei No. 225;
- Continuing covering mortgage bond for R13,000,000 over the remaining extent of Portion 31 (a portion of Portion 1) of the farm Middelvlei No. 225 Randfontein;
- Second covering mortgage bond for R10,000,000 over Portion 226, 227, 266, 267, 285, 286 and 287 of the farm Rietfontein 1891Q and Portion 57, 58 and 185 of the farm Rietvallei 1881Q
- Continued covering mortgage bond for R90,000 of portion 56 of erf 247 Pothindustria
- Continued covering mortgage bond for erf 4038 Bethlehem township of R1,000,000
- Undertaking to pay sale proceeds of the following properties: erf 52 Wemmer Township, erf 40 Wemmer Township, erf 89 Village Main and erf 90 Village Main.

WG Wearne Limited has a fixed term loan and a revolving loan with ABSA, as security for these facilities the bank holds:

- Second continuous covering mortgage bond in the amount of R10,000,000 in favour of ABSA, Nedbank and Wesbank sharing pro-rata basis to the existing exposure;
- Special Notarial bonds over moveable assets purchased from De Bruyn Sandwerke Group registered in favour of WG Wearne Limited in the amount of R17,645,000 dated 8 January 2007;
- Negative pledge over assets of WG Wearne Limited dated 17 November 2006;
- Unlimited Cross sureties by all WG Wearne Limited subsidiaries, including cession of loan accounts for;
  - WG Wearne Limited,
  - Wearne Aggregates Proprietary Limited, and
  - Noordvaal Crushers Proprietary Limited
  - Cession of loan account dated 17 November 2006 in Noordvaal Crushers Proprietary Limited;
  - Cession of loan account dated 17 November 2006 in Wearne Aggregates Proprietary Limited; and
  - 1st Charge over assets financed

Wearne Aggregates Proprietary Limited has a commercial asset finance facility with ABSA of R4,200,000. As security for the facility, the bank holds:

- Unlimited Cross Securities by all WG Wearne Limited subsidiaries (including cession of loan accounts);
  - WG Wearne Limited
  - Wearne Aggregates Proprietary Limited; and
  - Noordvaal Crushers Proprietary Limited
- Cession of loan account dated 17 November 2006 in Wearne Aggregates Proprietary Limited
- Cession of loan account dated 17 November 2006 in Noordvaal Crushers Proprietary Limited
- Cession of loan account dated 17 November in WG Wearne Limited
- Special Notarial Bonds over moveable assets purchased from De Bruyn Sandwerke Group registered in favour of Wearne Aggregates Proprietary Limited in the amount of R9 355 000 dated 08 January 2007
- 1st charge over assets financed.

12. NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

In the 2012 financial year WG Wearne Limited (the company) entered into an agreement to sell its land situated in Marshalltown (Wemmer Pan), the selling price of which was R4.5 million . At the 28 February 2013 all conditions have been met for the land to be classified as held for sale although the Group is currently awaiting transfer of the land to the buyer.

The land was reclassified as a non-current asset held for sale and measured in accordance with the requirements of IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations:

2013 –Group and Company	Carrying value at reclassification date R `000	Fair value adjustment R `000	Carrying value under IFRS 5 R `000
Land	8,639	(4,139)	4,500

2012 –Group and Company	Carrying value at reclassification date R `000	Fair value adjustment R `000	Carrying value under IFRS 5 R `000
Land	8,639	(4,139)	4,500

The prior year non-current assets held for disposal by the Group consists of the net asset value of the Wemmer Pan Property. The Group's interest in the Wemmer Pan Property has been reclassified as a non-current asset held for sale and measured in accordance with the requirements of IFRS 5:

13. SHARE CAPITAL

	Group		Company	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Authorised				
500,000,000 (2012: 500,000,000) ordinary par value shares of 0.1 cent each	500,000	500,000	500,000	500,000
Reconciliation of number of shares (millions) issued:				
Balance at beginning of year	273	246	276	250
Issue of ordinary shares	-	83	-	83
Movement on treasury shares	-	1	-	-
Redemption of shares	-	(57)	-	(57)
	273	**273**	**276**	**276**

At year end the Group had issued 273,037,963 (2012: 273,037,963) ordinary shares of 0.1 cents each. The Group holds treasury shares in the WG Wearne Share Incentive Scheme of 3,355,250 (2012: 3,355,250).

The ordinary shares shall have 1 vote in respect of each share at any meeting of the shareholders of the holding company, the right to receive a dividend if declared, and the right to participate in the capital surplus on the winding up of the holding company.

The directors have the authority to allot the unissued shares, in terms of an ordinary resolution passed at the company's annual general meeting. This authority lapses at the next annual general meeting, unless it is renewed.

	Group		Company	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Issued share capital				
Ordinary share capital	273	273	276	276
Ordinary share premium	178,084	178,084	181,562	181,562
	178,357	**178,357**	**181,838**	**181,838**

The WG Wearne Share Incentive Scheme was registered on 02 March 2006 and 5 million shares in WG Wearne Limited (the company) were allotted to it on that date. Prior to the listing of the company's shares on the JSE's AltX, an offer was made to its employees. This is not a share option scheme consequently there were no options cancelled or issued during the year.

14. RESERVES

Non-distributable reserves

Non-distributable reserves consist of share-based payments expenses and fair-value adjustments to available-for-sale investments.

Share-based payment expenses relate to expenses incurred during the settlement of the outstanding purchase price of business combinations and paid in by the issue of shares.

For details regarding the fair value adjustments to available-for-sale investments refer to note 6.

	Group		Company	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Reserves consist of:				
Fair value adjustment to available-for-sale investments	759	345	-	-
	759	**345**	**-**	**-**

Revaluation reserves

Revaluation reserves consist of non-distributable revaluation surpluses raised on classes of property, plant and equipment carried according to the revaluation model. In accordance with the requirements of IFRS the revaluation reserves are realised through equity via other comprehensive income over the useful lives of the respective revalued assets.

	Group		Company	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Reserves consist of:				
Land	40,460	44,506	40,460	44,506
Plant and Machinery	8,866	9,852	-	-
Deferred tax	(10,030)	(11,059)	(7,548)	(8,301)
	39,296	**43,299**	**32,912**	**36,205**

15. BORROWINGS

	Group		Company	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Secured loans held at amortised cost:				
Revolving loan - ABSA Bank Limited	40,569	44,314	40,569	44,314
Term loan - ABSA Bank Limited	1,236	1,733	1,236	1,733
	41,805	**46,047**	**41,805**	**46,047**
Less: current portion at amortised cost	(15,353)	-	(15,353)	-
	26,452	**46,047**	**26,452**	**46,047**
Unsecured loans held at amortised cost:				
IDC Borrowing – A loan	50,319	41,717	50,319	41,717
IDC Borrowing – B loan	18,274	4,361	18,274	4,361
Term loan – ABSA Bank Limited	1,610	3,264	1,610	3,264
Term loan – Nedbank Limited	821	3,908	821	3,908
Term loan – Wesbank	2,283	2,342	2,283	2,342
	73,307	**55,592**	**73,307**	**55,592**
Less: current portion at amortised cost	(9,349)	(5,741)	(9,349)	(5,741)
	63,958	**49,851**	**63,958**	**49,851**
Instalment sale agreements held at amortised cost:				
ABSA Bank	9,179	10,517	6,865	6,902
Capital Acceptances	0	305	-	-
Wesbank	57,215	60,591	26,800	27,256
Imperial Bank	140	316	-	-
Mercedes Benz Finance Services	8,589	8,619	87	113
Nedbank	80,504	81,045	35,535	35,767
Total instalment sale agreements	**155,627**	**161,393**	**69,287**	**70,038**
Less: current portion at amortised cost	(27,765)	(5,010)	(11,722)	(677)
	127,862	**156,383**	**57,565**	**69,361**
Non-current liabilities				
Secured loans	26,452	46,047	26,452	46,047
Unsecured loans	63,958	49,851	63,958	49,851
Instalment sale agreements	127,861	156,383	57,565	69,361
	218,272	**252,281**	**147,975**	**165,259**
Current liabilities				
Secured Loans	15,353	-	15,353	-
Unsecured loans	9,349	5,741	9,349	5,741
Instalment sale agreements	27,765	5,010	11,722	677
	52,467	**10,751**	**36,424**	**6,418**
Total borrowings	**270,739**	**263,032**	**184,399**	**171,677**

Secured loans held at amortised cost:

There is no material difference between the fair value of the secured loans and their book value. The loans are secured by mortgage bonds and registered over certain of the group's land and buildings. Refer to note 11 for further details.

The ABSA Bank Limited term loan bears interest at prime plus 0.5% (9.5% at year end) per annum and is repayable at an average monthly instalment of R414,220 for 5 years beginning April 2013.

The ABSA Bank Limited revolving loan bears interest at prime plus 1.5% (10.5% at year end) and is repayable at an average monthly instalment of R1,335,099 for 5 years beginning April 2013.

The Nedbank Limited term loan bears interest at 12% per annum and is repayable at an average monthly instalment of R279,137 for 2 years which began November 2011.

The Wesbank term loan bears interest at prime (9% at year end) per annum and is repayable at an average monthly instalment of R76,526 for 3 years beginning April 2013.

Unsecured loans held at amortised cost:

The IDC A loan is repayable beginning February 2015.

The IDC B loan bears interest at 9.5% per annum and is repayable at an average monthly instalment of R250,000 for 20 months that began May 2012.

Instalment sale agreements held at amortised cost:

There is no material difference between the fair value of instalment sales creditors and their book value. The instalment sale agreements are secured over property, plant and equipment with a carrying value in the Group excluding revaluations of R135,620,960 (2012: R136,387,171). The instalment sale agreements bear interest between prime less 1% to prime plus 4.25% (prime 8.5% at year end) and are repayable at an average monthly instalment of R1,259,314 beginning April 2013.

Instalment sale liabilities are carried at amortised cost. All financial liabilities held at amortised cost are denominated in South African Rand.

	Group		Company	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Fair value of borrowings carried at cost				
Secured loans	41,806	55,561	41,805	55,561
Unsecured loans	73,308	46,078	73,307	46,078
Instalment sale agreements	155,626	161,393	69,287	70,038
	270,739	**263,032**	**184,399**	**171,677**

16. PROVISIONS

The Group is obliged to restore quarry sites at the end of their useful lives to a condition acceptable to the regulatory authorities. These liabilities are provision for estimated restoration costs.

Reconciliation of environmental provisions – Group 2013

	Opening balance	Transfer to non-current asset held for sale	Provision write-back during the year	Closing balance
Environmental rehabilitation	14,866	-	(2,991)	11,875

Reconciliation of environmental provisions – Group 2012

	Opening balance	Transfer to non-current asset held for sale	Provision write-back during the year	Closing balance
Environmental rehabilitation	13,990	-	876	14,866

17. TRADE AND OTHER PAYABLES

WG Wearne Limited and Wearne Aggregates Proprietary Limited reached a compromise with their trade creditors in respect of the balances owing as at 31 December 2010. These balances accrued interest at a rate of 3% per annum and were subject to a payment moratorium until August 2011 after which they were fully repaid in monthly instalments by January 2013.

Non-Current trade and other payables

		Group		Company
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
Trade payables	-	2,023	-	917
Current trade and other payables				
Trade payables	43,526	50,257	13,308	20,124
Amounts received in advance	4,269	3,950	-	-
Value Added Taxation	6,014	3,031	1,022	167
Trade accruals	1,631	2,057	262	73
Payroll accruals	8,618	9,076	1,693	2,186
Provision straight-lining of operating leases	-	-	-	-
Other payables	1,509	3,066	723	753
	65,567	**71,437**	**17,008**	**23,303**
Total trade and other payables	**65,567**	**73,460**	**17,008**	**24,220**
Fair value of trade and other payables				
Non-current trade and other payables	-	2,023	-	917
Current trade payables and other payables	65,567	71,437	17,008	23,303
	65,567	**73,460**	**17,008**	**24,220**

18. CONTINGENCIES

The Group had litigation claims against them pending at year end, these comprise:

Disputes regarding the repayment of previously claimed diesel rebate from SARS including penalties and interest to the value of R6,700,000.

19. FINANCIAL ASSETS PER CATEGORY

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

Group – 2013	Loans and receivables R `000	Available-for-sale R `000	Total R `000
Other financial assets	987	4,875	5,862
Trade and other receivables	44,496	-	44,496
Cash and cash equivalents	7,047	-	7,047
	52,530	**4,875**	**57,405**

Group – 2012	Loans and receivables R `000	Available-for-sale R `000	Total R `000
Other financial assets	4,908	4,329	9,237
Trade and other receivables	41,696	-	41,696
Cash and cash equivalents	6,368	-	6,368
	52,972	**4,329**	**57,301**

Company – 2013	Loans and receivables R `000	Available-for-sale R `000	Total R `000
Other financial assets	987	14	1,001
Trade and other receivables	9,460	-	9,460
Cash and cash equivalents	3,537	-	3,537
Loans to Group companies	2,435	-	2,435
	16,419	**14**	**16,433**

Company – 2012	Loans and receivables R `000	Available-for-sale R `000	Total R `000
Other financial assets	1,894	13	1,907
Trade and other receivables	9,731	-	9,731
Cash and cash equivalents	3,186	-	3,186
Loans to Group companies	3,359	-	3,359
	18,170	**13**	**18,183**

Credit Quality

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

20. FINANCIAL LIABILITIES PER CATEGORY

		Group		Company
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
Financial liabilities held at amortised cost				
Borrowings	270,739	263,032	184,399	171,677
Trade and other payables	59,577	70,429	17,007	24,053
Bank overdraft	19,648	30,505	19,635	30,505
Loans from Group companies	-	5,193	-	10,409
	349,964	**369,159**	**221,041**	**236,644**

21. RISK MANAGEMENT

Capital risk management

The board of directors have approved strategies for the management of financial risks which are in line with the corporate objectives. These guidelines set up the short and long-term objective and actions to be taken in order to manage the financial risks that the Group faces.

The major guidelines of the policy are the following:

- Minimise interest rate, currency and market risk for all kinds of transactions,
- All financial risk management activities are carried out and monitored at central level, and
- All financial risk management activities are carried out on a prudent and consistent basis, while following the best market practices.

The Group's activities expose it to a variety of financial risks. These risks include the following:

- Market risk (which includes interest rate risk, cash flow interest rate risk and price risk),
- Credit risk, and
- Liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The board provides principals for overall risk management as well as policies covering specific areas such as interest rate risk, credit risk and investment of excess liquidity.

At year end the Group's share capital consisted solely of share capital. The Group is currently aiming to reduce the debt-equity ratio.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and availability of funding through an adequate amount of committed credit facilities.

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. Such forecasting takes into consideration the group's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the period end date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group – 2013	Less than 1 year R `000	Between 1 and 2 years R `000	Between 2 and 5 years R `000
Borrowings	61,812	62,122	185,579
Trade and other payables	48,917	-	-
Bank overdraft	34,885	-	-
	145,614	**62,122**	**185,579**

Group – 2012	Less than 1 year R `000	Between 1 and 2 years R `000	Between 2 and 5 years R `000
Borrowings	10,751	21,898	230,383
Trade and other payables	71,437	2,023	-
Bank overdraft	30,505	-	-
Loans from Group companies	5,193	-	-
	117,886	**23,921**	**230,383**

Company – 2013	Less than 1 year R `000	Between 1 and 2 years R `000	Between 2 and 5 years R `000
Borrowings	39,754	40,210	126,343
Trade and other payables	14,292	-	-
Bank overdraft	19,635	-	-
	73,681	**40,210**	**126,343**

Company – 2012	Less than 1 year R `000	Between 1 and 2 years R `000	Between 2 and 5 years R `000
Borrowings	6,418	20,289	144,970
Trade and other payables	23,303	917	-
Bank overdraft	30,505	-	-
Loans from Group companies	10,409	-	-
	70,635	**21,206**	**144,970**

The carrying amount of the financial liabilities is considered to be in line with the fair value at period end date.

At present the Group expects to pay all liabilities at their contractual maturity date. In order to meet such commitments the Group expects the operating activity to generate sufficient funds. In addition, the Group holds financial assets for which there is a liquid market and they are readily available to meet liquidity needs.

Interest rate risk

The Group's exposure to interest rate risk mainly concerns financial assets and financial liabilities. Financial assets and financial liabilities are categorised by interest rate type as follows:

- Non-interest bearing,
- Fixed, and
- Floating rate

The following table analysis the breakdown of financial assets and financial liabilities by interest rate type:

Group– Assets 2013	Non-interest bearing R `000	Fixed rate R `000	Floating rate R `000
Other financial assets	-	987	4,875
Trade and other receivables	44,496	-	-
Cash and cash equivalents	-	-	7,047
	44,496	**987**	**11,922**

Group– Assets 2012	Non-interest bearing R `000	Fixed rate R `000	Floating rate R `000
Other financial assets	-	4,908	4,329
Trade and other receivables	42,371	-	-
Cash and cash equivalents	-	-	6,368
	42,371	**4,908**	**10,697**

Group– Liabilities 2013	Non-interest bearing R `000	Fixed rate R `000	Floating rate R `000
Borrowings	-	-	309,513
Loans from Group companies	-	609	-
Trade and other payables	48,917	-	-
Bank overdraft	-	-	34,885
	48,917	**609**	**344,398**

Group– Liabilities 2012	Non-interest bearing R `000	Fixed rate R `000	Floating rate R `000
Borrowings	-	8,269	254,763
Loans from Group companies	5,193	-	-
Trade and other payables	71,437	2,023	-
Bank overdraft	-	-	30,505
	76,630	**10,292**	**285,268**

Company– Assets 2013	Non-interest bearing R `000	Fixed rate R `000	Floating rate R `000
Other financial assets	-	987	14
Loans to Group companies	-	-	2,435
Trade and other receivables	9,460	-	-
Cash and cash equivalents	42	-	3,495
	9,502	**987**	**5,944**

Company– Assets 2012	Non-interest bearing R `000	Fixed rate R `000	Floating rate R `000
Other financial assets	-	-	1,907
Loans to Group companies	-	4,365	158,830
Trade and other receivables	9,731	-	-
Cash and cash equivalents	-	-	3,186
	9,731	**4,365**	**163,923**

Company– Liabilities 2013	Non-interest bearing R `000	Fixed rate R `000	Floating rate R `000
Borrowings	-	-	206,307
Loans from Group companies	-	609	-
Trade and other payables	14,292	-	-
Bank overdraft	-	-	19,635
	14,292	**609**	**225,942**

Company– Liabilities 2012	Non-interest bearing R `000	Fixed rate R `000	Floating rate R `000
Borrowings	-	8,269	163,408
Loans from Group companies	10,409	-	-
Trade and other payables	23,303	917	-
Bank overdraft	-	-	30,505
	33,712	**9,186**	**193,913**

Sensitivity analysis

The analysis has been performed for floating interest rate financial liabilities. The impact of a change in interest rates on floating interest rate financial liabilities has been assessed in terms of the changing of their cash flows and therefore in terms of the impact on net expenses.

The Group's interest rate risk arises substantially from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings at variable rates are denominated in South African rand.

Group

A hypothetical increase / decrease in the interest rate by 50 basis points, with all other variables remaining constant, would result in an increase / decrease in profits after tax of R1,239,790 (2012:R1,026,965).

A hypothetical increase / decrease in the interest rate by 100 basis points, with all other variables remaining constant, would result in an increase / decrease in profits after tax of R2,479,581 (2012:R2,053,930).

Company

A hypothetical increase / decrease in the interest rate by 50 basis points, with all other variables remaining constant, would result in an increase / decrease in profits after tax of R 375,093 (2012:R698,087).

A hypothetical increase / decrease in the interest rate by 100 basis points, with all other variables remaining constant, would result in an increase / decrease in profits after tax of R 750,186 (2012:R1,396,173).

Credit risk

Credit risk is managed on a Group basis.

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash. Refer to note 10 for details on the quality and allowance for impairment of trade receivables.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument

		Group		Company
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
Other financial assets	987	9,237	987	1,907
Loans to group companies	-	-	2,435	3,359
Trade and other receivables	44,496	42,371	9,460	9,731
Cash and cash equivalents	7,047	6,368	3,537	3,186
	52,530	**57,976**	**16,419**	**18,183**

The Group is exposed to a number of guarantees for its overdraft facilities. Refer to note 11 for additional details.

Foreign exchange risk

The Group is not exposed to any foreign exchange risk.

Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated Statement of Financial Position as available-for-sale. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group is not exposed to commodity price risk.

The table below summarises the impact of increases/decreases of the indexes on the Group's post-tax profit for the year and on equity. The analysis is based on the assumption that the equity indexes has increased/decreased by 5% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index:

		Group		Company
	2013	2012	2013	2012
	R'000	R'000	R'000	R'000
Financial instrument	Impact on other components of equity			
Unit trusts	244	300	*	*

** Amounts less than R1,000*

22. REVENUE

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Sale of goods	352,553	296,926	42,273	64,906
Services	45,982	7,812	-	-
Rental revenue	-	-	20,767	10,697
Other revenue	-	-	18,828	10,939
Interest on discounting of revenue	1,466	1,132	-	-
	400,001	**305,870**	**81,868**	**86,542**

23. COST OF SALES

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Sale of goods	(295,901)	(237,129)	(43,618)	(53,064)
Services	(19,280)	(6,875)	-	-
Interest on discounting of cost of sales	(297)	(3,794)	-	-
	(315,478)	**(247,798)**	**(43,618)**	**(53,064)**

24. OPERATING LOSS

Operating loss for the year is stated after accounting for the following:

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Operating lease charges				
Premises lease expense	(1,204)	(2,318)	(933)	(1,255)
Motor vehicle and equipment lease expense	(446)	(1,503)	(233)	(296)
	(1,650)	**(3,821)**	**(1,166)**	**(1,551)**
Loss on sale of property, plant and equipment	(216)	(903)	(177)	3,123
Impairment of tangible assets	-	(990)	-	(23)
Loss on scrapping of property, plant and equipment	-	(2,516)	17	-
Profit on sale of Wearne Bricks Proprietary Limited	-	1,212	-	5,064
Profit/Loss on sale of Wearne Drilling and Blasting Proprietary Limited	(667)	-	4,700	-
Impairment of loans	(1,979)	(874)	-	(49,283)
Reversal of impairment of loan		-	5,170	-
Depreciation on property, plant and equipment	(34,016)	(38,642)	(13,924)	(15,195)
Employee costs	(81,161)	(84,650)	(31,813)	(21,995)

25. RETIREMENT BENEFITS

It is the policy of the Group to provide retirement benefits to all its employees, all of which are subject to the Pension Funds Act. The Group is under no obligation to cover any undefined benefits.

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Total Group contributions to such schemes	(4,353)	(4,100)	(1,855)	(1,941)

26. COMMITMENTS

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Operating leases as a lessee (expense)				
Minimum lease payment due				
Within one year	(1,191)	(1,191)	(544)	(500)
In second to fifth year inclusive	(2,727)	(3,918)	-	(544)
Later than five years	-	-	-	-
	(3,918)	**(5,109)**	**(544)**	**(1,044)**

The Group's operating leases relate to the rental of production vehicles, motor vehicles and the head office premises. These leases range between 1 and 6 years in length.

27. INVESTMENT REVENUE

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Dividend income				
Stanlib Management – Unit trusts	14	20	-	-
Interest income				
WG Wearne Share Incentive Scheme	-	-	-	58
Interest from Bank	97	968	97	129
Interest on loans to subsidiaries	-	-	12,323	12,449
Other interest received	364	558	187	37
	461	**1,526**	**12,607**	**12,673**
	475	**1,546**	**12,607**	**12,673**

28. FINANCE COSTS

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Bank overdraft and loans	(11,958)	(14,207)	(11,916)	(14,081)
Instalment sales agreements	(14,136)	(14,638)	(5,478)	(6,943)
Interest paid on loans from Group companies	-	(475)	-	(950)
Other interest paid	(1,022)	(749)	-	-
Interest on discounting	-	(3,794)	-	(969)
Trade payables	(202)	(2,065)	(202)	(667)
	(27,318)	**(35,928)**	**(17,596)**	**(23,610)**

29. TAXATION

Current taxation

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Income taxation	-	(616)	-	-
Mineral taxation	(221)	(370)	-	-
	(221)	**(986)**	**-**	**-**
Deferred taxation				
Originating and reversing temporary difference	11,626	(2,116)	-	-
Utilisation estimated losses	(126)	5,144	-	4,143
Reversal of deferred taxation asset	(6,915)	(1,617)	-	-
	4,586	**1,411**	**-**	**4,143**
Total taxation	**4,365**	**425**	**-**	**4,143**

Group

Deferred income tax of R1,028, 392 (2012: Nil) was transferred from revaluation reserves to retained earnings. This represents deferred tax on the difference between the actual depreciation on property, plant and equipment and the equivalent depreciation based on the historical cost.

Company

Deferred income tax of R754, 477 (2012: Nil) was transferred from revaluation reserves to retained earnings. This represents deferred tax on the difference between the actual depreciation on property, plant and equipment and the equivalent depreciation based on the historical cost.

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate

	Group		Company	
	2013	2012	2013	2012
	%	%	%	%
Applicable tax rate	(28.00)	(28.00)	(28.00)	(28.00)
Exempt income	-	-		-
Disallowable charges	6.00	2.59	(28.00)	79.64
Royalty Tax	1.00			
Deferred tax not raised on estimated losses	(35.00)	(27.42)	28.00	-
Deferred tax not utilised (raised) in prior year	6.00	53.63	-	(58.36)
	(22.00)	**(0.80)**	**-**	**(6.72)**

30. BASIC AND DILUTED LOSS PER SHARE

	2013	2012
Continuing basic and diluted loss per share	(5.61)	(21.76)
Continuing and discontinued basic and diluted loss per share	(6.49)	(22.86)

The calculation of continuing basic and diluted loss per ordinary share is based on losses of R15,317,706 (2012:R52,303,364) and a weighted average number of shares in issue of 273,037,963 (2012: 240,344,175) .

The calculation of continuing and discontinuing basic and diluted loss per ordinary shares is based on losses of R17,710,706 (2012:R54,953,280) and a weighted average number of shares in issue of 273,037,963 (2012: 240,344,175).

The weighted average number of shares is calculated after taking into account the effect of setting off treasury shares of 3,355,250 (2012: 3,355,250).

31. HEADLINE AND DILUTED HEADLINE LOSS PER SHARE

	2013	2012
Headline and diluted headline loss per share	(6.15)	(19.88)

	2013	2012
Reconciliation of the headline loss		
Loss for the period:	(17,711)	(54,953)
Adjusted for:		
Impairments and scrapping loss	-	3,506
Loss (Profit) on the sale of interest in joint venture	667	(1,212)
Loss on the sale of property, plant and equipment, net of taxation	258	735
Fair value of non-current assets held for sale	-	4,139
	(16,786)	**(47,785)**

The calculation of basic and diluted headline loss per ordinary share is based on losses of R 16,785,706 (2012: R47,785,354) and a weighted average number of shares in issue of 273,037,963 (2012: 240,344,175).

The weighted average number of shares is calculated after taking into account the effect of setting off treasury shares of 3,355,250 (2012:3,355,250).

32. ASSET VALUE PER SHARE

	2013	2012
Net asset value per share	13.00	19.33
Net tangible asset value per share	13.00	19.33

The calculation of net asset value per ordinary share is based on a net asset value of R35,489,000 (2012: R52,785,509) and an issued number of ordinary shares of 273,037,963 (2012:273,037,963).

The calculation of net tangible per ordinary share is based on net tangible assets of R 35,489,000 (2012: R52,785,509) and an issued number of ordinary shares of 273,037,963 (2012: 273,037,963) .

The number of shares is calculated after taking into account the effect of setting off treasury shares of 3,355,250 (2012: 3,355,250). The treasury shares are held by the WG Wearne Share Incentive Scheme.

33. DISCONTINUED OPERATIONS

During the current year the Group disposed of its interest in Wearne Drilling and Blasting Proprietary Limited which has been presented as a discontinued operation.

The discontinued operations presented on the face of the consolidated Statement of Comprehensive Income are presented net of inter-company transactions between Wearne Drilling and Blasting Proprietary Limited (2012: Wearne Drilling and Blasting Proprietary Limited) and the holding company and its subsidiaries. The eliminations are presented as follows:

Group – 2013	Disposal group R `000	Inter- company elimination R `000	Disposal group net of eliminations R `000
Revenue	12,869	(3,831)	9,038
Cost of sales	(7,819)	56	(7,763)
Gross profit	**5,050**	**(3,775)**	**1,275**
Other income	17	-	17
Operating expenses	(168)	(3,106)	(3,273)
Operating profit	**4,899**	**(6,881)**	**(1,982)**
Investment revenue	-	-	-
Finance costs	(411)	-	(411)
Profit before taxation	**4,488**	**(6,881)**	**(2,393)**
Taxation	-	-	-
Profit after taxation	**4,488**	**(6,881)**	**(2,393)**
Profit attributable to:			
Owners of the parent	4,488	(6,881)	(2,393)
Non-controlling interest	-	-	-
	4,488	**(6,881)**	**(2,393)**
Profit attributable to the owners	-	-	(2,393)
Profit on discontinued operation	**-**	**-**	**(2,393)**
Cash flow from discontinued operations			
Cash flows from operating activities	-	-	(3,050)
Cash flows from investing activities	-	-	4,700
Cash flows from financing activities	-	-	(1,217)
Net cash flows			**433**
Discontinued operation:			
Discontinued operation attributable to Wearne Drilling and Blasting Proprietary Limited	-	-	(2,393)
Fair value adjustment	-	-	-
			(2,393)

Group – 2012	Disposal group R `000	Inter- company elimination R `000	Disposal group net of eliminations R `000
Revenue	24,041	4208	19,833
Cost of sales	(14,089)	(170)	(13,919)
Gross profit	**9,952**	**4,038**	**5,914**
Other income	584	475	109
Operating expenses	(4,780)	-	(4,780)
Operating profit (loss)	**5,756**	**4,513**	**1,243**
Investment revenue	951	-	951
Impairment of Loans to Group Companies	(10,386)	-	(10,386)
Finance costs	(674)	-	(674)
Profit (loss) before taxation	**(4,353)**	**4,513**	**(8,866)**
Taxation	(2,915)	-	(2,915)
Profit (loss) after taxation	**(7,268)**	**4,513**	**(11,781)**
Profit (loss) attributable to:			
Owners of the parent	(3,634)	-	(5,891)
Non-controlling interest	-	-	-
	(3,634)	**-**	**(5,891)**
Cash flow from discontinued operations			
Cash flows from operating activities	-	-	1,010
Cash flows from investing activities	-	-	-
Cash flows from financing activities	-	-	921
Net cash flows	**-**	**-**	**1,931**

During the prior year the Group disposed of its interest in Wearne Bricks Proprietary Limited which has been presented as a discontinued operation. In addition the Wearne Limited Company entered into an agreement to sell its Wemmer Pan property.

The discontinued operations presented on the face of the consolidated Statement of Comprehensive Income are presented net of inter-company transactions between Wearne Bricks and the holding company and its subsidiaries. The eliminations are presented as follows:

Group – 2012	Disposal group R `000	Inter- company elimination R `000	Disposal group net of eliminations R `000
Revenue	8,665	-	8,665
Cost of sales	(5,277)	-	(5,277)
Gross profit	**3.388**	**-**	**3,388**
Other income	-	-	-
Operating expenses	(1,837)	-	(1,837)
Operating profit	**1,551**	**-**	**1,551**
Investment revenue	4	-	4
Finance costs	(66)	-	(66)
Profit before taxation	**1,489**	**-**	**1,489**
Taxation	-	-	-
Profit after taxation	**1,489**	**-**	**1,489**
Profit attributable to:			
Owners of the parent	1,489	-	1,489
Non-controlling interest	-	-	-
	1,489	**-**	**1,489**
Profit attributable to the owners	-	-	1,489
Profit on discontinued operation	**-**	**-**	**1,489**
Cash flow from discontinued operations			
Cash flows from operating activities	-	-	713
Cash flows from investing activities	-	-	(19)
Cash flows from financing activities	-	-	297
Net cash flows	**-**	**-**	**991**
Discontinued operation:			
Discontinued operation attributable to Wearne Bricks Proprietary Limited	-	-	1,489
Fair value adjustment on Wemmer Pan property	-	-	(4,139)
	-	**-**	**(2,650)**

Company – 2012	Disposal group R `000	Inter- company elimination R `000	Disposal group net of eliminations R `000
Fair value adjustment on Wemmer Pan property	-	-	(4,139)

34 CASH GENERATED FROM OPERATIONS

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Loss before taxation	(19,683)	(52,728)	524	(61,654)
Add back:				
Interest revenue	(461)	(1,526)	(12,607)	(12,673)
Dividends received	(14)	(20)	-	-
Finance costs	27,318	35,928	17,596	23,610
Profit/(Loss) from operations	**7,160**	**(18,346)**	**5,513**	**(50,717)**
Operating profit from discontinued operations 34		-		-
Non-cash flow adjustments:				
Amortisation of intangible assets	-	-	-	-
Depreciation on property, plant and equipment	34,016	38,642	13,924	15,195
Loss (profit) on sale of property, plant and equipment	307	903	177	385
Loss on scrapping of property, plant and equipment	-	2,516	-	1,556
Impairment of tangible assets	-	990	-	23
Loss (profit) on sale of Wearne Bricks Proprietary Limited	-	(1,212)	-	(5,064)
Loss (profit) on sale of Wearne Drilling and Blasting Proprietary Limited	667	-	(4,700)	-
Impairment of intangible assets	-	-	-	-
Impairment of loans receivable	2,245	874	-	49,283
Reversal of impairment of loans receivable	-	-	(5,170)	-
Movement on environmental provision	(737)	876	-	-
Other non-cash adjustments	(32)	-	(53)	
Write-off of loans to share incentive participants	769	(29)	-	(242)
Working capital adjustments:				
Inventories	(2,543)	(3,367)	358	(412)
Trade and other receivables	(4,108)	(7,014)	146	151
Trade and other payables	(6,029)	6,871	(6,295)	(1,793)
	31,715	**21,704**	**3,900**	**9,042**

35. TAXATION PAID

	Group 2013 R'000	Group 2012 R'000	Company 2013 R'000	Company 2012 R'000
Balance at beginning of year	(1,821)	(1,524)	-	-
Charge through the statement of comprehensive income	(6,195)	(986)	-	-
Attributable to the discontinued operation	1,395	(272)	-	-
Deferred tax adjustment	5,947	-	-	-
Balance at end of the year	647	1,821	-	-
	-	**(961)**	**-**	**-**

36. SEGMENTAL REPORTING

	2013 R `000	2012 R `000
Revenue: External sales		
Aggregates	197,592	174,361
Readymix mixed concrete	191,747	118,262
Concrete manufactured products	10,662	13,247
	400,001	**305,870**
Revenue Inter-segment sales		
Aggregates	58,832	41,793
Readymix mixed concrete	317	301
Concrete manufactured products	-	-
	59,149	**42,094**
Revenue: Total sales		
Aggregates	256,424	216,154
Readymix mixed concrete	192,064	118,563
Concrete manufactured products	10,662	13,247
	459,150	**347,964**
Profit (loss) before taxation (before inter-segment eliminations)		
Aggregates	6,207	12,548
Readymix mixed concrete	364	(28,424)
Concrete manufactured products	589	(2,470)
	7,160	**(18,346)**
Property, plant and equipment		
Aggregates	276,996	289,382
Readymix mixed concrete	40,882	58,641
Concrete manufactured products	21,848	22,780
	339,726	**370,803**
Total assets		
Aggregates	338,080	354,175
Readymix mixed concrete	70,779	71,917
Concrete manufactured products	24,203	24,492
	433,062	**450,584**

The Group's business segments and segmental information presented above represents the primary basis of segment reporting. The business segment reporting format reflects the Group's management and internal reporting structure. The Groups drilling and blasting division is included as part of the aggregates division. Inter-segment transactions are concluded at arm's length terms and conditions. At year end the Group did not have a customer who individually accounted for more than 10% of the Group's total sales.

All companies in the Group operate solely in the Republic of South Africa.

37. DIRECTORS EMOLUMENTS

Executive directors: 2013

	Basic R `000	Compensation for loss of office R `000	Insurance R `000	Retirement funding R `000	Medical Aid R `000	Total R `000
SJ Wearne	1,386	-	-	-	-	1,386
JJ Bierman	1,016	-	-	-	-	1,016
GL Bosman	179	-	-	-	-	179
A C Van Heerden	1,010					1,010
Total	**3,591**	**-**	**-**	**-**	**-**	**3,591**

Executive directors: 2012

	Basic R `000	Compensation for loss of office R `000	Insurance R `000	Retirement funding R `000	Medical Aid R `000	Total R `000
SJ Wearne	277	657	-	-	-	934
JJ Bierman	220	-	-	-	-	220
RC Devereux	1,309	-	-	-	-	1,309
AW Bruens	1,600	-	-	-	-	1,600
N Heyns	-		-	-	-	-
Total	**3,405**	**657**	**-**	**-**	**-**	**4,062**

Non-executive directors

	Type of earnings	2013 R `000	2012 R `000
B Mkhonto	Consulting	-	-
HWP Scholtz	Consulting	-	-
MM Patel	Fees	245	180
GM Salanje	Fees	180	121
RC Ramushu (1)		-	-
WP Van der Merwe	Fees	101	-
SJ Wearne	Consulting	-	200
		526	**501**

Appointments and resignations of directors

- RC Ramashu was appointed as an Non-Executive Director on 17 August 2011. RC Ramashu passed away in August 2012.
- M C Khwinana was appointed in place of RC Ramashu on 05 September 2012.

38. EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

There were no events subsequent to year end.

39. RELATED PARTIES

Relationships

The company has the following related party relationships:

Controlling entities	**Shareholders**
• Controlled entities (and related transactions)	Subsidiaries as set out in Annexure A
• Executive directors	SJ Wearne, JJ Bierman
• Joint ventures	Wearne Drilling and Blasting Proprietary Limited
• Entities controlled by the directors	Senatla Structures Proprietary Limited
• Special purpose entities	WG Wearne Rehabilitation Trust
	WG Wearne Share Incentive Scheme
• Key management	SJ Wearne, JJ Bierman

40. GOING CONCERN

The Group incurred a total comprehensive loss for the 2013 financial period of R17.3 million. This highlights a material uncertainty regarding the going concern issue which is emphasised further by the Group's negative liquidity position, high gearing and depleted net asset value.

The Group is currently solvent with net asset value of R35.4 million or 13.00 cents per share. Current liabilities (R153.6 million) exceed current assets (R 73.4 million) by R80.2 million. Negotiations are currently underway to extend the repayment terms of the current overdraft totalling R 19 million.

ANNEXURE A

SCHEDULE OF INVESTMENTS IN AND RELATED PARTY TRANSACTIONS WITH SUBSIDIARIES

	Issued capital	Interest		Cost of Shares		Loan amounts owing by / (to) subsidiary		Amounts included in trade receivables	
		2013	2012	2013	2012	2013	2012	2013	2012
	R	%	%	R	R	R	R	R	R
Subsidiaries (Direct)									
Noordvaal Crushers Proprietary Limited	16 000	100	100	1	1	(21 899)	(21 899)	-	-
Wearne Aggregates Proprietary Limited *	3	100	100	3 000 000	3 000 000	133 657 169	85 707 901	4 686 474	5 937 894
Wearne Platkop Quarry Proprietary Limited	100	100	100	100	100	(100)	(100)	-	-
Wearne Precast Proprietary Limited	100	77	77	1 770	1 770	12 571 076	11 894 676	45 559	30 419
Wearne Quarries Free State Proprietary Limited	100	100	100	100	100	-	-	-	-
Wearne Quarries Gauteng Proprietary Limited	100	100	100	100	100	-	-	-	-
Wearne Quarries Limpopo Proprietary Limited	100	100	100	100	100	-	-	-	-
Wearne Quarries Natal Proprietary Limited	100	100	100	100	100	1 081 519	1 081 519	-	-
Wearne Ready Mixed Concrete Proprietary Limited	100	100	100	100	100	(587 692)	60 168 122	1 793 288	1 370 240
Joint Ventures									
Wearne Bricks Proprietary Limited	100	-	50	-	50	-	-	-	-
Wearne Drilling and Blasting Proprietary Limited	100	50	50	50	50	-	(10 386 472)	-	34 200
Special purpose entities									
WG Wearne Share Incentive Scheme	-	-	-	-	-	4 382 749	4 364 748	-	-
WG Wearne Rehabilitation Trust	-	-	-	-	-	-	-	-	-
TOTALS				**3 002 471**	**3 002 471**	**151 082 822**	**152 808 495**	**6 525 321**	**7 372 753**
Reclassification of non-current asset held for sale									
Portland Holdings Proprietary Limited	1 540 100	-	100	-	-	-	-	-	-
Portland Aggregate Sales Proprietary Limited	200	-	100	-	-	-	-	-	-
Portland Concrete Pumps Proprietary Limited	100	-	100	-	-	-	-	-	-
Portland Hollowcore Slabs Proprietary Limited	100	-	100	-	-	-	-	-	-
Wearne Contracts Proprietary Limited	100	-	85	-	-	-	-	-	-
Portland Readymix Proprietary Limited **	600	-	100	-	-	-	-	-	-
Cape Town Ostrich Sand Mines Proprietary Limited	100	-	70	-	-	-	-	-	-

	Amounts included in trade payables		Net profit / (loss) after tax attributable to group		Services rendered to subsidiaries		Services rendered by subsidiaries		Interest received from / (paid to) subsidiaries		Sale of assets to subsidiaries	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	R	R	R	R	R	R	R	R	R	R	R	R
Subsidiaries (Direct)												
Noordvaal Crushers Proprietary Limited	-	-	-	(21 899)	-	-	-	-	-	-	-	-
Wearne Aggregates Proprietary Limited *	-	-	(51 328 571)	(36 996 598)	46 029 893	43 201 489	16 734	2 072 567	8 681 581	6 113 000	-	(1,196,140)
Wearne Platkop Quarry Proprietary Limited	-	-	-	-	-	-	-	-	-	-	-	-
Wearne Precast Proprietary Limited	-	-	(3 913 827)	(4 086 803)	358 916	370 165	-	-	1 020 441	904 952	-	-
Wearne Quarries Free State Proprietary Limited	-	-	-	(122 937)	-	-	-	-	-	-	-	-
Wearne Quarries Gauteng Proprietary Limited	-	-	-	(1 604 222)	-	-	-	-	-	-	-	-
Wearne Quarries Limpopo Proprietary Limited	-	-	-	695 829	-	-	-	-	-	-	-	-
Wearne Quarries Natal Proprietary Limited	-	-	-	-	-	-	-	-	-	-	-	-
Wearne Ready Mixed Concrete Proprietary Limited	-	-	7 854 865	(28 424 367)	15 843 219	15 568 337	26 735	1 546	2 620 686	5 431 059	-	120,506
Joint Ventures												
Wearne Bricks Proprietary Limited	-	-	-	2 977 631	-	-	-	-	-	-	-	-
Wearne Drilling and Blasting Proprietary Limited	-	269065	2 094 867	(7 268 267)	4 191 488	360 000	76 190	1 473 167	-	(950 197)	-	-
Special purpose entities												
WG Wearne Share Incentive Scheme	-	-	(2 190 782)	373 750	-	-	-	-	-	-	-	-
WG Wearne Rehabilitation Trust	-	-	129 928	145 510	-	-	-	-	-	-	-	-
TOTALS	**-**	**269 065**	**(47 353 520)**	**(74 332 373)**	**66 423 516**	**59 499 991**	**119 659**	**3 547 280**	**12 322 708**	**11 498 814**	**-**	**-**
Reclassification of non-current asset held for sale												
Portland Holdings Proprietary Limited	-	-	-	-	-	-	-	-	-	-	-	-
Portland Aggregate Sales Proprietary Limited	-	-	-	-	-	-	-	-	-	-	-	-
Portland Concrete Pumps Proprietary Limited	-	-	-	-	-	-	-	-	-	-	-	-
Portland Hollowcore Slabs Proprietary Limited	-	-	-	-	-	-	-	-	-	-	-	-
Wearne Contracts Proprietary Limited	-	-	-	-	-	-	-	-	-	-	-	-
Portland Readymix Proprietary Limited **	-	-	-	-	-	-	-	-	-	-	-	-
Cape Town Ostrich Sand Mines Proprietary Limited	-	-	-	-	-	-	-	-	-	-	-	-

** Wearne Aggregates Proprietary Limited was previously known as WG Wearne Logistics Proprietary Limited*

*** Wearne Contracts Proprietary Limited was previously known as Portland Quarry Proprietary Limited*

ANNEXURE B SHAREHOLDER ANALYSIS

Company:	WG Wearne Limited
Register date:	28 February 2013
Issued Share Capital:	276,393,213

SHAREHOLDER SPREAD	No of Shareholdings	%	No of Shares	%
1 - 1 000 shares	205	12.82	126,089	0.05
1 001- 10 000 shares	757	47.34	3,564,866	1.29
10 001- 100 000 shares	509	31.83	17,925,031	6.49
100 001- 1 000 000 shares	97	6.07	26,225,480	9.49
1 000 001 shares and over	31	1.94	228,551,747	82.69
Totals	**1,599**	**100.00**	**276,393,213**	**100.00**

DISTRIBUTION OF SHAREHOLDERS	No of Shareholdings	%	No of Shares	%
Banks/Brokers	3	0.19	554,881	0.20
Close Corporations	36	2.25	4,016,524	1.45
Empowerment	6	0.38	12,500,000	4.52
Endowment Funds	4	0.25	9,530	0.00
Government	1	0.06	41,458,982	15.00
Individuals	1,400	87.55	84,596,906	30.61
Insurance Companies	2	0.13	58,220	0.02
Investment Companies	1	0.06	105,080	0.04
Mutual Funds	1	0.06	509	0.00
Nominees & Trusts	83	5.19	65,028,430	23.53
Other Corporations	10	0.63	314,950	0.11
Private Companies	49	3.06	63,826,151	23.09
Public Companies	1	0.06	500,000	0.18
Retirement Fund	1	0.06	67,800	0.02
Share Trust	1	0.06	3,355,250	1.21
Totals	**1,599**	**100.00**	**276,393,213**	**100.00**

PUBLIC / NON - PUBLIC SHAREHOLDERS	No of Shareholdings	%	No of Shares	%
Non - Public Shareholders	7	0.44	157,089,581	56.84
Directors and Associates of the Company holdings	3	0.19	21,227,400	7.68
Strategic Holdings	3	0.19	132,506,931	47.94
Share Trust	1	0.06	3,355,250	1.21
Public Shareholders	1,592	99.56	119,303,632	43.16
Totals	**1,599**	**100.00**	**276,393,213**	**100.00**

Beneficial shareholders holding 3% or more	No of Shares	%
Samant Trust	49,588,967	17.94
Industrial Development Corporation	41,458,982	15.00
Richtrau No 329 Proprietary Limited	41,458,982	15.00
Wearne, SJ	21,180,400	7.66
Wearne, JC	12,107,867	4.38
Totals	**165,795,198**	**59.99**

NOTICE OF AGM

Notice is hereby given that the AGM of the shareholders of WG Wearne Limited ("the Company") will be held at **STONEMILL OFFICE PARK, 3 KIEPERSOL HOUSE, 300 ACACIA ROAD, CRESTA, RANDBURG, on WEDNESDAY, 2 OCTOBER 2013** at 10H00 to deal with the business as set out below and to consider and, if deemed appropriate, pass the ordinary and special resolutions set out hereunder in the manner required by the Companies Act 71 of 2008 ("the Act"), as read with the listings requirements of the JSE Limited ("JSE Listings Requirements").

Kindly note that in terms of section 63(1) of the Act, meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports.

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The consolidated audited annual financial statements of the Company and its subsidiaries, incorporating the reports of the auditors, the Audit Committee and the Directors for the year ended 28 February 2013 have been distributed as required and will be presented to shareholders as required in terms of section 30(3)(d) of the Act.

REPORT OF THE SOCIAL AND ETHICS COMMITTEE

In accordance with Companies Regulation 43(5)(c), issued in terms of the Act, the Chairman of the Social and Ethics Committee will present a verbal report to shareholders at the AGM.

RESOLUTIONS FOR CONSIDERATION AND APPROVAL

ORDINARY RESOLUTIONS 1.1 TO 1.2: RE-ELECTION OF DIRECTORS

To elect by way of separate resolutions, Directors in the place of those retiring in accordance with the Company's Memorandum of Incorporation ("MOI").The Directors retiring, all of whom being eligible offer themselves for re-election, are:

- Mr MC Khwinana
- Mr GM Salanje

ORDINARY RESOLUTIONS 2.1 TO 2.3: APPOINTMENT OF AUDIT COMMITTEE

To confirm, by way of separate resolutions, the appointment of the following independent Non-Executive Directors as members of the Audit Committee with effect from the end of this AGM in terms of section 94(2) of the Act:

- Mr GM Salanje
- Mr MC Khwinana
- Mr WP van der Merwe

ORDINARY RESOLUTION 3: RE-APPOINTMENT OF AUDITORS

To re-appoint, on recommendation of the current Audit Committee, Grant Thornton and the independently registered auditor, Mr MZ Sadek, as independent auditors of the Company, the designated auditor meeting the requirements of section 90(2) of the Act, until conclusion of the next AGM.

ORDINARY RESOLUTION 4: CONTROL OF AUTHORISED BUT UNISSUED SHARE CAPITAL

"RESOLVED that the authorised but unissued shares in the capital of the Company be and hereby placed under the control of the Directors of the Company until the next AGM, to enable them to allot and issue such ordinary shares at their discretion subject to the provisions of the Companies Act, 2008, the Company's MOI and the listings requirements of the JSE Limited."

ORDINARY RESOLUTION 5:
GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolution:

"RESOLVED that, in terms of the Listings Requirements of the JSE Limited ("JSE"), the mandate given to the Directors of the Company in terms of a general authority to issue securities for cash, as and when suitable opportunities arise, be renewed subject to the following conditions:

that this authority shall only be valid until the next AGM of the Company but shall not extend beyond 15 months from the date of this meeting;

the allotment and issue of the shares must be made to persons qualifying as public shareholders as defined in the Listings Requirements of the JSE;

the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;

that an announcement giving full details, including the impact of the issue on net asset value, net tangible asset value, earnings and headline cumulative basis within one financial year, 5% of the number of shares in issue prior to the issue concerned;

that the issues in aggregate in any one financial year (including the number of any shares that may be issue in future arising out of the issue of options) shall not exceed 50% (fifty percent) of the number of shares of the Company's issued ordinary share capital; and

that in determining the price at which an issue of shares for cash will be made in terms of this authority, the maximum discount permitted shall be 10% of the weighted average traded price of the ordinary shares on the JSE, measured over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities."

ORDINARY RESOLUTION 6:
REMUNERATION PHILOSOPHY

To endorse through a non-binding, advisory vote, the remuneration philosophy of the Company as set out on page 29 of the annual report of which this notice forms part.

SPECIAL RESOLUTION 1:
GENERAL AUTHORITY TO REPURCHASE SHARES

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

"RESOLVED by way of a special resolution that the mandate given to the Company in terms of its MOI (or one of its wholly-owned subsidiaries) providing authorisation, by way of a general approval, to acquire the Company's own securities, upon such terms and conditions and in such amounts as the Directors may from time to time decide, subject to the Listings Requirements of the JSE Limited ("the JSE"), be extended, subject to the following:

- This general authority be valid until the Company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this resolution (whichever period is shorter);
- the repurchase being effected through the order book operated by the JSE trading system, without any prior understanding or arrangement between the company and the counterparty;
- repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the transaction was effected;
- an announcement being published as soon as the Company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) in aggregate of the initial number of ordinary shares repurchased thereafter, containing full details of such repurchases;
- the number of shares which may be acquired pursuant to this authority in any one financial year may not in the aggregate exceed 20% (twenty percent) of the Company's issued share capital as at the date of passing of this special resolution or 10% of the Company's issued share capital in the case of an acquisition of shares in the Company by a subsidiary of the Company;
- the Company's Designated Adviser confirming the adequacy of the Company's working capital for purposes of undertaking the repurchase of ordinary shares in writing to the JSE prior to the Company entering the market to proceed with the repurchase;
- the Company and/or its subsidiaries not repurchasing securities during a prohibited period as defined in the JSE Listings Requirements, unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed in an announcement published on SENS prior to the commencement of the prohibited period;
- at any point in time the Company only appointing one agent to effect any repurchases on its behalf;and
- the Board of Directors passing a resolution that they authorised the repurchase and that the Company passed the solvency and liquidity test set out in section 4 of the Companies Act of 2008 and that since the test was done there have been no material changes to the financial position of the Group.
- The Directors, having considered the effects of the maximum repurchase permitted, are of the opinion that for a period of 12 (twelve) months after the date of the notice of the AGM and at the actual date of the repurchase;
- The Company and the Group will be able, in the ordinary course of business, to pay its debts;
- The working capital of the Company and the Group will be adequate for ordinary business purposes;
- The assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the Company and the Group; and
- The Company's and the Group's ordinary share capital and reserves will be adequate for ordinary business purposes."

SPECIAL RESOLUTION 2:
NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THEIR SERVICES AS DIRECTORS

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

"RESOLVED, as a special resolution:

- that the Company be and is hereby authorised to pay remuneration to its Directors for their services as Non-Executive Directors, as contemplated in section 66(8) and 66(9) of the Companies Act of 2008 for the period 1 March 2013 to 28 February 2014; and
- that the remuneration structure and amounts as set out below, be and is hereby approved until such time as rescinded or amended by shareholders by way of a special resolution:

Type of fee (per month)	Existing fee in R 2012	Proposed fee in R 2013
Board		
Chairman	20 000	20 000
Board member	10 000	10 000
Audit Committee		
Chairman	15 000	15 000

A general hourly consultation fee ranging between R700 and R2,000 for any ad-hoc services rendered to the Company, which fall outside the above-mentioned fees, would be paid to the Directors for such services rendered in their capacities as Directors or expert consultants."

SPECIAL RESOLUTION 3:
FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED COMPANIES

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

"RESOLVED, by way of a special resolution, that the Directors of the Company be and are hereby authorised as required in terms of sections 44 and/or 45(2) of the Companies Act of 2008 and the Company's MOI to provide financial assistance to all related and inter-related companies within the Wearne group of companies, at such times and on such terms and conditions as the Directors in their sole discretion deem fit and subject to all relevant statutory and regulatory requirements being met, such authority to remain in place until rescinded by way of special resolution passed at a duly constituted AGM of the Company."

ORDINARY RESOLUTION 7:
SIGNING AUTHORITY

To authorise any one director or the secretary of the Company to do all such things and sign all such documents as are deemed necessary to implement the resolutions set out in the notice convening the AGM at which this ordinary resolution will be considered and approved at such meeting.

ADDITIONAL INFORMATION

The following additional information, some of which may appear elsewhere in the annual report, is provided in terms of the JSE Listings Requirements for purposes of the general authority to repurchase the Company's shares set out in special resolution number 1 above:

- Directors and management – page 23;
- Major shareholders – page 98;
- Directors' interests in ordinary shares – page 47;
- Share capital of the Company – page 79;
- Material change – there were no material changes in the Annual Financial Report; and
- Responsibility statement – page 42.

LITIGATION STATEMENT

The Directors in office whose names appear on page 23 of the annual report, are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have had, in the recent past, being at least the previous 12 (twelve) months from the date of this annual report, a material effect on the Group's financial position.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors in office, whose names appear on page 23 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that, to the best of their knowledge and belief, there are no acts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the JSE Listings Requirements.

MATERIAL CHANGES

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the Company's financial year end and the date of signature of the annual report.

DIRECTORS' INTENTION REGARDING THE GENERAL AUTHORITY TO REPURCHASE THE COMPANY'S SHARES

The Directors have no specific intention, at present, for the Company to repurchase any of its shares but consider that such a general authority should be put in place should an opportunity present itself to do so during the year which is in the best interests of the Company and its shareholders.

ELECTRONIC PARTICIPATION

Should any shareholder of the Company wish to participate in the AGM by way of electronic participation, that shareholder shall be obliged to make application in writing (including details as to how the shareholder or its representative can be contacted) to so participate, to the transfer secretaries at the applicable address set out below at least 5 (five) business days prior to the AGM. Shareholders who wish to participate in the meeting by dialling in must note that they will not be able to vote electronically. Should such shareholders wish to have their votes counted at the meeting, they are welcome to cast their votes via representation at the meeting either by proxy or by letter of representation, as provided for in this notice of AGM. The costs of accessing any means of electronic participation provided by the Company will be borne by the shareholder so accessing the electronic participation. The Company cannot be held liable for any loss, damage, penalty or claim arising in any way from the use of the telecommunication facility whether or not as a result of any act or omission on the part of the Company or anyone else.

RECORD DATES, PROXIES AND VOTING

In terms of section 59(1)(a) and (b) of the Act, the Board of the Company has set the record date for the purpose of determining which shareholders are entitled to:

- receive notice of the AGM (being the date on which a shareholder must be registered in the Company's securities register in order to receive notice of the AGM) as Friday, 30 August 2013;and
- participate in and vote and the AGM (being the date on which a shareholder must be registered in the Company's securities register in order to participate in and vote at the AGM) as Friday, 27 September 2013.

The last day to trade in order to participate and vote at the AGM is Friday, 20 September 2013.

Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own-name" registration, and who are entitled to attend, participate in and vote at the AGM, are entitled to appoint a proxy to attend, speak and vote in their stead. A proxy need not be a shareholder and shall be entitled to vote on a show of hands or poll. It is requested that proxy forms be forwarded so as to reach the transfer secretaries, Computershare Investor Services Proprietary Limited (70 Marshall Street, Corner Sauer Street, Johannesburg; P O Box 61051, Marshalltown, 2107), by no later than 48 (forty eight) hours before the commencement of the AGM. If shareholders who have not dematerialised their shares or who have dematerialised their shares with "own-name" registration, and who are entitled to attend, participate in and vote at the AGM do not deliver proxy forms to the transfer secretaries by the relevant time, such shareholders will nevertheless be entitled to lodge the form of proxy in respect of the AGM immediately prior to the AGM, in accordance with the instructions therein, with the Chair of the AGM.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own-name" registration, should contact their CSDP or broker in the manner and within the time stipulated in the agreement entered into between them and their CSDP or broker:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the AGM, to obtain the necessary letter of representation to do so.

On a show of hands, every shareholder present in person or represented by proxy and entitled to vote shall have only one vote irrespective of the number of shares such shareholder holders. On a poll, every shareholder present in person or represented by proxy and entitled to vote, shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such shareholder bears to the aggregate amount of the nominal value of all shares issued by the Company.

Shareholders and proxies of shareholders are advised that they will be required to present reasonably satisfactory identification in order to attend or participate in the AGM as required in terms of section 63(1) of the Act. Forms of identification that will be accepted include original and valid identity documents, drivers' licences and passports.

VOTING

For the purpose of resolutions proposed in terms of the JSE Listings Requirements wherein any votes are to be excluded from that resolution, any proxy given by a holder of securities to the holder of such an excluded vote shall be excluded from voting for the purposes of that resolution.

By order of the Board

Elize Greeff
For: iThemba Governance and Statutory Solutions Proprietary Limited
Company Secretary
Cresta
26 August 2013

AGM EXPLANATORY NOTES

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

At the AGM, the Directors must present the annual financial statements for the year ended 28 February 2013 to shareholders together with the reports of the Directors, the Audit Committee and the auditors. These are contained within the annual report.

ORDINARY RESOLUTIONS 1.1 TO 1.2 – ROTATION OF DIRECTORS

In accordance with the Company's MOI, one third of the Directors is required to retire at each AGM and may offer themselves for re-election. In addition, any person appointed to the Board of Directors following the previous AGM is similarly required to retire and is eligible for re-election at the next AGM.

The following Directors are eligible for re-election:

- Mr MC Khwinana
- Mr GM Salanje

Brief biographical details of each of the above Directors and the remaining members of the Board are contained on page 21 of the annual report of which this notice forms part.

ORDINARY RESOLUTION 2.1 TO 2.3 – APPOINTMENT OF AUDIT COMMITTEE

In terms of section 94(2) of the Act, a public Company must at each AGM elect an Audit Committee comprising at least three members who are Directors and who meet the criteria of section 94(4) of the Act. Regulation 42 specifies that one third of the members of the Audit Committee must have appropriate academic qualifications or experience in the areas as listed in the regulation.

The Board of Directors of the Company is satisfied that the proposed members of the Audit Committee meet all relevant requirements.

ORDINARY RESOLUTION 3 – RE-APPOINTMENT OF AUDITORS

Grant Thornton, and the individually registered auditor, Mr MZ Sadek, have indicated there willingness to continue in office and ordinary resolution 3 proposes the re-appointment of that firm as the Company's auditors with effect from 1 March 2013. Section 90(3) of the Act requires the designated auditor to meet the criteria as set out in section 90(2) of the Act.

The Board of Directors of the Company is satisfied that both Grant Thornton and the designated auditor meet the relevant requirements.

ORDINARY RESOLUTION 4 AND 5 – PLACEMENT AND ISSUE OF SHARES FOR CASH

In terms of the Act, Directors are authorised to allot and issue the unissued shares of the Company, unless otherwise provided in the Company's MOI or in instances as listed in section 41 of the Act. The JSE requires that the MOI should provide that shareholders in a general meeting may authorise the Directors to issue unissued securities and/or grant options to subscribe for unissued securities as the Directors in their discretion think fit, provided that such transaction(s) has/have been approved by the JSE and are subject to the JSE Listings Requirements. Directors confirm that there is no specific intention to issue any shares, other than as part of and in terms of the rules of the Company's share incentive scheme, as at the date of this notice. For this reason, the maximum number of unissued shares that may be issued by the Directors in terms of this authority is limited to 10% of the number of issued shares as at 28 February 2013.

Also, in terms of the JSE Listings requirements, the authority to issue shares for cash as set out in ordinary resolution 5 requires the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the AGM for ordinary resolution number 5 to become effective.

ORDINARY RESOLUTION 6 – REMUNERATION PHILOSOPHY

The King report on Corporate Governance for South Africa, 2009 recommends that the remuneration philosophy of the Company be submitted to shareholders for consideration and for an advisory, non-binding vote to provide shareholders with an opportunity to indicate should they not be in support of the material provisions of the remuneration philosophy and policy of the Company.

SPECIAL RESOLUTION 1 – GENERAL AUTHORITY TO REPURCHASE SHARES

Section 48 of the Act authorises the Board of Directors of a Company to approve the acquisition of its own shares subject to the provisions of section 48 and section 46 having been met. The JSE Listings Requirements require the shareholders of the Company to approve the authority to repurchase shares and the approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the AGM for special resolution number 1 to become effective.

SPECIAL RESOLUTION 2 – NON-EXECUTIVE DIRECTORS' REMUNERATION

In terms of section 66(8) and section 66(9) of the Act, companies may pay remuneration to Directors for their services as Directors unless otherwise provided by the MOI and on approval of shareholders by way of a special resolution. Executive Directors are not specifically remunerated for their services as Directors but as employees of the Company and as such, the resolution as included in the notice requests approval of the remuneration paid to Non-Executive Directors for their services as Directors of the Company. Proposed fees for the 2013 financial year have been included in the resolution for approval by shareholders.

SPECIAL RESOLUTION 3 – FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED COMPANIES

Section 45(2) of the Act authorises the Board to provide direct or indirect financial assistance to a related or inter-related Company, subject to subsections (3) and (4) of section 45 of the Act and unless otherwise provided in the Company's MOI. In terms of section 45(3) of the Act, a special resolution of shareholders is required in these instances. The main purpose of the special resolution as set out in the notice of the meeting is to approve the granting of inter-company loans, a recognised and well known practice, details of which are also set out in the notes to the annual financial statements.

ORDINARY RESOLUTION 7 – SIGNING AUTHORITY

Authority is required to do all such things and sign all documents and take all such action as necessary to implement the resolutions set out in the notice and approved at the AGM. It is proposed that the Company secretary and/or director be authorised accordingly.

GENERAL

Shareholders and proxies attending the AGM on behalf of shareholders are reminded that section 63(1) of the Act requires that reasonably satisfactory identification be presented in order for such shareholder or proxy to be allowed to attend or participate in the meeting.

CORPORATE DETAILS

REGISTERED OFFICE
WG Wearne Limited
(Registration number 1994/005983/06)

Stonemill Office Park, 3 Kiepersol House, 300 Acacia Road

PO Box 1674, Cresta, 2118

Telephone: (011) 459 4500
Facsimile: (011) 459 5488 email:info@wearne.co.za

TRANSFER SECRETARY
Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)

Ground Floor 5th Floor, 70 Marshall Street, Johannesburg

PO Box 61051, Marshalltown, 2107

Telephone: (011) 370 5000
Facsimile: (011) 688 5210

DESIGNATED ADVISER
Exchange Sponsors

44A Boundary Road, Inanda, 2196, Sandton

P O Box 411216, Craighall, 2024
Tel: (011) 880 2113
Fax: (011) 447 4824

COMMERCIAL BANKERS
Nedbank Limited
(Registration number 1951/000009/06)

Nedbank House, 12 Fredman Drive, Sandown

PO Box 784088, Sandton, 2146

Telephone: (011) 775 2600
Facsimile: (011) 783 4882

AUDITORS
Grant Thornton

42 Wierda Road West, Weirda Valley, 2196
Private Bag X28, Benmore, 2010

Telephone: (011) 322-4500
Facsimile: (011) 322-4545

COMPANY SECRETARY
iThemba Governance and Statutory Solutions Proprietary Limited
(Registration number 2008/008745/07)

Monument Office Park, Suite 5 - 102, 79 Steenbok Avenue, Monument Park

PO Box, 25160, Monument Park, 0105

Telephone: 086 111 10 10
Facsimile: 086 604 13 15

FORM OF PROXY

TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS AND DEMATERIALISED SHAREHOLDERS WITH "OWN NAME" REGISTRATION ONLY

For completion by registered members of Wearne unable to attend the AGM of the Company to be held Wednesday, 18 September 2013 at 10h00, at the Stonemill Office Park, 3 Kiepersol House, 300 Acacia Road, Cresta, Randburg, or at any adjournment thereof.

I/We ______________________________

of ______________________________ (address)

being the holder/s of ______________________________ shares in the Company, do hereby appoint:

1______________________________ or, failing him/her

2______________________________ or, failing him/her

the Chairman of the AGM, as my/our proxy to attend, speak and, on a poll, vote on my/our behalf at the above mentioned AGM of members or at any adjournment thereof, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

	For	Against	Abstain
1. Ordinary Resolution 1: To re-elect the Directors required to retire in terms of the MOI			
1.1 Mr MC Khwinana			
1.2 Mr GM Salanje			
Ordinary Resolution 2: To elect the members of the Audit Committee			
2.1 Mr GM Salanje			
2.2 Mr MC Khwinana			
2.3 Mr WP van der Merwe			
2. Ordinary Resolution 3: To re-appoint auditors			
3. Ordinary Resolution 4: To authorise Directors to allot and issue unissued ordinary shares			
4. Ordinary Resolution 5: To authorise Directors to allot and issue ordinary shares for cash			
5. Ordinary Resolution 6: To approve remuneration philosophy by way of a non-binding, advisory vote			
6. Special Resolution 1: To authorise Directors to repurchase Company shares			
7. Special Resolution 2: To approve Directors' remuneration			
8. Special Resolution 3: To approve financial assistance to related and inter-related companies			
9. Ordinary Resolution 7: To provide signing authority			

A proxy need not be a shareholder.

A shareholder who has dematerialised his/her shares, other than a shareholder which has dematerialised his/her shares with "own name" registration, should contact his/her CSDP or broker in the manner and time stipulated in his/her agreement with the CSDP or broker, in order to furnish his/her CSDP or broker with his/her voting instructions or to obtain the necessary letter of authority to attend the AGM, in the event that he/she wishes to attend the AGM.

On show of hands, every shareholder present in person or represented by proxy and entitled to vote shall have only one vote irrespective of the number of shares such shareholder holds. On a poll, every shareholder present in person or represented by proxy and entitled to vote, shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such shareholder bears to the aggregate amount of the nominal value of all shares issued by the Company.

A proxy may not delegate his/her authority to act on his/her behalf to another person. (See note 11).

This proxy form will lapse and cease to be of force and effect immediately after the AGM of the Company and any adjournment(s) thereof, unless it is revoked earlier (as to which see notes 15 and 16).

Signed at ____________________ this day of ______________________________ 2013

Signature ______________________________

Assisted by me, where applicable (name and signature) ______________________________

Please indicate with an "X" in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy may vote or abstain as he/she sees fit.

NOTES TO PROXY FORM

Summary of holders' rights in respect of proxy appointments as set out in sections 56 and 58 of the Act and notes to the form of proxy:

1. Each person entitled to exercise any voting rights at the AGM may appoint a proxy or proxies to attend, speak, vote or abstain from voting in place of that holder.
2. A proxy need not be a shareholder.
3. A proxy appointment must be in writing, dated and signed by the person appointing a proxy.
4. A proxy may not delegate his/her authority to act on his/her behalf to another person.
5. This proxy from will lapse and cease to be of force and effect immediately after the AGM of the Company and any adjournment(s) thereof, unless it is revoked earlier.
6. A shareholder who has dematerialised his/her shares, other than a shareholder which has dematerialised his/her shares with "own name" registration, should contact his/her CSDP or broker in the manner and time stipulated in his/her agreement with the CSDP or broker, in order to furnish his/her CSDP or broker with his/her voting instructions or to obtain the necessary letter of authority to attend the AGM, in the event that he/she wishes to attend the AGM.
7. On a show of hands, every shareholder present in person or represented by proxy and entitled to vote shall have only one vote irrespective of the number of shares such shareholder holds. On a poll, every shareholder present in person or represented by proxy and entitled to vote, shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such shareholder bears to the aggregate amount of the nominal value of all shares issued by the Company.
8. Section 56 grants voting rights to holders of beneficial interests in certain circumstances, namely if the beneficial interest includes the right to vote on the matter, and the person's name is on the Company's register of disclosures as the holder of a beneficial interest. A person who has a beneficial interest in any securities that are entitled to be voted on by him/her, may demand a proxy appointment from the registered holder of those securities, to the extent of that person's beneficial interest, by delivering such a demand to the registered holder, in writing, or as required by the applicable requirements of a central securities depository.
9. Forms of proxy must be delivered to the Company before a proxy may exercise any voting rights at the AGM either by returning them to Computershare Investor Services (Pty) Limited at the following address Ground Floor, 70 Marshall Street, Johannesburg, to be received on or before 09h00 on Friday, 13 September 2013 by presenting it to a representative of Computershare Investor Services (Pty) Limited at the premises of the Company, immediately before the commencement of the AGM. Forms can be posted or hand delivered.
10. A person entitled to vote may insert the name of a proxy or the name of an alternative proxy of the holder's choice in the space provided, with or without deleting the Chair of the AGM. Any such deletion must be initialled. The person whose name stands first on the form of proxy and who is present at the AGM shall be entitled to act as proxy to the exclusion of the person whose name follows as an alternative. In the event that no names are indicated, the proxy shall be exercised by the Chair of the AGM.
11. An "X" in the appropriate box indicates that all your voting rights are exercisable by that holder. If no instructions are provided in the form of proxy, in accordance with the above, then the proxy shall be entitled to vote or abstain from voting at the AGM, as the proxy deems fit in respect of all your voting rights exercisable thereat, but if the proxy is the Chair, failure to provide instructions to the proxy in accordance with the above will be deemed to authorise the proxy to vote only in favour of the resolution.
12. You or your proxy are not obliged to exercise all your voting rights exercisable, but the total of the voting rights cast may not exceed the total of the voting rights exercisable by you.
13. Your authorisation to the proxy, including the Chairman of the AGM, to vote on your behalf, shall be deemed to include the authority to vote on procedural matters at the AGM.
14. The completion and lodging of this form of proxy will not preclude you from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, in which case the appointment of any proxy will be suspended to the extent that you choose to act in person in the exercise of your voting rights at the AGM.
15. Documentary evidence establishing the authority of a person attending the AGM on your behalf in a representative capacity or signing this form of proxy in a representative capacity must be attached to this form.
16. The Company will accept an original and valid identity document, driver's license or passport as satisfactory identification.
17. Any insertions, deletions or alteration to this form must be initialled by the signatory(ies).
18. The appointment of a proxy is revocable unless you expressly state otherwise in the form of proxy.
19. You may revoke the proxy appointment by: (i) cancelling it in writing, or making a later, inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to the Company at its premises or at Ground Floor, 70 Marshall Street, Johannesburg for the attention of Computershare Investor Services (Pty) Limited, to be received before the replacement proxy exercises any of your rights at the AGM.
20. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on your behalf at the later of (i) the date stated in the revocation instrument, if any; or (ii) the date on which the revocation instrument is delivered as required in note 19 above.
21. If this form of proxy has been delivered to the Company in accordance with note 9 then, as long as that appointment remains in effect, any notice that is required by the Act or the Company's MOI to be delivered by the Company to the holder of the voting rights must be delivered by the Company to:
    a. the holder; or
    b. the proxy, if the holder has:
        i. directed the Company to do so, in writing; and
        ii. has paid any reasonable fee charged by the Company for doing so.
22. In terms of section 56 of the Act, the registered holder of any shares in which any person has a beneficial interest, must deliver to each such person a notice of any meeting of the Company at which those shares may be voted on, within two business days after receiving such a notice from the Company.